

CITY OF DUBUQUE, IOWA

**Comprehensive Annual
Financial Report**

**For the fiscal year ended
June 30, 1999**

**Prepared by:
Department of Finance**

INTRODUCTORY SECTION

CITY OF DUBUQUE, IOWA

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

November 30, 1999

TO THE CITIZENS OF DUBUQUE, IOWA:

The comprehensive annual financial report of the City of Dubuque, Iowa, for the fiscal year ended June 30, 1999, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with this governing body. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of this municipality. All disclosures necessary to enable the reader to gain an understanding of the government's financial activities have been included.

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

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

This report includes all funds and account groups of the City of Dubuque, as well as its component unit. Component units are legally separate entities for which the City of Dubuque is financially accountable. The City provides a full range of services including police and fire protection; sanitation services; the construction and maintenance of roads, streets, and infrastructure; inspection and licensing functions; maintenance of grounds and buildings; municipal airport; library; recreational activities and cultural events. In addition to general government activities, the municipality owns and operates enterprises for a water system, water pollution control facility, parking facilities, refuse collection, and public transportation. Also, the governing body is financially accountable for the operations of the Dubuque Library Board, Airport Commission, Civic Center Commission, Cable TV Commission, Transit Board, and the

Park and Recreation Commission. These activities are not legally separate entities and, therefore, are included in the reporting entity.

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

ECONOMIC CONDITION AND OUTLOOK

The City of Dubuque is located on the Mississippi River, in northeast Iowa, adjacent to the states of Illinois and Wisconsin. The City was founded by Julien Dubuque in 1785 and is the oldest City in Iowa. The City of Dubuque has a unique combination of the old and new ranging from cable cars, Victorian architecture, and a Civil War shot tower, to an enclosed shopping mall, riverboat casino, and a pari-mutuel dog track with a slot machine casino. Dubuque has a stable and diversified manufacturing base as well as being the major tri-state retail center. Employment growth was strong throughout the year, as Dubuque ended the fiscal year with an unemployment rate of under three-percent. The City of Dubuque currently has a land area of 25 square miles and a population of 56,467. As the largest City in the tri-state area, Dubuque serves as the hub of a trade area with a population estimated at 250,000.

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

The Dubuque area economy has remained strong with unemployment remaining at record low levels. The retail sector has been especially strong with taxable sales increasing by twenty percent for the year. A Dubuque workforce recruitment program called "Come Back to Your Future, Come Home to Dubuque" celebrated its first anniversary with the 80 individuals who returned to Dubuque for new careers. Over 250 employers posted over 1,000 openings on the web-site, which allows online applications. Almost 10,000 resumes have been posted on the site following a national marketing campaign targeting graduates of the four local colleges and area high schools.

The second phase of the Dubuque Technology Park was completed on the south side of the City making 100 acres available for sale by the City for job creation development. Two Dubuque

companies will move into new corporate facilities in the Technology Park by January 2000. CartéGraph Systems, Inc., a leading provider of asset management/GIS software, will move into a new 32,000 square foot facility and will be adding 100 new employees over the next few years. Advanced Data-Comm, Inc., a Dubuque based provider of Tele-services will move into their new 60,000 square foot corporate headquarters and have plans to add 50 new jobs in Dubuque as a result of the expansion. McLeod USA completed construction on a digital telecommunications switching facility in the Technology Center. The McLeod facility has added state of the art telecommunications and data transmission capabilities to Dubuque and the surrounding area. The first phase of Dubuque Industrial Center-West was completed making 170 acres available for medium to heavy industrial uses. This was the first of phase of development of 550 acres of City owned land on the west edge of the community. Dubuque Initiatives began construction on a 40,000 square foot building located on twelve acres of Dubuque Industrial Center-West. The extension of Seippel Road and utilities to Dubuque Industrial Center-West opened up over 1,000 acres for private development and provides utilities for 220 acres owned by the City that is scheduled to be developed for industrial use in 2004.

Eagle Window and Door began construction on a new 400,000 square foot manufacturing facility in the Kerper Boulevard industrial area. This \$17,000,000 project is scheduled for completion in calendar 2000 and will add 165 employees over the next three years. Trilog, Inc., a division of CIGNA broke ground in downtown Dubuque for the construction of a new 115,000 square foot office building. With this expansion, CIGNA will be adding 200 employees over the next two years. SISCO, a Dubuque based third party insurance administrator expanded operations in their downtown Dubuque facility adding 24 employees. SISCO has also purchased two adjacent buildings to accommodate additional employment growth.

Retail expansion included the start of construction on a 70,000 square foot Hy-Vee Supermarket at Asbury Plaza. The Hy-Vee store will be the anchor of a new 500,000 square foot retail development on Dubuque's west side. Wal-Mart completed an 88,000 square foot addition to their Dubuque store adding a full service grocery department. In total, over 450,000 square feet of new commercial or industrial construction was begun during the year.

With the recent economic growth the City has annexed; or is the process of annexing, over 2,000 acres since 1995. In contrast, only 400 acres were annexed in the first half of the decade.

MAJOR INITIATIVES

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

Downtown revitalization continued as a high priority of City Council with programs such as the Downtown Rehabilitation Loan Program and Facade Grant Program providing incentives for property improvement in the downtown area. In the Town Clock Plaza, Eighth Street was opened to traffic through the plaza and numerous street amenities were added. The opening of Eighth Street was the first phase in a multi-million-dollar upgrade to the Town Clock Plaza. As a result

of a downtown traffic circulation study in conjunction with the opening the four-lane limited access U.S. Highway 61 and reconstruction of U.S. Highway 20, several one-way streets were converted to two-way traffic. This conversion greatly improved downtown traffic flow and allowed for the addition of 50 conveniently located metered parking spaces. The City began implementation of major parking expansion to meet the increased parking demand in the downtown area. Included in the expansion are a three-level 240-space expansion of the existing parking ramp at Fifth and Iowa Streets and construction of a new 500 space parking ramp facility at Third and Iowa Streets.

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

The Dubuque Regional Airport completed the grading for the extension and reconstruction of runway 18-36 at a cost of over \$2,000,000. The FAA will provide Ninety percent of the funding for the runway extension. Upon completion, runway 18-36 will become the primary runway and air service will be greatly improved by reducing landing approach angles and weather related flight cancellations. Improved flight service and the strong local economy have helped airport passenger counts grow strongly over the past year, resulting in a twenty-two percent increase in total passengers. The City is now served by three major commuter airlines, Northwest Airlink, American Eagle, and United Express.

Implementation of the City Council's Neighborhood Reinvestment Strategy provided many quality of life improvements for City residents. The Community Oriented Policing Program expanded to include other City Departments in landlord/tenant training and building code enforcement. The Housing Department continued housing rehabilitation efforts including various home ownership initiatives. Since 1995 the Housing Department has assisted 85 families in purchasing their first home. Housing rehabilitation assistance included nearly \$270,000 in grants to remove lead paint hazards in single and multi-family housing units. Neighborhood park development included completion of Pinard Park which replaced an auto repair facility with a landscaped play area and access to the Heritage Trail. Rocco Buda Park was completed; this park for young children replaced a dilapidated house and provides recreation opportunities in a downtown housing area. New play units were installed in several other neighborhood parks during the year. Seven million dollars is being invested in the park system over the next several years.

The City's ambitious riverfront development moved forward as planned during the year. The *America's River* project is a public/private partnership between the City of Dubuque, the Dubuque County Historical Society, and the Dubuque Area Chamber of Commerce to carry out a comprehensive \$27 million riverfront development along the Fourth Street Peninsula. This area already includes historic sites such as a Civil War Shot Tower, the *William M. Black* steamboat, Mississippi River Museum, Dubuque Star Brewery, and the Ice Harbor. Progress on riverfront development during the year included the following:

- **Mississippi River Discovery Center**
Nearly eighty percent of funding has been raised for a multi-building 70,000 square foot interactive, interpretive museum with aquariums, wetland, living history exhibits, historic steamboat and more. Ground breaking for this project is expected in 2000.
- **Heritage Trail Riverfront System**
Two and one-half miles of a seven and one-half mile extension of the Heritage Trail from the north end of Dubuque through downtown to the Ice Harbor were completed, connecting the North-end Neighborhood and the Heron Pond wetlands. When completed, the 18-mile bike/hike trail system, with links to riverfront parks and attractions, will create a major recreational facility.
- **River's Edge Plaza**
Ground was broken and construction was begun on a 5,000 square foot plaza around the floodwall gate to the historic Ice Harbor.

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

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

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

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

- **Riverfront Development** - The City has partnered with several other agencies to enhance one of Dubuque's greatest treasures, the Mississippi riverfront area. A comprehensive plan for riverfront improvements has been developed and \$7.2 million has been budgeted over the next five years for riverfront improvement. Plans are being made for construction of a riverfront hotel in the Ice Harbor area.
- **Industrial Park Development** – The City has acquired over 900 acres of industrial land and has completed the first phase of construction for two industrial parks. City staff is now working to attract new businesses and meet the expansion needs of current businesses.
- **Neighborhood Reinvestment** – The highly successful Community Oriented Policing and Uptown Recreation programs will continue. Work will continue on neighborhood empowerment programs including property management and tenant training. The City Street and Housing programs are also being expanded to effect quality of life improvements at the neighborhood level.
- **Downtown Redevelopment** – Dubuque's downtown, situated between the Mississippi River and tall tree-lined bluffs, is the home to many unique and historic buildings as well as being the center of commerce and tourism. Several initiatives with other public and private organizations have been planned for the downtown areas including the Cable Car Square shopping district, Town Clock Plaza commercial and retail district, Upper Main and Lower Main districts, and the Ice Harbor area.
- **Transportation Improvements** – The City will maintain its aggressive program to improve local streets. Plans are in place to reconstruct or overlay sixty miles of streets over the next five years. From a more regional perspective, construction is scheduled to begin on the Northwest Arterial extensions in 2001 and corridor studies will be done for the Southwest Arterial and the Julien Dubuque Bridge four-lane replacement. Plans are also in place to expend U.S. Highway 151 providing Dubuque with a four-lane link to Madison, Wisconsin and Cedar Rapids, Iowa.

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

FINANCIAL INFORMATION

City management is responsible for establishing and maintaining internal control to ensure that the assets of the government are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of

reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Single Audit. As a recipient of federal and state financial assistance, the City of Dubuque's government is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws, regulations, contracts, and grants related to those programs. These internal controls are subject to periodic evaluation by management and the internal audit staff. As a part of the government's single audit, described earlier, tests are made to determine the adequacy of internal control including that portion related to federal programs, as well as to determine that the government has complied with applicable laws, regulations, contracts, and grants. The results of the government's single audit for the fiscal year ended June 30, 1998, provided no instances of material weaknesses in internal control over compliance or significant violations of applicable laws, regulations, contracts and grants.

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

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

General Government Functions. The following schedule presents a summary of general fund, special revenue fund and debt service fund revenues for the fiscal year ended June 30, 1999, and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenues	Amount (000's)	Percent of Total	(Decrease) from 1998 (000's)	Percent of Increase (Decrease)
Taxes	\$ 25,629	52.69%	\$ 781	3.14%
Special assessments	778	1.60%	(13)	(1.64%)
Licenses and permits	580	1.19%	73	14.40%
Intergovernmental	10,375	21.33%	74	0.72%
Charges for services	7,843	16.13%	737	10.37%
Fines and forfeits	337	0.69%	(34)	(9.16%)
Miscellaneous	1,147	2.36%	319	38.53%
Interest	1,948	4.01%	(41)	(2.06%)
Total Revenues	\$ 48,637	100.00%	\$ 1,896	4.06%

The increase in licenses and permits is due to increases in license fees.

The increase in charges for services was due to rate increases and weather related improvements in summer recreation fees.

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

The tax rate of \$5.56188 established for general fund operations (excluding fringe benefits) is within the tax rate limit of \$8.10 per \$1,000 of taxable valuation allowed by the Code of Iowa. The \$.32972 decrease from FY 1998 is primarily a result of growth in taxable valuations of 6.7%.

The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 1999, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount (000's)	Percent of Total	Increase (Decrease) from 1998 (000's)	Percent of Increase (Decrease)
Current:				
Policy & Administration	\$ 3,981	9.52%	\$ (405)	(9.23%)
Community Protection	13,343	31.92%	516	4.02%
Home & Community Environ.	15,136	36.21%	4,150	37.78%
Human Development	6,599	15.78%	399	6.44%
Debt Service:				
Principal	2,235	5.35%	(90)	(3.87%)
Interest and fiscal charges	512	1.22%	(61)	(10.65%)
Capital outlay	-	-	-	
Total Expenditures	\$ 41,806	100.00%	\$ 4,509	12.09%

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

The increase in Home and Community Environment program expenditures was due to expenditures related to development of industrial land.

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

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

The five-percent method employed by the City of Dubuque required a reserve amount of approximately \$1,835,000 as of June 30, 1999, and this amount was available. The Dubuque City Council has set a budget guideline of maintaining a general fund balance at ten percent of the budget provision. The Council budget guideline requires a reserve amount of approximately \$3,670,000, and this amount was available.

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

Debt Administration. At June 30, 1999, the City of Dubuque had a number of debt issues outstanding. These issues included \$7,190,000 of general obligation bonds, \$2,255,500 of tax increment financing debt, and \$2,210,000 of revenue bonds. The government has maintained its Aa rating from Moody's Investors Service on general obligation bond issues. Under current state statutes, the government's general obligation bonded debt issues are subject to a legal limitation based on 5 percent of total actual value of real property. As of June 30, 1999, the government's net general obligation bonded debt of \$7,190,000 was well below the legal limit of \$99,373,000, and debt per capita equaled \$127.42.

Cash Management. Cash temporarily idle during the year was invested in demand deposits, certificates of deposit, repurchase agreements, U.S. Treasury securities, federal agency obligations, and authorized mutual funds. The City recorded investment earnings of \$3,102,186 for the year.

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

Risk Management. The City of Dubuque is a member of a statewide risk pool for local governments, the Iowa Communities Assurance Pool. The coverage for general and auto liability, as well as public official and police professional liability are acquired through this agency. Worker's compensation coverage up to \$400,000 for each accident is provided through self-insurance. The accumulated reserve provision for such claims equaled \$866,998 as of June 30, 1999. The City has also established self-insurance plans for medical, dental, prescription drug, and short-term disability. The accumulated reserve provision for such claims equaled \$1,106,461 as of June 30, 1999. All self-insured health plans are certified as actuarially sound and certificates of compliance have been filed with the State of Iowa.

Year 2000 Preparation. The possible problems arising due to errors in electronic processing of date information has been well publicized. The City of Dubuque has addressed problems related to year 2000 date processing by forming an organization-wide task force to identify and resolve potential problems. The task force is reviewing computer programs which involve date processing; control systems and equipment with embedded microchips which may involve date processing; and the readiness of external service providers to continue to support the uninterrupted essential operations of the City of Dubuque. Systems evaluated include water and wastewater systems, communication systems, airport, traffic control, various medical equipment, elevators and security systems as well as financial and administrative information processing. Financial and administrative information processing systems were upgraded in 1995 and minor upgrades have been completed to make these systems year 2000 compliant. The overall impact to the City's budget for remediation of year 2000 problems has not been material.

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

OTHER INFORMATION

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

Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Dubuque, Iowa, for its comprehensive annual financial report for the fiscal year ended June 30, 1998. This was the ninth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement program

requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

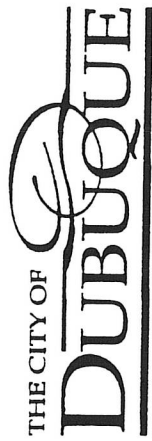
Sincerely,

A handwritten signature in black ink, appearing to read "Michael C. Van Milligen". The signature is fluid and cursive, with a long horizontal stroke at the end.

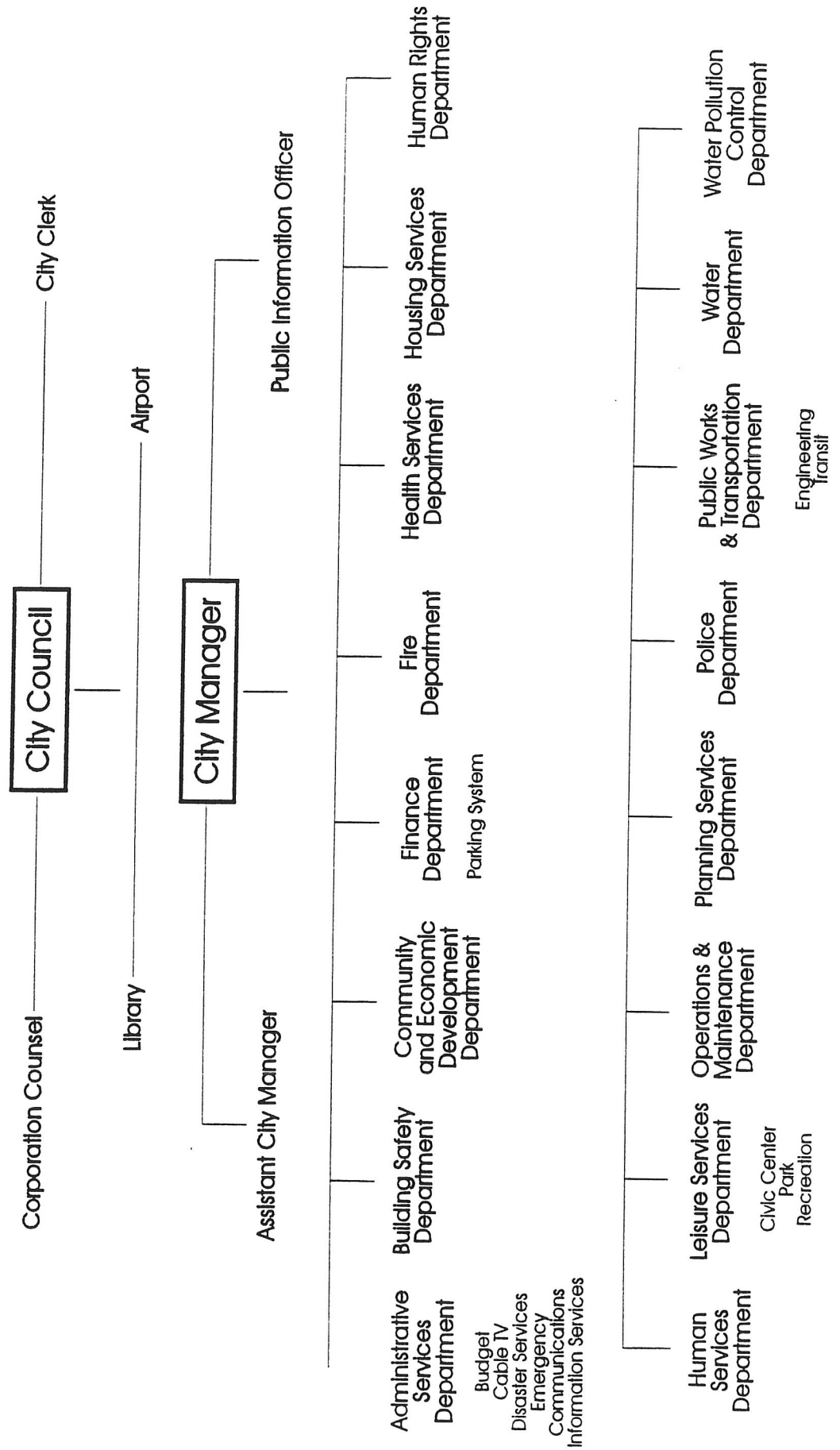
Michael C. Van Milligen
City Manager

A handwritten signature in black ink, appearing to read "Duane R. Pitcher". The signature is cursive and somewhat compact.

Duane R. Pitcher, CPA
Finance Director



ORGANIZATIONAL CHART



CITY OF DUBUQUE, IOWA

OFFICIALS

JUNE 30, 1999

CITY COUNCIL

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

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

COUNCIL APPOINTED OFFICIALS

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

CITY MANAGER
CORPORATION COUNSEL
CITY SOLICITOR
ASSISTANT CITY ATTORNEY
CITY CLERK

DEPARTMENT MANAGERS

JAMES D. BURKE

LAURA B. CARSTENS
MARY ROSE CORRIGAN
KELLY LARSON
BOB GREEN
DAVID W. HARRIS, JR.
PAUL HORSFALL

PAULINE J. JOYCE
MICHAEL A. KOCH
JOHN J. MAUSS
DANIEL E. BROWN
RANDALL K. PECK
DUANE PITCHER
RICHARD RUSSELL
GIL D. SPENCE
THOMAS MORAN
DONALD J. VOGT

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

FINANCIAL SECTION

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Dubuque,
Iowa

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1998

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Cary Brubaker
President
Jeffrey L. Esser
Executive Director



Consultants • Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying general purpose financial statements of the City of Dubuque, Iowa, as of and for the year ended June 30, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the management of the City of Dubuque, Iowa. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Dubuque, Iowa, as of June 30, 1999, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with generally accepted accounting principles.

The year 2000 required supplementary information is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it. In addition, we do not provide assurance that the City of Dubuque is or will become year 2000 compliant, that the City's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the City of Dubuque does business are or will become year 2000 compliant.

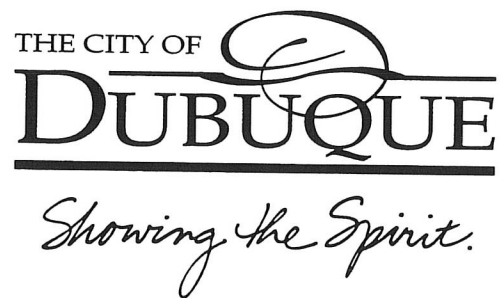
In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 1999, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

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

Erin Bauley LLP

Dubuque, Iowa
November 30, 1999

**GENERAL PURPOSE
FINANCIAL STATEMENTS**



CITY OF DUBUQUE, IOWA
COMBINED BALANCE SHEET – ALL FUND TYPES, ACCOUNT GROUPS,
AND DISCRETELY PRESENTED COMPONENT UNIT
JUNE 30, 1999

	Governmental Fund Types				Proprietary
	General	Special Revenue	Debt Service	Capital Projects	Enterprise
ASSETS AND OTHER DEBITS					
ASSETS					
Cash and pooled cash investments	\$ 12,536,427	\$ 6,150,634	\$ 435,542	\$ 10,616,111	\$ 9,097,716
Cash and pooled cash investments - nonexpendable trust	-	-	-	-	-
Insurance deposit	-	-	-	-	-
Receivables					
Taxes	97,920	12,497	14,099	-	4,717
Accounts	637,363	-	-	-	1,343,608
Special assessments	-	612,826	-	-	-
Accrued interest	108,366	94,353	4,912	26,603	35,976
Notes - current	-	952,976	-	-	-
Notes - long-term	-	11,849,225	-	-	-
Intergovernmental	665,452	461,551	-	523,875	506,614
Due from other funds	186,958	-	-	-	-
Due from primary government	-	-	-	-	-
Inventory	-	-	-	-	230,229
Prepaid items	-	-	-	-	5,037
Advances to other funds	1,997,581	-	-	-	-
Advances to primary government	-	-	-	-	-
Restricted assets					
Cash and pooled cash investments	-	-	-	-	552,246
Land	-	-	-	-	1,151,521
Buildings and improvements	-	-	-	-	41,728,096
Improvements other than buildings	-	-	-	-	18,367,957
Machinery and equipment	-	-	-	-	30,507,917
Construction in progress	-	-	-	-	12,695,253
Accumulated depreciation	-	-	-	-	(47,764,602)
OTHER DEBITS					
Amount available in debt service funds	-	-	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-	-	-
 Total Assets and Other Debits	 <u>\$ 16,230,067</u>	 <u>\$ 20,134,062</u>	 <u>\$ 454,553</u>	 <u>\$ 11,166,589</u>	 <u>\$ 68,462,285</u>

See notes to financial statements.

EXHIBIT 1

Fund Types	Fiduciary Fund Type	Account Groups		Totals Primary Government (Memorandum Only)	Component Unit Dubuque Metropolitan Area Solid Waste Agency	Totals Reporting Entity (Memorandum Only)
		General Fixed Assets	General Long-Term Debt			
Internal Service	Trust and Agency					
\$ 2,562,671	\$ 571,865	\$ -	\$ -	\$ 41,970,966	\$ 5,531,110	\$ 47,502,076
-	219,495	-	-	219,495	-	219,495
1,000	-	-	-	1,000	-	1,000
-	-	-	-	129,233	-	129,233
-	11,228	-	-	1,992,199	153,519	2,145,718
-	-	-	-	612,826	-	612,826
11,320	276	-	-	281,806	12,445	294,251
-	-	-	-	952,976	-	952,976
-	-	-	-	11,849,225	-	11,849,225
-	-	-	-	2,157,492	-	2,157,492
-	-	-	-	186,958	-	186,958
-	-	-	-	-	48,094	48,094
21,161	-	-	-	251,390	-	251,390
-	-	-	-	5,037	-	5,037
-	-	-	-	1,997,581	-	1,997,581
-	-	-	-	-	561,250	561,250
-	36,194	-	-	588,440	1,824,715	2,413,155
-	-	12,774,060	-	13,925,581	552,528	14,478,109
-	-	38,744,768	-	80,472,864	3,961,365	84,434,229
-	-	4,157,406	-	22,525,363	-	22,525,363
149,771	-	15,528,069	-	46,185,757	1,420,597	47,606,354
-	-	20,004,287	-	32,699,540	-	32,699,540
(113,083)	-	-	-	(47,877,685)	(3,334,410)	(51,212,095)
-	-	-	452,790	452,790	-	452,790
-	-	-	9,855,986	9,855,986	-	9,855,986
<u>\$ 2,632,840</u>	<u>\$ 839,058</u>	<u>\$ 91,208,590</u>	<u>\$ 10,308,776</u>	<u>\$ 221,436,820</u>	<u>\$ 10,731,213</u>	<u>\$ 232,168,033</u>

(continued)

CITY OF DUBUQUE, IOWA
COMBINED BALANCE SHEET – ALL FUND TYPES, ACCOUNT GROUPS,
AND DISCRETELY PRESENTED COMPONENT UNIT
JUNE 30, 1999

	Governmental Fund Types				Proprietary
	General	Special Revenue	Debt Service	Capital Projects	Enterprise
LIABILITIES, EQUITY, AND OTHER CREDITS					
LIABILITIES					
Accounts payable	\$ 231,313	\$ 268,643	\$ -	\$ 530,491	\$ 193,079
Accrued payroll	724,858	39,914	-	-	144,604
General obligation bonds payable - current	-	-	-	-	190,000
Revenue bonds payable - current	-	-	-	-	155,000
Accrued compensated absences	315,689	14,507	-	-	278,044
Due to employees	-	-	-	-	-
Intergovernmental payable	-	257,004	-	-	-
Due to other funds	-	62,841	-	-	-
Due to component unit	-	-	-	-	48,094
Payable from restricted assets					
Accrued interest payable	-	-	-	-	16,366
Advances from other funds	-	-	-	-	1,997,581
Advances from component unit	-	-	-	-	561,250
Notes payable	-	-	-	-	-
General obligation bonds payable	-	-	-	-	850,000
Revenue bonds payable	-	-	-	-	2,025,667
Landfill closure and postclosure care	-	-	-	-	-
Tax-increment financing bonds payable	-	-	-	-	-
Deferred revenue	12,243	439,624	1,763	-	-
Total Liabilities	1,284,103	1,082,533	1,763	530,491	6,459,685
EQUITY AND OTHER CREDITS					
Contributed capital	-	-	-	-	35,038,369
Investment in general fixed assets	-	-	-	-	-
Retained earnings					
Reserved by State statute	-	-	-	-	-
Reserved by bond ordinance	-	-	-	-	552,246
Reserved for minority interests	-	-	-	-	-
Unreserved	-	-	-	-	26,411,985
Fund balances					
Reserved for long-term notes receivable	-	11,849,225	-	-	-
Reserved for encumbrances	981,887	318,612	-	1,615,371	-
Reserved for dog track	-	-	-	623,944	-
Reserved by franchise agreement	-	-	-	-	-
Reserved for endowments	-	-	-	-	-
Reserved for advances	1,997,581	-	-	-	-
Reserved for debt service	-	-	452,790	-	-
Unreserved, undesignated	11,966,496	6,883,692	-	8,396,783	-
Total Equity and Other Credits	14,945,964	19,051,529	452,790	10,636,098	62,002,600
Total Liabilities, Equity, and Other Credits	\$ 16,230,067	\$ 20,134,062	\$ 454,553	\$ 11,166,589	\$ 68,462,285

See notes to financial statements.

EXHIBIT 1
(continued)

Fund Types	Fiduciary Fund Type	Account Groups		Totals	Component Unit	Totals
Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt	Primary Government (Memorandum Only)	Dubuque Metropolitan Area Solid Waste Agency	Reporting Entity (Memorandum Only)
\$ 599,285	\$ -	\$ -	\$ -	\$ 1,822,811	\$ 15,258	\$ 1,838,069
44,700	6,315	-	-	960,391	14,410	974,801
-	-	-	-	190,000	-	190,000
-	-	-	-	155,000	-	155,000
-	-	-	1,713,276	2,321,516	39,470	2,360,986
-	16,867	-	-	16,867	-	16,867
-	-	-	-	257,004	52,408	309,412
124,117	-	-	-	186,958	-	186,958
-	-	-	-	48,094	-	48,094
-	-	-	-	16,366	-	16,366
-	-	-	-	1,997,581	-	1,997,581
-	-	-	-	561,250	-	561,250
-	-	-	1,545,500	1,545,500	-	1,545,500
-	-	-	6,150,000	7,000,000	-	7,000,000
-	-	-	-	2,025,667	-	2,025,667
-	-	-	-	-	1,327,976	1,327,976
-	-	-	900,000	900,000	-	900,000
-	-	-	-	453,630	-	453,630
768,102	23,182	-	10,308,776	20,458,635	1,449,522	21,908,157
-	-	-	-	35,038,369	-	35,038,369
-	-	91,208,590	-	91,208,590	-	91,208,590
-	-	-	-	-	496,739	496,739
-	-	-	-	552,246	-	552,246
-	-	-	-	-	1,994,184	1,994,184
1,864,738	-	-	-	28,276,723	6,790,768	35,067,491
-	-	-	-	11,849,225	-	11,849,225
-	-	-	-	2,915,870	-	2,915,870
-	-	-	-	623,944	-	623,944
-	19,327	-	-	19,327	-	19,327
-	219,771	-	-	219,771	-	219,771
-	-	-	-	1,997,581	-	1,997,581
-	-	-	-	452,790	-	452,790
-	576,778	-	-	27,823,749	-	27,823,749
1,864,738	815,876	91,208,590	-	200,978,185	9,281,691	210,259,876
\$ 2,632,840	\$ 839,058	\$ 91,208,590	\$ 10,308,776	\$ 221,436,820	\$ 10,731,213	\$ 232,168,033

CITY OF DUBUQUE, IOWA**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

	<u>Governmental</u>	
	<u>General</u>	<u>Special Revenue</u>
REVENUES		
Taxes	\$ 19,439,856	\$ 3,841,032
Special assessments	-	778,492
Licenses and permits	580,429	-
Intergovernmental	1,550,378	8,825,118
Charges for services	7,843,162	-
Fines and forfeits	337,087	-
Miscellaneous	1,008,459	138,624
Interest	1,305,328	568,709
Total Revenues	<u>32,064,699</u>	<u>14,151,975</u>
EXPENDITURES		
Current		
Policy and administration	3,555,128	423,976
Community protection	13,295,505	47,628
Home and community environment	7,158,938	7,977,558
Human development	6,420,864	178,499
Debt service		
Principal retirement	-	175,000
Interest and fiscal charges	-	73,171
Capital outlay	-	-
Total Expenditures	<u>30,430,435</u>	<u>8,875,832</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,634,264</u>	<u>5,276,143</u>
OTHER FINANCING SOURCES (USES)		
Note proceeds	-	900,000
Operating transfers in	2,187,779	1,182,182
Operating transfers from component unit	26,466	-
Operating transfers out	<u>(4,829,731)</u>	<u>(8,186,278)</u>
Total Other Financing Sources (Uses)	<u>(2,615,486)</u>	<u>(6,104,096)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(981,222)	(827,953)
FUND BALANCES, BEGINNING	<u>15,927,186</u>	<u>19,879,482</u>
FUND BALANCES, ENDING	<u>\$ 14,945,964</u>	<u>\$ 19,051,529</u>

See notes to financial statements.

Fund Types		Fiduciary Fund Type	Totals Primary Government (Memorandum Only)
Debt Service	Capital Projects	Expendable Trust	
\$ 2,347,999	\$ 1,444,511	\$ -	\$ 27,073,398
-	-	-	778,492
-	-	-	580,429
-	2,575,675	-	12,951,171
-	-	-	7,843,162
-	-	-	337,087
-	1,508,881	426,587	3,082,551
74,295	261,650	-	2,209,982
<u>2,422,294</u>	<u>5,790,717</u>	<u>426,587</u>	<u>54,856,272</u>
1,950	-	118,572	4,099,626
-	-	-	13,343,133
-	-	229,662	15,366,158
-	-	-	6,599,363
2,060,000	-	-	2,235,000
438,490	-	-	511,661
-	16,141,588	-	16,141,588
<u>2,500,440</u>	<u>16,141,588</u>	<u>348,234</u>	<u>58,296,529</u>
<u>(78,146)</u>	<u>(10,350,871)</u>	<u>78,353</u>	<u>(3,440,257)</u>
-	-	-	900,000
34,664	12,106,304	-	15,510,929
-	-	-	26,466
-	(2,259,037)	-	(15,275,046)
<u>34,664</u>	<u>9,847,267</u>	<u>-</u>	<u>1,162,349</u>
(43,482)	(503,604)	78,353	(2,277,908)
<u>496,272</u>	<u>11,139,702</u>	<u>517,752</u>	<u>47,960,394</u>
<u>\$ 452,790</u>	<u>\$ 10,636,098</u>	<u>\$ 596,105</u>	<u>\$ 45,682,486</u>

CITY OF DUBUQUE, IOWA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL (BUDGETARY BASIS) –
ALL GOVERNMENTAL FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	General Fund			Special Revenue	
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual
REVENUES					
Taxes	\$ 16,532,661	\$ 19,450,154	\$ 2,917,493	\$ 8,784,245	\$ 4,162,621
Special assessments	-	-	-	546,800	644,003
Licenses and permits	513,127	580,428	67,301	-	-
Intergovernmental	3,549,911	1,467,688	(2,082,223)	18,429,843	14,191,361
Charges for services	6,982,195	7,509,536	527,341	-	-
Fines and forfeits	347,000	337,838	(9,162)	-	-
Miscellaneous	1,059,429	1,490,826	431,397	7,019,050	1,074,970
Interest	547,458	1,311,476	764,018	393,907	578,175
Total Revenues	<u>29,531,781</u>	<u>32,147,946</u>	<u>2,616,165</u>	<u>35,173,845</u>	<u>20,651,130</u>
EXPENDITURES					
Current					
Policy and administration	4,114,150	3,556,448	557,703	480,847	419,264
Community protection	14,010,779	13,232,244	778,534	46,642	47,631
Home and community environment	10,871,397	7,095,594	3,775,803	27,999,020	14,665,328
Human development	7,707,598	6,482,502	1,225,096	191,539	167,570
Debt service					
Principal retirement	-	-	-	283,809	175,000
Interest and fiscal charges	-	-	-	26,340	73,171
Capital outlay	-	-	-	-	-
Total Expenditures	<u>36,703,924</u>	<u>30,366,787</u>	<u>6,337,136</u>	<u>29,028,197</u>	<u>15,547,964</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(7,172,143)</u>	<u>1,781,159</u>	<u>8,953,301</u>	<u>6,145,648</u>	<u>5,103,166</u>
OTHER FINANCING SOURCES (USES)					
Note Proceeds	-	-	-	900,000	900,000
Operating transfers in	5,848,885	2,214,245	(3,634,640)	1,182,182	1,206,055
Operating transfers out	(5,613,758)	(5,350,568)	263,190	(12,445,996)	(8,195,366)
Total Other Financing Sources (Uses)	<u>235,127</u>	<u>(3,136,323)</u>	<u>(3,371,450)</u>	<u>(10,363,814)</u>	<u>(6,089,311)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(6,937,016)</u>	<u>(1,355,164)</u>	<u>5,581,851</u>	<u>(4,218,166)</u>	<u>(986,145)</u>
FUND BALANCES, BEGINNING	<u>13,717,682</u>	<u>13,717,682</u>	<u>-</u>	<u>7,093,699</u>	<u>7,093,699</u>
FUND BALANCES, ENDING	<u>\$ 6,780,666</u>	<u>\$ 12,362,517</u>	<u>\$ 5,581,851</u>	<u>\$ 2,875,533</u>	<u>\$ 6,107,554</u>

See notes to financial statements.

EXHIBIT 3

Funds	Debt Service Fund			Capital Projects Funds		
Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ (4,621,624)	\$ 2,351,316	\$ 2,355,005	\$ 3,689	-	\$ 1,135,833	\$ 1,135,833
97,203	-	-	-	-	-	-
-	-	-	-	-	-	-
(4,238,482)	-	-	-	4,017,552	805,518	(3,212,034)
-	-	-	-	447,787	275,290	(172,497)
-	-	-	-	-	-	-
(5,944,080)	-	-	-	5,925,247	3,037,169	(2,888,078)
184,268	20,000	71,707	51,707	70,000	267,898	197,898
(14,522,715)	2,371,316	2,426,712	55,396	10,460,586	5,521,708	(4,938,878)
61,583	2,500	1,950	550	-	-	-
(989)	-	-	-	-	-	-
13,333,692	-	-	-	-	-	-
23,969	-	-	-	-	-	-
108,809	2,059,990	2,060,000	(10)	-	-	-
(46,831)	438,490	438,490	-	-	-	-
-	-	-	-	32,148,904	16,042,158	16,106,746
13,480,233	2,500,980	2,500,440	540	32,148,904	16,042,158	16,106,746
(1,042,482)	(129,664)	(73,728)	55,936	(21,688,318)	(10,520,450)	11,167,869
-	-	-	-	-	-	-
23,873	34,664	34,664	-	13,539,429	12,319,551	(1,219,878)
4,250,630	-	-	-	(2,516,885)	(2,472,284)	44,601
4,274,503	34,664	34,664	-	11,022,544	9,847,267	(1,175,277)
3,232,021	(95,000)	(39,064)	55,936	(10,665,774)	(673,183)	9,992,592
-	470,236	470,236	-	11,217,022	11,217,022	-
\$ 3,232,021	\$ 375,236	\$ 431,172	\$ 55,936	\$ 551,247	\$ 10,543,839	\$ 9,992,592

CITY OF DUBUQUE, IOWA
COMBINED STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS/FUND BALANCES – ALL
PROPRIETARY FUND TYPES, NONEXPENDABLE TRUST FUNDS,
AND DISCRETELY PRESENTED COMPONENT UNIT
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	<u>Proprietary Fund Types</u>	
	<u>Enterprise</u>	<u>Internal Service</u>
OPERATING REVENUES		
Charges for sales and services	\$ 11,831,535	\$ 5,129,618
Other	476,920	-
Investment earnings	-	-
Total Operating Revenues	<u>12,308,455</u>	<u>5,129,618</u>
OPERATING EXPENSES		
Employee expense	4,413,568	1,253,012
Utilities	824,117	12,576
Repairs and maintenance	977,723	11,142
Supplies and services	2,515,051	209,578
Insurance	237,161	3,379,776
Landfill closure and postclosure care	-	-
Depreciation	<u>2,009,385</u>	<u>11,402</u>
Total Operating Expenses	<u>10,977,005</u>	<u>4,877,486</u>
OPERATING INCOME (LOSS)	<u>1,331,450</u>	<u>252,132</u>
NONOPERATING REVENUES (EXPENSES)		
Interest revenue	414,405	122,141
Interest expense	(278,151)	-
Operating grants	670,016	-
Taxes	598,479	-
Loss on disposal of assets	<u>(86,813)</u>	<u>(205)</u>
Total Nonoperating Revenues (Expenses)	<u>1,317,936</u>	<u>121,936</u>
INCOME BEFORE OPERATING TRANSFERS	<u>2,649,386</u>	<u>374,068</u>
OPERATING TRANSFERS		
Operating transfers in	1,434,123	-
Operating transfers out	(1,670,007)	-
Operating transfers to primary government	-	-
Total Operating Transfers	<u>(235,884)</u>	<u>-</u>
NET INCOME	2,413,502	374,068
RETAINED EARNINGS/FUND BALANCES, BEGINNING AS RESTATED	<u>24,550,729</u>	<u>1,490,670</u>
RETAINED EARNINGS/FUND BALANCES, ENDING	<u>\$ 26,964,231</u>	<u>\$ 1,864,738</u>

See notes to financial statements.

Fiduciary Fund Type	Totals Primary Government (Memorandum Only)	Component Unit	
		Dubuque Metropolitan Area Solid Waste Agency	Totals Reporting Entity (Memorandum Only)
Nonexpendable Trust			
\$ -	\$ 16,961,153	\$ 2,021,813	\$ 18,982,966
22,133	499,053	6,395	505,448
54,504	54,504	-	54,504
76,637	17,514,710	2,028,208	19,542,918
-	5,666,580	434,392	6,100,972
-	836,693	10,899	847,592
-	988,865	105,848	1,094,713
28,411	2,753,040	538,216	3,291,256
-	3,616,937	28,418	3,645,355
-	-	246,542	246,542
-	2,020,787	664,953	2,685,740
28,411	15,882,902	2,029,268	17,912,170
48,226	1,631,808	(1,060)	1,630,748
-	536,546	313,080	849,626
-	(278,151)	-	(278,151)
-	670,016	48,186	718,202
-	598,479	-	598,479
-	(87,018)	-	(87,018)
-	1,439,872	361,266	1,801,138
48,226	3,071,680	360,206	3,431,886
-	1,434,123	-	1,434,123
-	(1,670,007)	-	(1,670,007)
-	-	(26,466)	(26,466)
-	(235,884)	(26,466)	(262,350)
48,226	2,835,796	333,740	3,169,536
171,545	26,212,944	8,947,951	35,160,895
\$ 219,771	\$ 29,048,740	\$ 9,281,691	\$ 38,330,431

CITY OF DUBUQUE, IOWA
COMBINED STATEMENT OF CASH FLOWS – ALL PROPRIETARY FUND
TYPES, NONEXPENDABLE TRUST FUNDS, AND DISCRETELY PRESENTED
COMPONENT UNIT
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Proprietary Fund Types	
	Enterprise	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income (loss)	\$ 1,331,450	\$ 252,132
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Landfill closure and postclosure care	-	-
Depreciation	2,009,385	11,402
Investment earnings	-	-
Changes in assets and liabilities		
(Increase) in accounts receivable	(268,351)	-
(Increase) in intergovernmental receivable	(265,138)	-
(Increase) in due from primary government	-	-
(Increase) decrease in inventory	26,759	(2,346)
Increase (decrease) in accounts payable	(167,352)	133,705
Increase in accrued payroll	10,570	3,215
(Decrease) in accrued compensated absences	(6,120)	-
Increase in intergovernmental payable	-	-
Increase (decrease) in due to other funds	(85,353)	89,494
Increase in due to component unit	2,554	-
(Decrease) in deferred revenue	(893)	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>2,587,511</u>	<u>487,602</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property taxes received	599,133	-
Operating grants received	670,016	-
Operating transfers in	1,434,123	-
Operating transfers out	(1,670,007)	-
Operating transfers to primary government	-	-
Advances from other funds	123,821	-
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>1,157,086</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of fixed assets	(2,916,845)	(10,112)
Principal paid on bonds	(337,333)	-
Interest paid on bonds	(279,108)	-
Capital contributed by intergovernmental	176,239	-
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>\$ (3,357,047)</u>	<u>\$ (10,112)</u>

See notes to financial statements.

Fiduciary Fund Type	Totals Primary Government (Memorandum Only)	Component Unit	Totals Reporting Entity (Memorandum Only)
		Dubuque Metropolitan Area Solid Waste Agency	
Nonexpendable Trust			
\$ 48,226	\$ 1,631,808	\$ (1,060)	\$ 1,630,748
-	-	246,542	246,542
-	2,020,787	664,953	2,685,740
(54,504)	(54,504)	-	(54,504)
-	(268,351)	(52,849)	(321,200)
-	(265,138)	-	(265,138)
-	-	(2,554)	(2,554)
-	24,413	-	24,413
-	(33,647)	(23,129)	(56,776)
-	13,785	1,307	15,092
-	(6,120)	(4,904)	(11,024)
-	-	5,333	5,333
-	4,141	-	4,141
-	2,554	-	2,554
-	(893)	-	(893)
(6,278)	3,068,835	833,639	3,902,474
-	599,133	-	599,133
-	670,016	48,186	718,202
-	1,434,123	-	1,434,123
-	(1,670,007)	-	(1,670,007)
-	-	(26,466)	(26,466)
-	123,821	-	123,821
-	1,157,086	21,720	1,178,806
-	(2,926,957)	(1,899)	(2,928,856)
-	(337,333)	-	(337,333)
-	(279,108)	-	(279,108)
-	176,239	-	176,239
\$ -	\$ (3,367,159)	\$ (1,899)	\$ (3,369,058)

(continued)

CITY OF DUBUQUE, IOWA
COMBINED STATEMENT OF CASH FLOWS – ALL PROPRIETARY FUND
TYPES, NONEXPENDABLE TRUST FUNDS, AND DISCRETELY PRESENTED
COMPONENT UNIT
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Proprietary Fund Types	
	Enterprise	Internal Service
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on cash and pooled cash investments	\$ 406,885	\$ 118,978
NET INCREASE IN CASH AND CASH EQUIVALENTS	794,435	596,468
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR, AS RESTATED	8,855,527	1,966,203
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 9,649,962	\$ 2,562,671
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Contributions of fixed assets from developers and users	\$ 258,970	\$ -

See notes to financial statements.

EXHIBIT 5
(continued)

<u>Fiduciary Fund Type</u>	<u>Totals Primary Government (Memorandum Only)</u>	<u>Component Unit</u>	<u>Totals Reporting Entity (Memorandum Only)</u>
		<u>Dubuque Metropolitan Area Solid Waste Agency</u>	
<u>\$ 54,489</u>	<u>\$ 580,352</u>	<u>\$ 300,635</u>	<u>\$ 880,987</u>
48,211	1,439,114	1,154,095	2,593,209
<u>171,284</u>	<u>10,993,014</u>	<u>6,201,730</u>	<u>17,194,744</u>
<u>\$ 219,495</u>	<u>\$ 12,432,128</u>	<u>\$ 7,355,825</u>	<u>\$ 19,787,953</u>
\$ -	\$ 258,970	\$ -	\$ 258,970

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

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

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

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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

City of Dubuque
Finance Department
50 West 13th Street
Dubuque, Iowa 52001

Jointly Governed Organizations

The City also participates in several jointly governed organizations for which the City is not financially accountable or that the nature and significance of the relationship with the City are such that exclusion does not cause the City's financial statements to be misleading or incomplete. City officials are members of the following boards and commissions:

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

Measurement Focus, Basis of Accounting, and Basis of Presentation

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

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

The City has the following fund types and account groups:

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

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

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

Governmental funds include the following fund types:

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

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

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

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

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

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

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

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

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

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

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

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

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

Assets, Liabilities, and Equity

Deposits and Investments

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

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

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

Receivables and Payables

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

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

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

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

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

Inventory and Prepaid Items

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

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

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

Restricted Assets

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

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

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

Fixed Assets

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

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

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

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

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

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

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

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

Compensated Absences

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

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

Long-Term Obligations

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

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

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

Fund Equity

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

Memorandum Only--Total Columns

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

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

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

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

The budget for the fiscal year ended June 30, 1999, was amended three times during the year to allow the City to increase program expenditures by approximately \$47,470,000, primarily for the carry-forward of unfinished capital improvement projects, expenditure of additional grants for capital improvements, and the expenditure of additional intergovernmental revenue for community development projects.

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

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

Budget/GAAP Reconciliation

The accompanying "Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Budgetary Basis) - All Governmental Fund Types" presents comparisons of the legally adopted budget with actual data on a budgetary basis for the general, special revenue, debt service, and capital projects fund types. Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of resultant basis, timing, perspective, and entity differences in excess of revenues and other sources of financial resources over expenditures and other uses of financial resources for the year ended June 30, 1999, is presented as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Deficiency of revenues and other sources under expenditures and other uses (budgetary basis)	\$ (1,355,164)	\$ (986,145)	\$ (39,064)	\$ (673,183)
Adjustments:				
To adjust revenues for accruals	(83,247)	(6,523,036)	(4,418)	55,762
To adjust expenditures for accruals	<u>457,189</u>	<u>6,681,228</u>	<u>-</u>	<u>113,816</u>
Deficiency of revenues and other sources under expenditures and other uses (GAAP basis)	<u>\$ (981,222)</u>	<u>\$ (827,953)</u>	<u>\$ (43,482)</u>	<u>\$ (503,605)</u>

Deficit Fund Equity

The following funds had deficit retained earnings/fund balances amounts as of June 30, 1999:

Special Revenue	
Tax Increment Financing	\$ 67,170
Capital Projects	
Airport Construction	5,234
Enterprise	
Transit System	3,027,859
Internal Service	
General Service	151,606

Comparison of Actual Expenditures with Budget (Budgetary Basis)

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

(continued on next page)

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

<u>Program</u>	<u>Appropriations</u>	<u>Actual Disbursements</u>	<u>Variance Favorable (Unfavorable)</u>
Policy and administration	\$ 6,204,129	\$ 4,906,783	\$ 1,297,346
Community protection	14,412,645	13,604,553	808,092
Home and community environment	96,568,098	54,234,199	42,333,899
Human development	<u>9,133,289</u>	<u>7,689,355</u>	<u>1,443,934</u>
Total	<u>\$ 126,318,161</u>	<u>\$ 80,434,890</u>	<u>\$ 45,883,271</u>

NOTE 3 – CASH ON HAND, DEPOSITS, AND INVESTMENTS

Cash on Hand. Cash on hand represents undeposited collections together with authorized change funds and petty cash funds used for current operating purposes. The carrying amount at year end was \$18,006 for the City and \$250 for the Dubuque Metropolitan Area Solid Waste Agency.

Deposits. At year end, the City's carrying amount of deposits was \$9,300,053 and the bank balance was \$9,998,581. The City's deposits in banks at June 30, 1999, 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 \$1,049,430 and the bank balance was \$1,189,228. The Agency's deposits in banks at June 30, 1999, were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa.

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

The City's investments at June 30, 1999, are as follows:

	<u>Categories</u>			<u>Fair Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>	
U.S. Treasury Securities	\$ 19,298,561	\$ -	\$ -	\$ 19,298,561
Federal Agency Obligations	12,876,648	-	-	12,876,648
Corporate Stock	<u>145,284</u>	<u>-</u>	<u>-</u>	<u>145,284</u>
	<u>\$ 32,320,493</u>	<u>\$ -</u>	<u>\$ -</u>	<u>32,320,493</u>
Investment Pools:				
Mutual U.S. Government Bond Fund				<u>1,141,349</u>
Total Investments				<u>\$ 33,461,842</u>

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

The Dubuque Metropolitan Area Solid Waste Agency's investments at June 30, 1999, are as follows:

	Categories			Fair Value
	1	2	3	
U.S. Treasury Securities	<u>\$ 6,306,145</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,306,145</u>

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

Cash on hand	\$ 18,006
Carrying amount of deposits	9,300,053
Carrying amount of investments	<u>33,461,842</u>
Total	<u>\$ 42,779,901</u>
Cash and pooled cash investments	\$ 41,970,966
Cash and pooled cash investments – nonexpendable trust	219,495
Insurance deposit	1,000
Cash and pooled cash investments – restricted	<u>588,440</u>
Total	<u>\$ 42,779,901</u>

NOTE 4 – CASH AND POOLED CASH INVESTMENTS – OVERDRAFT

When a fund overdraws its share of a pooled cash account, the overdraft is reported as an interfund payable in that fund. The offsetting interfund receivable has been reported in the General Fund. The difference between the General Fund's carrying amount of the cash pool and the equity displayed on the General Fund's balance sheet amounts to \$186,958.

NOTE 5 – FIXED ASSETS

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

	Balance July 1, 1998	Additions	Retirements	Balance June 30, 1999
Land	\$ 10,798,606	\$ 2,288,154	\$ 312,700	\$ 12,774,060
Buildings and improvements	37,920,820	823,948	-	38,744,768
Improvements other than buildings	4,648,050	-	490,644	4,157,406
Machinery and equipment	14,663,939	2,434,191	1,570,061	15,528,069
Construction in progress	<u>7,344,789</u>	<u>13,198,760</u>	<u>539,262</u>	<u>20,004,287</u>
Total General Fixed Assets	<u>\$ 75,376,204</u>	<u>\$ 18,745,053</u>	<u>\$ 2,912,667</u>	<u>\$ 91,208,590</u>

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CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

The following is a summary of proprietary fund type assets at June 30, 1999:

	Enterprise Funds	Internal Service Funds
Land	\$ 1,151,521	\$ -
Buildings and improvements	41,728,096	-
Improvements other than buildings	18,367,957	-
Machinery and equipment	30,507,917	149,771
Construction in progress	12,695,253	-
Accumulated depreciation	<u>(47,764,602)</u>	<u>(113,083)</u>
Net Fixed Assets	<u>\$ 56,686,142</u>	<u>\$ 36,688</u>

The following is a summary of proprietary fund type fixed assets for the Dubuque Metropolitan Area Solid Waste Agency at June 30, 1999:

Land	\$ 552,528
Buildings and improvements	3,961,365
Machinery and equipment	1,420,597
Accumulated depreciation	<u>(3,334,410)</u>
Net Fixed Assets	<u>\$ 2,600,080</u>

NOTE 6 – INTERFUND RECEIVABLES AND PAYABLES

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General	Special Revenue Funds	
	Tax Increment Financing	\$ 62,841
	Internal Service Funds	
	General Service	123,941
	Stores/Printing	<u>176</u>
		<u>\$ 186,958</u>

Advances to/from other funds:

Receivable Fund	Payable Fund	Amount
General	Enterprise Funds	
	Sewage Disposal Works	\$ 1,426,320
	Water Utility	<u>571,261</u>
		<u>\$ 1,997,581</u>

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CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

Due to/from primary government and component unit:

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
Component unit – Dubuque Metropolitan Area Solid Waste Agency	Primary government – Refuse Collection Enterprise Fund	\$ <u>48,094</u>

Advances to/from primary government and component unit:

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
Component unit – Dubuque Metropolitan Area Solid Waste Agency	Primary government – Sewage Disposal Works Enterprise Fund	\$ <u>561,250</u>

NOTE 7 – LONG-TERM DEBT

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

General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds generally are issued as serial bonds with varying amounts of principal maturing annually and with interest payable semi-annually. General obligation bonds outstanding at June 30, 1999, are as follows:

<u>Purpose</u>	<u>Date of Issue</u>	<u>Maturity Dates</u>	<u>Interest Rates</u>	<u>Amount Originally Issued</u>	<u>Amount Outstanding End of Year</u>
Corporate purpose	03/01/87	05/01/88-05/01/01	4.40-5.60%	\$ 4,000,000	\$ 1,150,000
Corporate purpose	06/01/89	05/01/91-05/01/00	6.50-6.70	3,500,000	125,000
Corporate purpose	05/15/90	05/01/91-05/01/00	6.50-6.80	1,965,000	250,000
Corporate purpose	05/01/91	05/01/92-05/01/02	5.50-6.10	2,500,000	1,060,000
Corporate purpose	06/01/93	05/01/94-05/01/03	2.65-4.50	4,615,000	1,325,000
Corporate purpose	05/01/94	05/01/95-05/01/04	3.50-5.13	3,100,000	1,640,000
Corporate purpose	07/01/95	05/01/96-05/01/05	4.10-4.90	<u>2,000,000</u>	<u>1,640,000</u>
				<u>\$ 21,680,000</u>	<u>\$ 7,190,000</u>

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

Annual debt service requirements to maturity for general obligation bonds, including interest of \$959,937, are as follows:

<u>Fiscal Year Ending June 30</u>	<u>General Long-Term Debt Account Group/ Enterprise Funds</u>
2000	\$ 2,216,361
2001	2,218,296
2002	1,592,211
2003	1,135,019
2004	725,800
2005	<u>262,250</u>
Total	<u>\$ 8,149,937</u>

Tax-Increment Financing Bonds. The City issues tax-increment financing bonds to provide funds for urban renewal projects. The City pledges property tax revenues from the tax-increment financing districts to pay debt service. These bonds generally are issued as serial bonds with varying amounts of principal maturing annually and with interest payable semi-annually. Tax-increment financing bonds outstanding at June 30, 1999, are as follows:

<u>Purpose</u>	<u>Date of Issue</u>	<u>Maturity Dates</u>	<u>Interest Rates</u>	<u>Amount Originally Issued</u>	<u>Amount Outstanding End of Year</u>
Advanced Data- Comm	03/18/99	12/31/01-06/30/11	6.0-9.0%	<u>\$ 900,000</u>	<u>\$ 900,000</u>

Annual debt service requirements to maturity for tax-increment financing bonds, including interest of \$511,370, are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2000	\$ 65,250
2001	65,250
2002	128,087
2003	128,087
2004	128,087
2005-2011	<u>896,609</u>
Total	<u>\$ 1,411,370</u>

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

Revenue Bonds. The City also issues bonds where the City pledges income derived from acquired or constructed assets to pay debt service. These bonds generally are issued as serial bonds with varying amounts of principal maturing annually and with interest payable semi-annually. Revenue bonds outstanding at June 30, 1999, are as follows:

<u>Purpose</u>	<u>Date of Issue</u>	<u>Maturity Dates</u>	<u>Interest Rates</u>	<u>Amount Originally Issued</u>	<u>Amount Outstanding End of Year</u>
Parking facilities	03/01/98	05/01/98-05/01/10	3.60-4.75%	\$ 2,515,000	\$ 2,210,000

Revenue bond debt service requirements to maturity, including interest of \$655,435, are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2000	\$ 253,730
2001	257,530
2002	255,765
2003	258,625
2004	260,885
2005-2010	<u>1,578,900</u>
Total	<u>\$ 2,865,435</u>

Notes Payable. Notes payable have been issued to provide funds for economic development. Notes payable at June 30, 1999, are as follows:

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

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

Debt service requirements to maturity for notes payable, including interest of \$267,410, are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2000	\$ 249,642
2001	59,642
2002	59,642
2003	759,642
2004	<u>684,342</u>
Total	<u>\$ 1,812,910</u>

Changes in Long-term Liabilities. During the fiscal year ended June 30, 1999, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance July 1, 1998</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 1999</u>
Accrued Compensated Absences	\$ 1,620,543	\$ 92,733	\$ -	\$ 1,713,276
Notes Payable – Long-Term	1,545,500	-	-	1,545,500
General Obligation Debt	8,210,000	-	2,060,000	6,150,000
Tax-Increment Financing Debt	<u>175,000</u>	<u>900,000</u>	<u>175,000</u>	<u>900,000</u>
Totals	<u>\$ 11,551,043</u>	<u>\$ 992,733</u>	<u>\$ 2,235,000</u>	<u>\$ 10,308,776</u>

NOTE 8 – CONTRIBUTED CAPITAL

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

<u>Sources</u>	<u>Sewage Disposal Works</u>	<u>Water Utility</u>	<u>Refuse Collection</u>	<u>Transit System</u>
Beginning balance contributed capital	\$ 25,422,032	\$ 2,416,476	\$ 336,354	\$ 6,428,298
Contributions received:				
Government	-	-	-	-
Intergovernmental	-	-	-	176,239
Developers and users	<u>241,401</u>	<u>17,569</u>	<u>-</u>	<u>-</u>
Total contributions received	<u>241,401</u>	<u>17,569</u>	<u>-</u>	<u>176,239</u>
Contributions made:				
Government	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending balance, contributed capital	<u>\$ 25,663,433</u>	<u>\$ 2,434,045</u>	<u>\$ 336,354</u>	<u>\$ 6,604,537</u>

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CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 9 – RISK MANAGEMENT

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

The City has established a Health Insurance Reserve Fund for insuring benefits provided to City employees and covered dependents which is included in the Internal Service Fund Type. Health benefits were self-insured up to an individual stop loss amount of \$60,000, and an aggregate stop loss of approximately \$2,846,000 for 1999. Coverage from a private insurance company is maintained for losses in excess of the stop loss amount. All claims handling procedures are performed by a third-party claims administrator. Incurred but not reported claims have been accrued as a liability based upon the claims administrator's estimate. Settled claims have not exceeded commercial coverage in any of the last three fiscal years. The estimated liability does not include any allocated or unallocated claims adjustment expense.

The City has established a Workers' Compensation Reserve Fund for insuring benefits provided to City employees which is included in the Internal Service Fund Type. Workers' compensation benefits were self-insured up to a specific stop loss amount of \$400,000, and an aggregate stop loss of \$5,000,000 for 1999. Coverage from a private insurance company is maintained for losses in excess of the stop loss amount. All claims handling procedures are performed by a third-party claims administrator. Incurred but not reported claims have been accrued as a liability based upon the claims administrator's estimate. Settled claims have not exceeded commercial coverage in any of the last three fiscal years. The estimated liability does not include any allocated or unallocated claims adjustment expense.

All funds of the City participate in both programs and make payments to the Health Insurance Reserve Fund and the Workers' Compensation Reserve Fund based on actuarial estimates of the amounts needed to pay prior- and current-year claims. The claims liability of \$444,035 in the Health Insurance Reserve Fund and \$153,665 in the Workers' Compensation Reserve Fund are based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in reported liabilities for the fiscal years ended June 30, 1998 and 1999, are summarized as follows:

	Health Insurance Reserve Fund	Workers' Compensation Reserve Fund
Liabilities at June 30, 1997	\$ 421,818	\$ 71,258
Claims and changes in estimates during fiscal year 1998	2,369,730	172,526
Claim payments	<u>(2,427,433)</u>	<u>(142,363)</u>
Liabilities at June 30, 1998	364,115	101,421
Claims and changes in estimates during fiscal year 1999	2,795,276	254,323
Claim payments	<u>(2,715,356)</u>	<u>(202,079)</u>
Liabilities at June 30, 1999	<u>\$ 444,035</u>	<u>\$ 153,665</u>

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CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

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

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses and reinsurance expenses due and payable in the current year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained to equal 300 percent of the total current members' basis rates or to comply with the requirements of any applicable regulatory authority having jurisdiction over the Pool.

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

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, 1999, were \$422,380.

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

The Pool's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event that a series of casualty claims exhausts total members' equity plus any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member. The City does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable that such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 1999, no liability has been recorded in the City's financial statements. As of June 30, 1999, settled claims have not exceeded the risk pool or reinsurance company coverage since the pool's inception.

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

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

NOTE 10 – SEGMENT INFORMATION – ENTERPRISE FUNDS

The City maintains five enterprise funds which provide sewage disposal, water, parking, refuse, and transit services. Selected financial information for the fiscal year ended June 30, 1999, is as follows:

	Sewage Disposal Works	Water Utility	Parking Facilities
Operating revenues	\$ 5,141,890	\$ 3,971,074	\$ 1,214,484
Depreciation expense	596,156	749,977	291,624
Operating income (loss)	1,823,886	463,962	338,581
Operating grants	-	-	-
Operating transfers:			
In	970,948	463,175	-
Out	918,409	565,548	24,734
Tax revenues	-	-	-
Net income (loss)	1,995,686	347,286	295,844
Current capital contributions	241,401	17,569	-
Fixed assets:			
Additions	1,701,744	715,494	228,552
Deletions	-	109,560	5,997
Net working capital	2,922,510	1,605,201	923,577
Total assets	34,448,272	20,339,894	8,092,442
Bonds payable from operating revenues	740,000	300,000	2,180,667
Total equity	31,525,296	19,274,112	5,846,594

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

	Refuse Collection	Transit System	Total Enterprise Funds
Operating revenues	\$ 1,777,504	\$ 203,503	\$ 12,308,455
Depreciation expense	174,146	197,482	2,009,385
Operating income (loss)	15,823	(1,310,802)	1,331,450
Operating grants	-	670,016	670,016
Operating transfers:			
In	-	-	1,434,123
Out	161,316	-	1,670,007
Tax revenues	-	598,479	598,479
Net income (loss)	(145,493)	(79,821)	2,413,502
Current capital contributions	-	176,239	435,209
Fixed assets:			
Additions	66,250	204,805	2,916,845
Deletions	203,810	612,250	931,617
Net working capital	1,443,069	761,888	7,656,245
Total assets	1,905,365	3,676,312	68,462,285
Bonds payable from operating revenues	-	-	3,220,677
Total equity	1,779,920	3,576,678	62,002,600

NOTE 11 – COMMITMENTS AND CONTINGENT LIABILITIES

Grants

The City has received financial assistance from numerous federal and state agencies in the form of grants and entitlements. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, liabilities resulting from disallowed claims, if any, will not have a material effect on the City's financial position as of June 30, 1999.

Litigation

The City's corporation counsel reported that as of June 30, 1999, various claims and lawsuits were on file against the City. The corporation counsel estimated that all potential settlements against the City not covered by insurance would not materially affect the financial position of the City. The City has authority to levy additional taxes (outside the regular limit) to cover uninsured judgments against the City.

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

Construction Contracts

The City has recognized as a liability only that portion of construction contracts representing construction completed through June 30, 1999. The City has additional commitments for signed construction contracts of approximately \$3,463,000 as of June 30, 1999. Of these commitments, approximately \$272,000 will be funded by federal and state grants, \$2,442,000 by cash reserves, and \$749,000 by transfers from other funds.

NOTE 12 – DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all government employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. During the year ended June 30, 1999, the plan was amended to comply with IRC Section 457(g) which allowed for the plan to hold its assets in trust. Under these new requirements, the assets of the plan are no longer subject to the general creditors of the City. The City no longer owns the amount deferred by employees and, therefore, the liability and corresponding investment of \$10,060,633 as of June 30, 1998, were removed from the financial statements.

NOTE 13 – POST-EMPLOYMENT HEALTH CARE BENEFITS

In addition to providing pension benefits, the City provides certain health care benefits for retired disabled police officers and firefighters as mandated by the Code of Iowa. The cost of health care benefits for retired disabled police officers and firefighters is recognized as an expenditure as claims are paid. As of June 30, 1999, 57 retirees were eligible for these benefits, and the cost of the benefits for the fiscal year ended June 30, 1999, totaled \$53,262.

NOTE 14 – EMPLOYEE RETIREMENT SYSTEMS

MFPRSI

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

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

Plan members are required to contribute 9.35% of earnable compensation and the City's contribution rate may not be less than 17% of earnable compensation. Contribution requirements are established by State statute. The City's contributions to the Plan for the years ended June 30, 1999, 1998, and 1997, were \$1,186,840, \$1,132,746, and \$1,112,226, respectively, which met the required minimum contribution for each year.

IPERS

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

Plan members are required to contribute 3.70% of their annual salary and the City is required to contribute 5.75% of annual covered payroll. Contribution requirements are established by State statute. The City's contributions to IPERS for the years ended June 30, 1999, 1998, and 1997, were \$737,541, \$716,207, and \$678,752, respectively, equal to the required contributions for each year.

NOTE 15 – CONDUIT DEBT

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 1999, there were seven series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$21,699,412.

NOTE 16 – LANDFILL CLOSURE AND POSTCLOSURE CARE

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

CITY OF DUBUQUE, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

Although closure and postclosure care costs will be paid only near or after the date that each cell stops accepting waste, the Agency reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$1,327,976 reported as landfill closure and postclosure care liability at June 30, 1999, represents the cumulative amount reported to date based on the use of 75 percent of the estimated capacity of cell 3 and the use of 65 percent of the estimated capacity of cell 4. The Agency will recognize the remaining estimated cost of closure and postclosure care of \$1,961,836 as the remaining estimated capacity is filled.

These amounts are based on what it would cost to perform all closure and postclosure care in 1999. The Agency expects to close cell 3 in 2002 and to close the entire landfill in 2015. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

The agency has begun to accumulate resources to fund these costs in accordance with state and federal requirements. At June 30, 1999, funds have been restricted for closure and post closure costs in the amount of \$1,327,976, which equals the liability currently recognized.

NOTE 17 – RESTATEMENT OF FUND BALANCE/RETAINED EARNINGS

The beginning fund balance of the Ella Lyons Peony Trail Nonexpendable Trust Fund has been restated to record investments at fair value:

Fund balance, July 1, 1998, as previously reported	\$ 18,406
Prior period adjustment	<u>89,884</u>
Fund balance, July 1, 1998, as restated	<u>\$ 108,290</u>

The beginning retained earnings of the Refuse Collection Enterprise Fund has been restated to record additional fixed assets which were expensed in prior years.

Retained earnings, July 1, 1998, as previously reported	\$ 1,463,307
Prior period adjustment	<u>125,752</u>
Retained earnings, July 1, 1998, as restated	<u>\$ 1,589,059</u>

**REQUIRED
SUPPLEMENTARY
INFORMATION**

CITY OF DUBUQUE, IOWA
YEAR 2000 READINESS DISCLOSURE
JUNE 30, 1999

The City of Dubuque is currently addressing year 2000 issues relating to its computer systems and other electronic equipment. The year 2000 issue refers to the fact that many computer programs use only the last two digits to refer to a year. Therefore, both 1900 and 2000 would be referred to as "00." Computer programs have to be adjusted to recognize the difference between those two years or the programs will fail or create errors. Also, some programs may not be able to recognize that 2000 is a leap year. Further, the year 2000 issue could affect electronic equipment—such as environmental systems, elevators, and vehicles—containing computer chips that have date recognition features.

In 1998, the City of Dubuque created the Y2K Task Force to help address the year 2000 issue. The Y2K Task Force has identified various computer systems and pieces of electronic equipment that are critical to conducting the entity's operations and that need to be year 2000 compliant. The Y2K Task Force has developed and tested contingency plans should year 2000 failures adversely affect the agency's mission-critical operations. The Y2K Task Force is monitoring year 2000 compliance efforts of local utilities on a regular basis and is providing assistance and assigning resources to accelerate compliance for all mission-critical systems and equipment. The Y2K Task Force has queried critical vendors, suppliers, and other entities regarding year 2000 compliance. Year 2000 readiness requirements have been incorporated into requests for proposal and contracts for products and services.

The City of Dubuque has identified five computer systems and five electronic equipment groups that are mission-critical (that is, critical to conducting operations) and has subjected those systems and equipment to the following stages of work to address year 2000 issues:

Awareness stage—Establishing a budget and project plan for dealing with the year 2000 issue.

Assessment stage—Identifying the systems and components for which year 2000 compliance work is needed.

Remediation stage—Making changes to systems and equipment.

Validation/testing stage—Validating and testing the changes that were made during the remediation stage.

The City of Dubuque has completed the validation/testing stage for all of its mission-critical systems and electronic equipment.

Because of the unprecedented nature of the year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot ensure that the City of Dubuque is or will be year 2000 ready, that the City's remediation efforts will be successful in whole or in part, or that parties with whom the City does business will be year 2000 ready.

GENERAL FUND

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

CITY OF DUBUQUE, IOWA
GENERAL FUND
BALANCE SHEET
JUNE 30, 1999

EXHIBIT A-1

ASSETS

Cash and pooled cash investments	\$ 12,536,427
Receivables	
Taxes	97,920
Accounts	637,363
Accrued interest	108,366
Intergovernmental	665,452
Due from other funds	186,958
Advances to other funds	<u>1,997,581</u>
 Total Assets	 <u>\$ 16,230,067</u>

LIABILITIES AND FUND BALANCES

LIABILITIES

Accounts payable	\$ 231,313
Accrued payroll	724,858
Accrued compensated absences	315,689
Deferred revenue	<u>12,243</u>
Total Liabilities	<u>1,284,103</u>

FUND BALANCES

Reserved for encumbrances	981,887
Reserved for advances	1,997,581
Unreserved, undesignated	<u>11,966,496</u>
Total Fund Balances	<u>14,945,964</u>
 Total Liabilities and Fund Balances	 <u>\$ 16,230,067</u>

CITY OF DUBUQUE, IOWA**EXHIBIT A-2****GENERAL FUND****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

REVENUES

Taxes	\$ 19,439,856
Licenses and permits	580,429
Intergovernmental	1,550,378
Charges for services	7,843,162
Fines and forfeits	337,087
Miscellaneous	1,008,459
Interest	<u>1,305,328</u>
Total Revenues	<u>32,064,699</u>

EXPENDITURES

Current	
Policy and administration	3,555,128
Community protection	13,295,505
Home and community environment	7,158,938
Human development	<u>6,420,864</u>
Total Expenditures	<u>30,430,435</u>

EXCESS OF REVENUES OVER EXPENDITURES	<u>1,634,264</u>
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OTHER FINANCING SOURCES (USES)

Operating transfers in	2,187,779
Operating transfers from component unit	26,466
Operating transfers out	<u>(4,829,731)</u>
Total Other Financing Sources (Uses)	<u>(2,615,486)</u>

**DEFICIENCY OF REVENUES AND OTHER SOURCES
UNDER EXPENDITURES AND OTHER USES****(981,222)****FUND BALANCES, BEGINNING**15,927,186**FUND BALANCES, ENDING**\$ 14,945,964

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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CITY OF DUBUQUE, IOWA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1999

	<u>Road Use Tax</u>	<u>Employee Benefits</u>	<u>Community Development</u>	<u>Section VIII Housing</u>
ASSETS				
Cash and pooled cash investments	\$ 2,313,987	\$ 62,717	\$ 1,472,957	\$ 504,744
Receivables				
Taxes	-	10,520	-	-
Special assessments	-	-	-	-
Accrued interest	-	-	94,351	-
Notes - current	-	-	951,676	1,300
Notes - long-term	-	-	11,828,460	20,765
Intergovernmental	<u>321,131</u>	<u>-</u>	<u>120,219</u>	<u>20,201</u>
Total Assets	<u>\$ 2,635,118</u>	<u>\$ 73,237</u>	<u>\$ 14,467,663</u>	<u>\$ 547,010</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 72,140	\$ -	\$ 166,230	\$ 25,944
Accrued payroll	-	-	28,478	11,436
Accrued compensated absences	-	-	11,719	2,788
Intergovernmental payable	-	-	-	257,004
Due to other funds	-	-	-	-
Deferred revenue	-	<u>1,315</u>	-	-
Total Liabilities	<u>72,140</u>	<u>1,315</u>	<u>206,427</u>	<u>297,172</u>
FUND BALANCES				
Reserved for long-term notes receivable	-	-	11,828,460	20,765
Reserved for encumbrances	<u>57,976</u>	-	<u>243,642</u>	<u>16,994</u>
Unreserved, undesignated	<u>2,505,002</u>	<u>71,922</u>	<u>2,189,134</u>	<u>212,079</u>
Total Fund Balances	<u>2,562,978</u>	<u>71,922</u>	<u>14,261,236</u>	<u>249,838</u>
Total Liabilities and Fund Balances	<u>\$ 2,635,118</u>	<u>\$ 73,237</u>	<u>\$ 14,467,663</u>	<u>\$ 547,010</u>

EXHIBIT B-1

<u>Tort Liability</u>	<u>Sales Tax</u>	<u>Police and Fire Retirement</u>	<u>Special Assessments</u>	<u>Tax Increment Financing</u>	<u>Law Enforcement Block Grant</u>	<u>Total</u>
\$ 11,662	\$ -	\$ 861,969	\$ 922,407	\$ -	\$ 191	\$ 6,150,634
1,977	-	-	-	-	-	12,497
-	-	-	612,826	-	-	612,826
-	-	-	-	-	2	94,353
-	-	-	-	-	-	952,976
-	-	-	-	-	-	11,849,225
-	-	-	-	-	-	461,551
<u>\$ 13,639</u>	<u>\$ -</u>	<u>\$ 861,969</u>	<u>\$ 1,535,233</u>	<u>\$ -</u>	<u>\$ 193</u>	<u>\$ 20,134,062</u>
\$ -	\$ -	\$ -	\$ -	\$ 4,329	\$ -	\$ 268,643
-	-	-	-	-	-	39,914
-	-	-	-	-	-	14,507
-	-	-	-	-	-	257,004
-	-	-	-	62,841	-	62,841
246	-	-	438,063	-	-	439,624
<u>246</u>	<u>-</u>	<u>-</u>	<u>438,063</u>	<u>67,170</u>	<u>-</u>	<u>1,082,533</u>
-	-	-	-	-	-	11,849,225
-	-	-	-	-	-	318,612
13,393	-	861,969	1,097,170	(67,170)	193	6,883,692
<u>13,393</u>	<u>-</u>	<u>861,969</u>	<u>1,097,170</u>	<u>(67,170)</u>	<u>193</u>	<u>19,051,529</u>
<u>\$ 13,639</u>	<u>\$ -</u>	<u>\$ 861,969</u>	<u>\$ 1,535,233</u>	<u>\$ -</u>	<u>\$ 193</u>	<u>\$ 20,134,062</u>

CITY OF DUBUQUE, IOWA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	<u>Road Use Tax</u>	<u>Employee Benefits</u>	<u>Community Development</u>	<u>Section VIII Housing</u>
REVENUES				
Taxes	\$ -	\$ 1,076,929	\$ -	\$ -
Special assessments	-	-	-	-
Intergovernmental	4,378,027	-	1,211,498	3,201,539
Miscellaneous	2,280	-	113,602	22,742
Interest	-	-	253,890	1,611
Total Revenues	<u>4,380,307</u>	<u>1,076,929</u>	<u>1,578,990</u>	<u>3,225,892</u>
EXPENDITURES				
Current				
Policy and administration	81,771	258	341,947	-
Community protection	8,332	-	-	-
Home and community environment	2,626,202	-	1,294,408	3,202,844
Human development	-	-	178,499	-
Debt service				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>2,716,305</u>	<u>258</u>	<u>1,814,854</u>	<u>3,202,844</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,664,002</u>	<u>1,076,671</u>	<u>(235,864)</u>	<u>23,048</u>
OTHER FINANCING SOURCES (USES)				
Note proceeds	-	-	-	-
Operating transfers in	-	249,182	933,000	-
Operating transfers out	<u>(1,588,000)</u>	<u>(1,311,034)</u>	<u>(61,621)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(1,588,000)</u>	<u>(1,061,852)</u>	<u>871,379</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>76,002</u>	<u>14,819</u>	<u>635,515</u>	<u>23,048</u>
FUND BALANCES, BEGINNING	<u>2,486,976</u>	<u>57,103</u>	<u>13,625,721</u>	<u>226,790</u>
FUND BALANCES, ENDING	<u>\$ 2,562,978</u>	<u>\$ 71,922</u>	<u>\$ 14,261,236</u>	<u>\$ 249,838</u>

EXHIBIT B-2

<u>Tort Liability</u>	<u>Sales Tax</u>	<u>Police and Fire Retirement</u>	<u>Special Assessments</u>	<u>Tax Increment Financing</u>	<u>Law Enforcement Block Grant</u>	<u>Total</u>
\$ 272,862	\$ 1,380,955	\$ -	\$ -	\$ 1,110,286	\$ -	\$ 3,841,032
-	-	-	778,492	-	-	778,492
-	-	-	-	-	34,054	8,825,118
-	-	-	-	-	-	138,624
-	70,213	165,218	59,743	17,602	432	568,709
<u>272,862</u>	<u>1,451,168</u>	<u>165,218</u>	<u>838,235</u>	<u>1,127,888</u>	<u>34,486</u>	<u>14,151,975</u>
-	-	-	-	-	-	423,976
-	-	-	-	-	39,296	47,628
-	-	-	-	854,104	-	7,977,558
-	-	-	-	-	-	178,499
-	-	-	-	175,000	-	175,000
-	-	-	-	73,171	-	73,171
-	-	-	-	1,102,275	39,296	8,875,832
<u>272,862</u>	<u>1,451,168</u>	<u>165,218</u>	<u>838,235</u>	<u>25,613</u>	<u>(4,810)</u>	<u>5,276,143</u>
-	-	-	-	900,000	-	900,000
-	-	-	-	-	-	1,182,182
(270,398)	(2,898,783)	(249,182)	(453,618)	(1,353,642)	-	(8,186,278)
(270,398)	(2,898,783)	(249,182)	(453,618)	(453,642)	-	(6,104,096)
2,464	(1,447,615)	(83,964)	384,617	(428,029)	(4,810)	(827,953)
<u>10,929</u>	<u>1,447,615</u>	<u>945,933</u>	<u>712,553</u>	<u>360,859</u>	<u>5,003</u>	<u>19,879,482</u>
<u>\$ 13,393</u>	<u>\$ -</u>	<u>\$ 861,969</u>	<u>\$ 1,097,170</u>	<u>\$ (67,170)</u>	<u>\$ 193</u>	<u>\$ 19,051,529</u>

DEBT SERVICE FUND

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

CITY OF DUBUQUE, IOWA
DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 1999

EXHIBIT C-1

ASSETS

Cash and pooled cash investments	\$ 435,542
Receivables	
Taxes	14,099
Accrued interest	<u>4,912</u>
 Total Assets	 <u>\$ 454,553</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenue	\$ 1,763
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FUND BALANCE

Reserved for debt service	<u>452,790</u>
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Total Liabilities and Fund Balance	<u>\$ 454,553</u>
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CITY OF DUBUQUE, IOWA**EXHIBIT C-2****DEBT SERVICE FUND****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

REVENUES

Taxes	\$ 2,347,999
Interest	<u>74,295</u>
Total Revenues	<u>2,422,294</u>

EXPENDITURES

Current	
Policy and administration	1,950
Debt service	
Principal retirement	2,060,000
Interest and fiscal charges	<u>438,490</u>
Total Expenditures	<u>2,500,440</u>

DEFICIENCY OF REVENUES UNDER EXPENDITURES (78,146)

OTHER FINANCING SOURCES

Operating transfers in	<u>34,664</u>
------------------------	---------------

DEFICIENCY OF REVENUES AND OTHER SOURCES
UNDER EXPENDITURES

(43,482)

FUND BALANCE, BEGINNING

496,272

FUND BALANCE, ENDING

\$ 452,790

CAPITAL PROJECTS FUNDS

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

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

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

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

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

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

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

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CITY OF DUBUQUE, IOWA
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1999

	<u>Street Construction</u>	<u>Storm Sewer Construction</u>	<u>Dog Track Depreciation</u>
ASSETS			
Cash and pooled cash investments	\$ 4,308,050	\$ 984,764	\$ 660,626
Receivables			
Accrued interest	11,587	4,311	2,987
Intergovernmental	<u>314,325</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 4,633,962</u>	<u>\$ 989,075</u>	<u>\$ 663,613</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	<u>\$ 207,484</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCES			
Reserved for encumbrances	241,430	62,769	39,669
Reserved for dog track	-	-	623,944
Unreserved, undesignated	<u>4,185,048</u>	<u>926,306</u>	<u>-</u>
Total Fund Balances	<u>4,426,478</u>	<u>989,075</u>	<u>663,613</u>
Total Liabilities and Fund Balances	<u>\$ 4,633,962</u>	<u>\$ 989,075</u>	<u>\$ 663,613</u>

<u>General Construction</u>	<u>Airport Construction</u>	<u>Sales Tax Construction</u>	<u>Total</u>
\$ 3,179,896	\$ 45,278	\$ 1,437,497	\$ 10,616,111
652	360	6,706	26,603
<u>-</u>	<u>-</u>	<u>209,550</u>	<u>523,875</u>
<u>\$ 3,180,548</u>	<u>\$ 45,638</u>	<u>\$ 1,653,753</u>	<u>\$ 11,166,589</u>
<u>\$ 261,865</u>	<u>\$ 50,872</u>	<u>\$ 10,270</u>	<u>\$ 530,491</u>
1,067,707	-	203,796	1,615,371
-	-	-	623,944
<u>1,850,976</u>	<u>(5,234)</u>	<u>1,439,687</u>	<u>8,396,783</u>
<u>2,918,683</u>	<u>(5,234)</u>	<u>1,643,483</u>	<u>10,636,098</u>
<u>\$ 3,180,548</u>	<u>\$ 45,638</u>	<u>\$ 1,653,753</u>	<u>\$ 11,166,589</u>

CITY OF DUBUQUE, IOWA
CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	<u>Street Construction</u>	<u>Storm Sewer Construction</u>	<u>Dog Track Depreciation</u>
REVENUES			
Taxes	\$ 314,325	\$ -	\$ -
Intergovernmental	455,935	-	-
Miscellaneous	488,460	-	3,758
Racing Association	-	-	120,000
Passenger facility charges	-	-	-
Interest	<u>71,551</u>	<u>55,825</u>	<u>44,603</u>
Total Revenues	1,330,271	55,825	168,361
EXPENDITURES			
Capital outlay	<u>2,896,185</u>	<u>107,886</u>	<u>433,738</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(1,565,914)</u>	<u>(52,061)</u>	<u>(265,377)</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	3,966,531	15,747	-
Operating transfers out	<u>(764,337)</u>	<u>(121,900)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>3,202,194</u>	<u>(106,153)</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,636,280	(158,214)	(265,377)
FUND BALANCES, BEGINNING	<u>2,790,198</u>	<u>1,147,289</u>	<u>928,990</u>
FUND BALANCES, ENDING	<u>\$ 4,426,478</u>	<u>\$ 989,075</u>	<u>\$ 663,613</u>

<u>General Construction</u>	<u>Airport Construction</u>	<u>Sales Tax Construction</u>	<u>Total</u>
\$ -	\$ -	\$ 1,130,186	\$ 1,444,511
349,583	1,770,157	-	2,575,675
727,025	-	14,348	1,233,591
15,000	-	-	135,000
-	140,290	-	140,290
<u>7,557</u>	<u>(1,713)</u>	<u>83,827</u>	<u>261,650</u>
1,099,165	1,908,734	1,228,361	5,790,717
<u>8,889,587</u>	<u>2,278,668</u>	<u>1,535,524</u>	<u>16,141,588</u>
<u>(7,790,422)</u>	<u>(369,934)</u>	<u>(307,163)</u>	<u>(10,350,871)</u>
8,124,026	-	-	12,106,304
<u>(1,372,800)</u>	<u>-</u>	<u>-</u>	<u>(2,259,037)</u>
<u>6,751,226</u>	<u>-</u>	<u>-</u>	<u>9,847,267</u>
(1,039,196)	(369,934)	(307,163)	(503,604)
<u>3,957,879</u>	<u>364,700</u>	<u>1,950,646</u>	<u>11,139,702</u>
<u>\$ 2,918,683</u>	<u>\$ (5,234)</u>	<u>\$ 1,643,483</u>	<u>\$ 10,636,098</u>

ENTERPRISE FUNDS

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

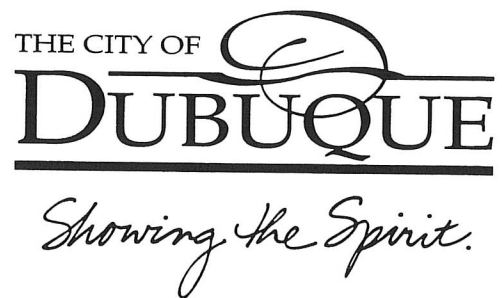
Sewage Disposal Works Fund - This fund is used to account for the operations of the City's sewage disposal works and services.

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

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

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

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



CITY OF DUBUQUE, IOWA
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1999

	Sewage Disposal Works	Water Utility
ASSETS		
CURRENT ASSETS		
Cash and pooled cash investments	\$ 4,577,329	\$ 1,691,329
Receivables		
Property taxes	-	-
Accounts	641,617	497,758
Accrued interest	21,503	7,037
Intergovernmental	-	-
Inventory	-	224,859
Prepaid items	5,037	-
Total Current Assets	<u>5,245,486</u>	<u>2,420,983</u>
RESTRICTED ASSETS		
Cash and pooled cash investments	-	-
FIXED ASSETS		
Land	60,440	144,066
Buildings and improvements	24,716,979	6,355,101
Improvements other than buildings	18,367,957	-
Machinery and equipment	1,706,307	24,257,187
Construction in progress	12,129,469	348,226
Accumulated depreciation	<u>(27,778,366)</u>	<u>(13,185,669)</u>
Net Fixed Assets	<u>29,202,786</u>	<u>17,918,911</u>
 Total Assets	 <u>\$ 34,448,272</u>	 <u>\$ 20,339,894</u>

<u>Parking Facilities</u>	<u>Refuse Collection</u>	<u>Transit System</u>	<u>Total</u>
\$ 1,112,551	\$ 1,371,987	\$ 344,520	\$ 9,097,716
-	-	4,717	4,717
7,405	196,527	301	1,343,608
7,436	-	-	35,976
-	-	506,614	506,614
-	-	5,370	230,229
-	-	-	5,037
<u>1,127,392</u>	<u>1,568,514</u>	<u>861,522</u>	<u>11,223,897</u>
 <u>552,246</u>	 <u>-</u>	 <u>-</u>	 <u>552,246</u>
 911,015	 -	 36,000	 1,151,521
8,784,571	-	1,871,445	41,728,096
-	-	-	18,367,957
647,202	1,014,693	2,882,528	30,507,917
217,558	-	-	12,695,253
<u>(4,147,542)</u>	<u>(677,842)</u>	<u>(1,975,183)</u>	<u>(47,764,602)</u>
<u>6,412,804</u>	<u>336,851</u>	<u>2,814,790</u>	<u>56,686,142</u>
 <u>\$ 8,092,442</u>	 <u>\$ 1,905,365</u>	 <u>\$ 3,676,312</u>	 <u>\$ 68,462,285</u>

(continued)

CITY OF DUBUQUE, IOWA
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1999

	Sewage Disposal Works	Water Utility
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 70,684	\$ 77,799
Accrued payroll	38,282	38,632
General obligation bonds payable - current	140,000	50,000
Revenue bonds payable - current	-	-
Accrued compensated absences	86,440	78,090
Due to component unit	-	-
Advances from other funds	1,426,320	571,261
Advances from component unit	561,250	-
Total Current Liabilities	<u>2,322,976</u>	<u>815,782</u>
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS		
Accrued interest payable	<u>-</u>	<u>-</u>
NONCURRENT LIABILITIES		
General obligation bonds payable	600,000	250,000
Revenue bonds payable (net of \$29,333 deferred amount on refunding)	<u>-</u>	<u>-</u>
Total Noncurrent Liabilities	<u>600,000</u>	<u>250,000</u>
Total Liabilities	<u>2,922,976</u>	<u>1,065,782</u>
EQUITY		
Contributed Capital		
Government	3,430,836	-
Intergovernmental	11,943,895	-
Developers and users	10,288,702	2,434,045
Total Contributed Capital	<u>25,663,433</u>	<u>2,434,045</u>
Retained Earnings (Deficit)		
Reserved by bond ordinance	-	-
Unreserved	5,861,863	16,840,067
Total Retained Earnings (Deficit)	<u>5,861,863</u>	<u>16,840,067</u>
Total Equity	<u>31,525,296</u>	<u>19,274,112</u>
Total Liabilities and Equity	<u>\$ 34,448,272</u>	<u>\$ 20,339,894</u>

EXHIBIT E-1
(continued)

<u>Parking Facilities</u>	<u>Refuse Collection</u>	<u>Transit System</u>	<u>Total</u>
\$ 10,478	\$ 2,570	\$ 31,548	\$ 193,079
13,433	27,575	26,682	144,604
-	-	-	190,000
155,000	-	-	155,000
24,904	47,206	41,404	278,044
-	48,094	-	48,094
-	-	-	1,997,581
-	-	-	561,250
<u>203,815</u>	<u>125,445</u>	<u>99,634</u>	<u>3,567,652</u>
 16,366	 -	 -	 16,366
 -	 -	 -	 850,000
<u>2,025,667</u>	<u>-</u>	<u>-</u>	<u>2,025,667</u>
<u>2,025,667</u>	<u>-</u>	<u>-</u>	<u>2,875,667</u>
 <u>2,245,848</u>	 <u>125,445</u>	 <u>99,634</u>	 <u>6,459,685</u>
 -	 61,704	 1,408,710	 4,901,250
 -	 274,650	 5,195,827	 17,414,372
 -	 -	 -	 12,722,747
 -	 336,354	 6,604,537	 35,038,369
 552,246	 -	 -	 552,246
<u>5,294,348</u>	<u>1,443,566</u>	<u>(3,027,859)</u>	<u>26,411,985</u>
<u>5,846,594</u>	<u>1,443,566</u>	<u>(3,027,859)</u>	<u>26,964,231</u>
 <u>5,846,594</u>	 <u>1,779,920</u>	 <u>3,576,678</u>	 <u>62,002,600</u>
 <u>\$ 8,092,442</u>	 <u>\$ 1,905,365</u>	 <u>\$ 3,676,312</u>	 <u>\$ 68,462,285</u>

CITY OF DUBUQUE, IOWA
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Sewage Disposal Works	Water Utility
OPERATING REVENUES		
Charges for sales and services	\$ 4,882,922	\$ 3,776,668
Other	<u>258,968</u>	<u>194,406</u>
Total Operating Revenues	<u>5,141,890</u>	<u>3,971,074</u>
OPERATING EXPENSES		
Employee expense	1,187,809	1,196,051
Utilities	401,448	338,110
Repairs and maintenance	236,504	112,583
Supplies and services	828,729	1,060,328
Insurance	67,358	50,063
Depreciation	<u>596,156</u>	<u>749,977</u>
Total Operating Expenses	<u>3,318,004</u>	<u>3,507,112</u>
OPERATING INCOME (LOSS)	<u>1,823,886</u>	<u>463,962</u>
NONOPERATING REVENUES (EXPENSES)		
Interest revenue	240,238	85,955
Interest expense	(120,977)	(50,959)
Operating grants	-	-
Taxes	-	-
Loss on disposal of assets	<u>-</u>	<u>(49,299)</u>
Total Nonoperating Revenues (Expenses)	<u>119,261</u>	<u>(14,303)</u>
INCOME (LOSS) BEFORE OPERATING TRANSFERS	<u>1,943,147</u>	<u>449,659</u>
OPERATING TRANSFERS		
Operating transfers in	970,948	463,175
Operating transfers out	<u>(918,409)</u>	<u>(565,548)</u>
Total Operating Transfers	<u>52,539</u>	<u>(102,373)</u>
NET INCOME (LOSS)	1,995,686	347,286
RETAINED EARNINGS (DEFICIT), BEGINNING AS RESTATED	<u>3,866,177</u>	<u>16,492,781</u>
RETAINED EARNINGS (DEFICIT), ENDING	<u>\$ 5,861,863</u>	<u>\$ 16,840,067</u>

<u>Parking Facilities</u>	<u>Refuse Collection</u>	<u>Transit System</u>	<u>Total</u>
\$ 1,211,438	\$ 1,773,031	\$ 187,476	\$ 11,831,535
3,046	4,473	16,027	476,920
<u>1,214,484</u>	<u>1,777,504</u>	<u>203,503</u>	<u>12,308,455</u>
399,638	854,010	776,060	4,413,568
45,448	1,453	37,658	824,117
27,278	533,463	67,895	977,723
99,475	174,093	352,426	2,515,051
12,440	24,516	82,784	237,161
<u>291,624</u>	<u>174,146</u>	<u>197,482</u>	<u>2,009,385</u>
<u>875,903</u>	<u>1,761,681</u>	<u>1,514,305</u>	<u>10,977,005</u>
<u>338,581</u>	<u>15,823</u>	<u>(1,310,802)</u>	<u>1,331,450</u>
88,212	-	-	414,405
(106,215)	-	-	(278,151)
-	-	670,016	670,016
-	-	598,479	598,479
-	-	(37,514)	(86,813)
<u>(18,003)</u>	<u>-</u>	<u>1,230,981</u>	<u>1,317,936</u>
<u>320,578</u>	<u>15,823</u>	<u>(79,821)</u>	<u>2,649,386</u>
-	-	-	1,434,123
<u>(24,734)</u>	<u>(161,316)</u>	<u>-</u>	<u>(1,670,007)</u>
<u>(24,734)</u>	<u>(161,316)</u>	<u>-</u>	<u>(235,884)</u>
295,844	(145,493)	(79,821)	2,413,502
<u>5,550,750</u>	<u>1,589,059</u>	<u>(2,948,038)</u>	<u>24,550,729</u>
<u>\$ 5,846,594</u>	<u>\$ 1,443,566</u>	<u>\$ (3,027,859)</u>	<u>\$ 26,964,231</u>

CITY OF DUBUQUE, IOWA
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Sewage Disposal Works	Water Utility
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income (loss)	\$ 1,823,886	\$ 463,962
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation	596,156	749,977
Changes in assets and liabilities		
(Increase) in accounts receivable	(114,298)	(116,005)
(Increase) in intergovernmental receivable	-	-
(Increase) decrease in inventory	-	28,355
Increase (decrease) in accounts payable	(96,373)	9,748
Increase (decrease) in accrued payroll	4,598	2,775
Increase (decrease) in accrued compensated absences	1,338	3,546
(Decrease) in due to other funds	(54,745)	(30,608)
Increase in due to component unit	-	-
(Decrease) in deferred revenue	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>2,160,562</u>	<u>1,111,750</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property taxes received	-	-
Operating grants received	-	-
Operating transfers in	970,948	463,175
Operating transfers out	(918,409)	(565,548)
Advances from other funds	<u>109,060</u>	<u>14,761</u>
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>161,599</u>	<u>(87,612)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of fixed assets	(1,701,744)	(715,494)
Principal paid on bonds	(140,000)	(50,000)
Interest paid on bonds	(120,977)	(50,959)
Capital contributed by intergovernmental	-	-
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>\$ (1,962,721)</u>	<u>\$ (816,453)</u>

<u>Parking Facilities</u>	<u>Refuse Collection</u>	<u>Transit System</u>	<u>Total</u>
\$ 338,581	\$ 15,823	\$ (1,310,802)	\$ 1,331,450
291,624	174,146	197,482	2,009,385
(2,173)	(35,829)	(46)	(268,351)
-	-	(265,138)	(265,138)
-	-	(1,596)	26,759
(17,455)	(67,847)	4,575	(167,352)
(1,466)	2,550	2,113	10,570
(4,014)	(3,382)	(3,608)	(6,120)
-	-	-	(85,353)
-	2,554	-	2,554
-	-	(893)	(893)
<u>605,097</u>	<u>88,015</u>	<u>(1,377,913)</u>	<u>2,587,511</u>
-	-	599,133	599,133
-	-	670,016	670,016
-	-	-	1,434,123
(24,734)	(161,316)	-	(1,670,007)
-	-	-	123,821
<u>(24,734)</u>	<u>(161,316)</u>	<u>1,269,149</u>	<u>1,157,086</u>
(228,552)	(66,250)	(204,805)	(2,916,845)
(147,333)	-	-	(337,333)
(107,172)	-	-	(279,108)
-	-	176,239	176,239
<u>\$ (483,057)</u>	<u>\$ (66,250)</u>	<u>\$ (28,566)</u>	<u>\$ (3,357,047)</u>

(continued)

CITY OF DUBUQUE, IOWA
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Sewage Disposal Works	Water Utility
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on cash and pooled cash investments	\$ 235,250	\$ 84,719
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	594,690	292,404
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>3,982,639</u>	<u>1,398,925</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 4,577,329</u>	<u>\$ 1,691,329</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Contributions of fixed assets from developers and users	\$ 241,401	\$ 17,569

EXHIBIT E-3
(continued)

<u>Parking Facilities</u>	<u>Refuse Collection</u>	<u>Transit System</u>	<u>Total</u>
\$ 86,916	\$ -	\$ -	\$ 406,885
184,222	(139,551)	(137,330)	794,435
<u>1,480,575</u>	<u>1,511,538</u>	<u>481,850</u>	<u>8,855,527</u>
<u>\$ 1,664,797</u>	<u>\$ 1,371,987</u>	<u>\$ 344,520</u>	<u>\$ 9,649,962</u>
\$ -	\$ -	\$ -	\$ 258,970

INTERNAL SERVICE FUNDS

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

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

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

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

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

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



CITY OF DUBUQUE, IOWA
INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1999

	<u>General Service</u>	<u>Garage Service</u>
ASSETS		
CURRENT ASSETS		
Cash and pooled cash investments	\$ -	\$ 3,832
Insurance deposit	-	-
Accrued interest receivable	-	-
Inventory	-	15,711
Total Current Assets	-	19,543
FIXED ASSETS		
Machinery and equipment	-	149,771
Accumulated depreciation	-	(113,083)
Net Fixed Assets	-	36,688
Total Assets	\$ -	\$ 56,231
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ -	\$ 1,585
Accrued payroll	27,665	17,035
Due to other funds	123,941	-
Total Liabilities	151,606	18,620
EQUITY		
Retained earnings (deficit), unreserved	(151,606)	37,611
Total Liabilities and Equity	\$ -	\$ 56,231

<u>Stores/ Printing</u>	<u>Health Insurance Reserve</u>	<u>Workers' Compensation Reserve</u>	<u>Total</u>
\$ -	\$ 1,543,756	\$ 1,015,083	\$ 2,562,671
-	-	1,000	1,000
-	6,740	4,580	11,320
<u>5,450</u>	<u>-</u>	<u>-</u>	<u>21,161</u>
<u>5,450</u>	<u>1,550,496</u>	<u>1,020,663</u>	<u>2,596,152</u>
-	-	-	149,771
<u>-</u>	<u>-</u>	<u>-</u>	<u>(113,083)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>36,688</u>
<u>\$ 5,450</u>	<u>\$ 1,550,496</u>	<u>\$ 1,020,663</u>	<u>\$ 2,632,840</u>
\$ -	\$ 444,035	\$ 153,665	\$ 599,285
-	-	-	44,700
<u>176</u>	<u>-</u>	<u>-</u>	<u>124,117</u>
176	444,035	153,665	768,102
<u>5,274</u>	<u>1,106,461</u>	<u>866,998</u>	<u>1,864,738</u>
<u>\$ 5,450</u>	<u>\$ 1,550,496</u>	<u>\$ 1,020,663</u>	<u>\$ 2,632,840</u>

CITY OF DUBUQUE, IOWA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	<u>General Service</u>	<u>Garage Service</u>
OPERATING REVENUES		
Charges for sales and services	\$ 650,854	\$ 726,340
OPERATING EXPENSES		
Employee expense	749,546	503,466
Utilities	-	12,576
Repairs and maintenance	-	11,142
Supplies and services	-	177,645
Insurance	-	7,167
Depreciation	-	11,402
Total Operating Expenses	<u>749,546</u>	<u>723,398</u>
OPERATING INCOME (LOSS)	<u>(98,692)</u>	<u>2,942</u>
NONOPERATING REVENUES (EXPENSES)		
Interest Revenue	-	-
Loss on disposal of assets	<u>-</u>	<u>(205)</u>
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>(205)</u>
NET INCOME (LOSS)	(98,692)	2,737
RETAINED EARNINGS (DEFICIT), BEGINNING	<u>(52,914)</u>	<u>34,874</u>
RETAINED EARNINGS (DEFICIT), ENDING	<u>\$ (151,606)</u>	<u>\$ 37,611</u>

<u>Stores/ Printing</u>	<u>Health Insurance Reserve</u>	<u>Workers' Compensation Reserve</u>	<u>Total</u>
\$ 38,321	\$ 3,522,399	\$ 191,704	\$ 5,129,618
-	-	-	1,253,012
-	-	-	12,576
-	-	-	11,142
31,933	-	-	209,578
-	3,090,858	281,751	3,379,776
-	-	-	11,402
<u>31,933</u>	<u>3,090,858</u>	<u>281,751</u>	<u>4,877,486</u>
<u>6,388</u>	<u>431,541</u>	<u>(90,047)</u>	<u>252,132</u>
-	72,975	49,166	122,141
-	-	-	(205)
-	<u>72,975</u>	<u>49,166</u>	<u>121,936</u>
6,388	504,516	(40,881)	374,068
<u>(1,114)</u>	<u>601,945</u>	<u>907,879</u>	<u>1,490,670</u>
<u>\$ 5,274</u>	<u>\$ 1,106,461</u>	<u>\$ 866,998</u>	<u>\$ 1,864,738</u>

CITY OF DUBUQUE, IOWA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	General Service	Garage Service
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income (loss)	\$ (98,692)	\$ 2,942
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation	-	11,402
Changes in assets and liabilities		
(Increase) decrease in inventory	-	407
Increase in accounts payable	-	1,541
Increase in accrued payroll	1,969	1,246
Increase (decrease) in due to other funds	<u>96,723</u>	<u>(3,594)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>-</u>	<u>13,944</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of fixed assets	<u>-</u>	<u>(10,112)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on cash and pooled cash investments	<u>-</u>	<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	-	3,832
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>-</u>	<u>-</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ -</u>	<u>\$ 3,832</u>

<u>Stores/ Printing</u>	<u>Health Insurance Reserve</u>	<u>Workers' Compensation Reserve</u>	<u>Total</u>
\$ 6,388	\$ 431,541	\$ (90,047)	\$ 252,132
-	-	-	11,402
(2,753)	-	-	(2,346)
-	79,920	52,244	133,705
-	-	-	3,215
<u>(3,635)</u>	<u>-</u>	<u>-</u>	<u>89,494</u>
<u>-</u>	<u>511,461</u>	<u>(37,803)</u>	<u>487,602</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,112)</u>
<u>-</u>	<u>70,224</u>	<u>48,754</u>	<u>118,978</u>
-	581,685	10,951	596,468
<u>-</u>	<u>962,071</u>	<u>1,004,132</u>	<u>1,966,203</u>
<u>\$ -</u>	<u>\$ 1,543,756</u>	<u>\$ 1,015,083</u>	<u>\$ 2,562,671</u>

TRUST AND AGENCY FUNDS

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

EXPENDABLE TRUST FUNDS

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

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

NONEXPENDABLE TRUST FUNDS

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

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

AGENCY FUNDS

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

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

CITY OF DUBUQUE, IOWA
TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1999

Exhibit G-1

	Expendable Trust	Nonexpendable Trust	Agency	Totals
ASSETS				
Cash and pooled cash investments	\$ 571,865	\$ 219,495	\$ -	\$ 791,360
Receivables				
Accounts	11,228	-	-	11,228
Accrued interest	-	276	-	276
Restricted assets				
Cash and pooled cash investments	19,327	-	16,867	36,194
Total Assets	<u>\$ 602,420</u>	<u>\$ 219,771</u>	<u>\$ 16,867</u>	<u>\$ 839,058</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accrued payroll	\$ 6,315	\$ -	\$ -	\$ 6,315
Due to employees	-	-	16,867	16,867
Total Liabilities	<u>6,315</u>	<u>-</u>	<u>16,867</u>	<u>23,182</u>
FUND BALANCES				
Reserved by franchise agreement	19,327	-	-	19,327
Reserved for endowments	-	219,771	-	219,771
Unreserved, undesignated	576,778	-	-	576,778
Total Fund Balances	<u>596,105</u>	<u>219,771</u>	<u>-</u>	<u>815,876</u>
Total Liabilities and Fund Balances	<u>\$ 602,420</u>	<u>\$ 219,771</u>	<u>\$ 16,867</u>	<u>\$ 839,058</u>

CITY OF DUBUQUE, IOWA
EXPENDABLE TRUST FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1999

EXHIBIT G-2

	<u>Cable TV</u>	<u>Respiratory Disease Trust</u>	<u>Total</u>
ASSETS			
Cash and pooled cash investments	\$ 567,633	\$ 4,232	\$ 571,865
Accounts receivable	11,228	-	11,228
Restricted assets			
Cash and pooled cash investments	<u>19,327</u>	<u>-</u>	<u>19,327</u>
Total Assets	<u>\$ 598,188</u>	<u>\$ 4,232</u>	<u>\$ 602,420</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accrued payroll	<u>\$ 6,315</u>	<u>\$ -</u>	<u>\$ 6,315</u>
FUND BALANCES			
Reserved by franchise agreement	19,327	-	19,327
Unreserved, undesignated	<u>572,546</u>	<u>4,232</u>	<u>576,778</u>
Total Fund Balances	<u>591,873</u>	<u>4,232</u>	<u>596,105</u>
Total Liabilities and Fund Balances	<u>\$ 598,188</u>	<u>\$ 4,232</u>	<u>\$ 602,420</u>

CITY OF DUBUQUE, IOWA**EXHIBIT G-3****EXPENDABLE TRUST FUNDS****COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES****FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

	<u>Cable TV</u>	<u>Respiratory Disease Trust</u>	<u>Total</u>
REVENUES			
Franchise fees	\$ 426,140	\$ -	\$ 426,140
Miscellaneous	447	-	447
Total Revenues	<u>426,587</u>	<u>-</u>	<u>426,587</u>
EXPENDITURES			
Current			
Policy and administration	118,572	-	118,572
Home and community environment	<u>229,662</u>	<u>-</u>	<u>229,662</u>
Total Expenditures	<u>348,234</u>	<u>-</u>	<u>348,234</u>
EXCESS OF REVENUES OVER EXPENDITURES	78,353	-	78,353
FUND BALANCES, BEGINNING	<u>513,520</u>	<u>4,232</u>	<u>517,752</u>
FUND BALANCES, ENDING	<u>\$ 591,873</u>	<u>\$ 4,232</u>	<u>\$ 596,105</u>

CITY OF DUBUQUE, IOWA
NONEXPENDABLE TRUST FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1999

EXHIBIT G-4

	<u>Ella Lyons Peony Trail Trust</u>	<u>Library Gifts Trust</u>	<u>Total</u>
ASSETS			
Cash and pooled cash investments	\$ 158,971	\$ 60,524	\$ 219,495
Accrued interest receivable	<u>-</u>	<u>276</u>	<u>276</u>
Total Assets	<u>\$ 158,971</u>	<u>\$ 60,800</u>	<u>\$ 219,771</u>
FUND BALANCES			
Reserved for endowments	<u>\$ 158,971</u>	<u>\$ 60,800</u>	<u>\$ 219,771</u>

CITY OF DUBUQUE, IOWA
NONEXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

EXHIBIT G-5

	Ella Lyons Peony Trail Trust	Library Gifts Trust	Total
OPERATING REVENUES			
Miscellaneous	\$ -	\$ 22,133	\$ 22,133
Investment earnings	<u>51,228</u>	<u>3,276</u>	<u>54,504</u>
Total Operating Revenues	51,228	25,409	76,637
OPERATING EXPENSES			
Supplies and services	<u>547</u>	<u>27,864</u>	<u>28,411</u>
NET INCOME (LOSS)	50,681	(2,455)	48,226
FUND BALANCES, BEGINNING AS RESTATED	<u>108,290</u>	<u>63,255</u>	<u>171,545</u>
FUND BALANCES, ENDING	<u>\$ 158,971</u>	<u>\$ 60,800</u>	<u>\$ 219,771</u>

CITY OF DUBUQUE, IOWA
NONEXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

EXHIBIT G-6

	<u>Ella Lyons Peony Trail Trust</u>	<u>Library Gifts Trust</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income (loss)	\$ 50,681	\$ (2,455)	\$ 48,226
Adjustments to reconcile net income (loss) to net cash (used) by operating activities			
Investment earnings	<u>(51,228)</u>	<u>(3,276)</u>	<u>(54,504)</u>
NET CASH (USED) BY OPERATING ACTIVITIES	(547)	(5,731)	(6,278)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on cash and pooled cash investments	<u>51,228</u>	<u>3,261</u>	<u>54,489</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	50,681	(2,470)	48,211
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR, AS RESTATED	<u>108,290</u>	<u>62,994</u>	<u>171,284</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 158,971</u>	<u>\$ 60,524</u>	<u>\$ 219,495</u>

CITY OF DUBUQUE, IOWA**EXHIBIT G-7****ALL AGENCY FUNDS****COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

	Balance July 1 1998	Net Additions	Net Deductions	Balance June 30 1999
<u>Flexible Spending Fund</u>				
ASSETS				
Restricted cash and pooled cash investments	<u>\$ 14,377</u>	<u>\$ 135,110</u>	<u>\$ 132,620</u>	<u>\$ 16,867</u>
LIABILITIES				
Due to employees	<u>\$ 14,377</u>	<u>\$ 135,110</u>	<u>\$ 132,620</u>	<u>\$ 16,867</u>

**GENERAL FIXED ASSETS
ACCOUNT GROUP**

CITY OF DUBUQUE, IOWA
SCHEDULE OF GENERAL FIXED ASSETS – BY PROGRAM AND DEPARTMENT
JUNE 30, 1999

PROGRAM AND DEPARTMENT	Land	Buildings and Improvements
POLICY AND ADMINISTRATION		
City Manager	\$ -	\$ -
City Clerk	-	-
Finance	-	-
Legal	-	-
Information Services	-	-
Dog Track	-	9,070,894
Cable TV	-	-
City Council	-	-
Other - Unclassified	3,559,675	4,418,364
Total Policy and Administration	3,559,675	13,489,258
COMMUNITY PROTECTION		
Police	23,860	238,036
Joint Communications	-	2,295
Fire	161,100	2,060,644
Disaster Services	-	-
Human Rights	-	-
Total Community Protection	184,960	2,300,975
HOME AND COMMUNITY ENVIRONMENT		
Airport	1,021,201	5,607,399
Engineering	82,000	-
Street and Sewers	131,030	795,668
Community Development	1,922,000	-
Housing Services	-	-
Planning Services	550,000	-
Building Services	65,510	2,133,467
Health Services	-	-
Total Home and Community Environment	3,771,741	8,536,534
HUMAN DEVELOPMENT		
Park	3,683,318	2,753,558
Civic Center	172,246	4,726,468
Recreation	1,335,160	3,788,515
Library	66,960	3,149,460
Total Human Development	5,257,684	14,418,001
CONSTRUCTION IN PROGRESS	-	-
TOTAL GENERAL FIXED ASSETS	\$ 12,774,060	\$ 38,744,768

Improvements Other Than Buildings	Machinery and Equipment	Construction in Progress	Total
\$ -	\$ 108,208	\$ -	\$ 108,208
-	17,917	-	17,917
-	309,496	-	309,496
-	18,305	-	18,305
-	149,967	-	149,967
1,073,877	-	-	10,144,771
-	299,641	-	299,641
-	9,382	-	9,382
-	-	-	7,978,039
<u>1,073,877</u>	<u>912,916</u>	<u>-</u>	<u>19,035,726</u>
-	1,263,644	-	1,525,540
-	67,696	-	69,991
-	2,377,704	-	4,599,448
-	79,804	-	79,804
-	20,189	-	20,189
-	<u>3,809,037</u>	<u>-</u>	<u>6,294,972</u>
1,308,316	1,986,998	-	9,923,914
-	354,361	-	436,361
17,135	3,754,436	-	4,698,269
136,561	51,309	-	2,109,870
-	312,788	-	312,788
-	71,296	-	621,296
-	99,297	-	2,298,274
-	91,162	-	91,162
<u>1,462,012</u>	<u>6,721,647</u>	<u>-</u>	<u>20,491,934</u>
1,375,648	1,347,026	-	9,159,550
43,573	1,086,951	-	6,029,238
202,296	357,015	-	5,682,986
-	1,293,477	-	4,509,897
<u>1,621,517</u>	<u>4,084,469</u>	<u>-</u>	<u>25,381,671</u>
-	-	20,004,287	20,004,287
<u>\$ 4,157,406</u>	<u>\$ 15,528,069</u>	<u>\$ 20,004,287</u>	<u>\$ 91,208,590</u>

CITY OF DUBUQUE, IOWA
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS –
BY PROGRAM AND DEPARTMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

EXHIBIT H-3

PROGRAM AND DEPARTMENT	General Fixed Assets July 1 1998	Additions	Deductions	General Fixed Assets June 1999
POLICY AND ADMINISTRATION				
City Manager	\$ 102,158	\$ 6,050	\$ -	\$ 108,208
City Clerk	18,547	-	630	17,917
Finance	278,894	32,619	2,017	309,496
Legal	18,305	-	-	18,305
Information Services	149,967	-	-	149,967
Dog Track	10,144,771	-	-	10,144,771
Cable TV	265,621	39,128	5,108	299,641
City Council	9,382	-	-	9,382
Other - Unclassified	7,978,039	-	-	7,978,039
Total Policy and Administration	<u>18,965,684</u>	<u>77,797</u>	<u>7,755</u>	<u>19,035,726</u>
COMMUNITY PROTECTION				
Police	1,448,504	225,700	148,664	1,525,540
Joint Communications	183,320	14,620	127,949	69,991
Fire	4,179,009	614,262	193,823	4,599,448
Disaster Services	103,545	-	23,741	79,804
Human Rights	17,152	6,082	3,045	20,189
Total Community Protection	<u>5,931,530</u>	<u>860,664</u>	<u>497,222</u>	<u>6,294,972</u>
HOME AND COMMUNITY ENVIRONMENT				
Airport	9,312,786	1,489,216	878,088	9,923,914
Engineering	384,358	138,852	86,849	436,361
Street and Sewers	4,492,597	898,967	693,295	4,698,269
Community Development	1,541,462	568,408	-	2,109,870
Housing Services	305,725	21,591	14,528	312,788
Planning Services	68,718	554,829	2,251	621,296
Building Services	2,292,370	6,404	500	2,298,274
Health Services	88,953	3,559	1,350	91,162
Total Home and Community Environment	<u>18,486,969</u>	<u>3,681,826</u>	<u>1,676,861</u>	<u>20,491,934</u>
HUMAN DEVELOPMENT				
Park	8,774,611	487,268	102,329	9,159,550
Civic Center	5,713,092	336,255	20,109	6,029,238
Recreation	5,652,549	47,732	17,295	5,682,986
Library	4,506,980	54,751	51,834	4,509,897
Total Human Development	<u>24,647,232</u>	<u>926,006</u>	<u>191,567</u>	<u>25,381,671</u>
CONSTRUCTION IN PROGRESS	<u>7,344,789</u>	<u>13,198,760</u>	<u>539,262</u>	<u>20,004,287</u>
TOTAL GENERAL FIXED ASSETS	<u>\$ 75,376,204</u>	<u>\$ 18,745,053</u>	<u>\$ 2,912,667</u>	<u>\$ 91,208,590</u>

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

CITY OF DUBUQUE, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

<u>Grantor/Program</u>	<u>CFDA Number</u>	<u>Agency or Pass-Through Number</u>	<u>Program Expenditures</u>
Indirect:			
Department of Justice:			
Dubuque County, Iowa:			
Byre Formula Grant Program	16.579	95-0228	\$ 2,542
Violence Against Women Formula Grants	16.588	97V0238	14,892
Department of Transportation:			
Iowa Department of Transportation:			
Highway Planning and Construction	20.205	STP-ES-2100(10)- - 8I-31	332,273
Highway Planning and Construction	20.205	STP-U-2100(12)- - 70-31	344,748
Highway Planning and Construction	20.205	RT-MHER(43)- - 9H-31	4,020
			681,041
Federal Transit – Formula Grants	20.507	IA-03-0079	146,730
Governor's Traffic Safety Bureau:			
State and Community Highway Safety	20.600	PAP 99-12 TASK 03	6,007
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	PAP 98-02 TASK 06	2,200
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	PAP 99-02 TASK 06	8,000
			10,200
Environmental Protection Agency:			
Iowa Department of Public Health and Linn County, Iowa:			
State Indoor Radon Grants	66.032	5889RC02	2,370
Federal Emergency Management Agency:			
Iowa Department of Public Defense:			
Public Assistance Grants	83.544	DR1A1277	31,532
Department of Health and Human Services:			
Iowa Department of Public Health:			
Tobacco Surveillance	N/A	5889TS19	7,248
Acquired Immunodeficiency Syndrome (AIDS) Activity	93.118	5888AP21	18,793
Acquired Immunodeficiency Syndrome (AIDS) Activity	93.118	5889AP21	4,445
			23,238
Childhood Lead Poisoning Prevention Projects	93.197	5889LP08	34,875
Preventive Health and Health Services Block Grant	93.991	5889AS05	9,439
Total indirect			970,114
Total			\$ 8,808,903

N/A – Not Available

See the notes to the Schedule of Expenditures of Federal Awards.

CITY OF DUBUQUE, IOWA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

NOTE 1 – BASIS OF PRESENTATION

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

NOTE 2 – SUBRECIPIENTS

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

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Community Development Block Grants/ Entitlement Grants	14.218	\$ 191,847
Federal Transit – Formula Grants	20.507	90,522
Childhood Lead Poisoning Prevention Projects	93.197	5,155
Preventive Health and Health Services Block Grant	93.991	19,635

CITY OF DUBUQUE, IOWA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

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

- (a) An unqualified opinion was issued on the financial statements.
- (b) A reportable condition in internal control over financial reporting was disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) A reportable condition in internal control over a major program was disclosed by the audit of the financial statements.
- (e) An unqualified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit disclosed audit findings which are required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) Major programs were as follows:
 - CFDA Number 14.218 - Community Development Block Grants/Entitlement Grants
 - CFDA Number 14.900 - Lead-Based Paint Hazard Control in Privately-Owned Housing
 - CFDA Number 20.205 - Highway Planning and Construction
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) The City of Dubuque, Iowa, did qualify as a low-risk auditee.

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

REPORTABLE CONDITION

99-II-A Fixed Assets - The City has a centralized custodian who maintains a record of the City's fixed assets including additions and deletions made during the year. Complicating these procedures is the fact that an asset may be charged to various different funds or paid for in installments, and this information may not get properly combined and summarized for the fixed asset documentation.

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

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

CITY OF DUBUQUE, IOWA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

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

Conclusion – Response accepted.

Part III: Findings and Questioned Costs for Federal Awards:

INSTANCE OF NON-COMPLIANCE:

CFDA Number 14.900: Lead-Based Paint Hazard Control in Privately-Owned Housing
Agency Number: IALAG0066-97
Department of Housing and Urban Development

99-III-A Reporting – The City is required to file the *Financial Status Report* – Standard Form 269 with the Department of Housing and Urban Development on a quarterly basis. Although these reports were filed for each quarter, it appears that line 10j – Federal share of net outlays has been overstated by program income.

Recommendation – We recommend that the City contact the Department of Housing and Urban Development regarding this issue and the possible amending of these quarterly reports.

Response – The City will contact HUD and make arrangements to submit adjusted or restated quarterly reports.

Conclusion – Response accepted.

REPORTABLE CONDITION:

CFDA Number 14.218: Community Development Block Grants/Entitlement Grants
Agency Number: B-9X-MC-19-0004
Department of Housing and Urban Development

99-III-B Support of Salaries and Wages – Detailed time activity reports are maintained internally by personnel of the City's Community Development Department. However, the actual payroll information maintained by the department is not reflected in the City's general ledger system. Salaries and wages charged to each department and activity within a department are made on a budget basis rather than from the department's actual time records.

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

CITY OF DUBUQUE, IOWA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

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

We also suggest that the City contact applicable representatives of the Department of Housing and Urban Development for guidance in the establishment and implementation of these procedures.

Response – The City Finance Department has reviewed the requirements for time and activity reports with the Community Development Department and has provided instructions on keeping records for charging salaries and wages to various programs. Affected employees have begun maintaining required documentation to support salaries and wages. In FY 2000 the records will be used to allocate salary and wage expense across the various grant programs.

Conclusion – Response accepted.

Part IV: Other Findings Related to Statutory Reporting:

- 99-IV-A Official Depositories - A resolution naming official depositories has been approved by the City. The maximum deposit amounts stated in the resolution were not exceeded during the year ended June 30, 1999.
- 99-IV-B Certified Budget - Program disbursements during the year ended June 30, 1999, did not exceed the amounts budgeted.
- 99-IV-C Questionable Expenditures - We noted no expenditures which fail to meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.
- 99-IV-D Travel Expense - No expenditures of City money for travel expenses of spouses of City officials or employees were noted.
- 99-IV-E Business Transactions - We noted no business transactions between the City and its officials or employees that appear to represent a conflict of interest.
- 99-IV-F Bond Coverage - Surety bond coverage of City officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to insure that the coverage is adequate for current operations.
- 99-IV-G Council Minutes - No transactions were found that we believe should have been approved in the Council minutes but were not.
- 99-IV-H Revenue Bonds - We noted no instances of non-compliance with the provisions of the City's revenue bond resolutions.

CITY OF DUBUQUE, IOWA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

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

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

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

Response – The investment policy has been updated and was approved by the Council in October, 1999.

Conclusion – Response accepted.

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

STATISTICAL SECTION

(Unaudited)

CITY OF DUBUQUE, IOWA**Table 1**

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)
(UNAUDITED)

<u>Fiscal Year</u>	<u>Community Protection</u>	<u>Human Development</u>	<u>Home and Community Environment</u>	<u>Policy and Administration</u>	<u>Debt Service</u>	<u>Total</u>
1990	\$ 6,873	\$ 3,025	\$ 7,056	\$ 1,960	\$ 4,305	\$ 23,219
1991	7,315	3,222	9,041	2,042	7,094	28,714
1992	7,843	3,429	9,123	2,270	5,532	28,197
1993	7,874	3,548	8,776	2,237	3,915	26,350
1994	11,068	4,407	11,092	5,456	4,276	36,299
1995	11,747	5,207	9,785	2,927	3,764	33,430
1996	12,202	5,508	10,060	3,252	3,750	34,772
1997	12,082	5,856	11,050	3,891	3,492	36,371
1998	12,827	6,200	10,380	4,386	2,898	36,691
1999	13,343	6,599	15,136	3,981	2,747	41,806

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

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

Table 2

<u>Fiscal Year</u>	<u>Taxes</u>	<u>Licenses and Permits</u>	<u>Inter-Governmental</u>	<u>Charges for Services</u>	<u>Fines</u>	<u>Interest</u>	<u>Miscellaneous</u>	<u>Total</u>
1990	\$ 13,360	\$ 539	\$ 8,147	\$ 2,397	\$ 367	\$ 2,342	\$ 6,484	\$ 33,636
1991	13,841	618	7,533	2,876	360	2,914	6,544	34,686
1992	14,420	639	8,049	3,150	346	1,785	3,426	31,815
1993	15,016	666	7,662	2,944	337	1,474	749	28,848
1994	20,295	673	10,417	3,526	388	1,438	736	37,473
1995	20,889	921	9,457	4,494	341	2,155	1,130	39,387
1996	21,620	717	9,253	5,491	350	1,686	765	39,882
1997	24,772	507	11,454	6,637	358	1,596	1,487	46,811
1998	24,848	507	10,351	7,106	371	1,989	1,619	46,791
1999	25,629	580	10,375	7,843	337	1,948	1,926	48,638

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

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

Table 2A

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Money and Credits Replaced Tax</u>	<u>Mobile Homes Tax</u>	<u>State Replace Personal Prop. Exemption</u>	<u>Sales Tax</u>	<u>Hotel Motel Tax</u>	<u>Total</u>
1990	\$ 8,049	\$ 47	\$ 46	\$ 457	\$ 4,314	\$ 447	\$ 13,360
1991	8,527	40	42	457	4,316	459	13,841
1992	8,580	72	34	492	4,618	624	14,420
1993	8,762	38	31	493	4,821	871	15,016
1994	14,168	38	33	493	4,796	767	20,295
1995	14,300	39	33	493	5,182	842	20,889
1996	14,928	40	32	472	5,318	830	21,620
1997	18,454	15	33	492	5,373	784	25,151
1998	18,562	42	37	494	4,856	857	24,848
1999	19,890	44	33	492	4,206	964	25,629

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

<u>Fiscal Year</u>	<u>Total Tax Levy (1)</u>	<u>Current Year Collections</u>	<u>Percent of Current Taxes Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Ratio of Total Tax Collections to Total Tax Levy</u>
1990	\$ 11,064	\$ 10,889	98.4%	\$ 415	\$ 11,304	102.2%
1991	11,851	11,618	98.0	383	12,001	101.3
1992	12,694	12,042	94.9	608	12,650	99.7
1993	13,242	12,635	95.4	571	13,206	99.7
1994	14,851	14,101	94.9	161	14,262	96.0
1995	14,997	14,635	97.6	116	14,751	98.4
1996	15,182	14,832	97.7	118	14,950	98.5
1997	15,299	15,025	98.2	132	15,157	99.1
1998	15,538	15,426	99.3	172	15,598	100.4
1999	16,587	16,528	99.6	121	16,649	100.4

(1) Includes tax increment levy.

Table 3

<u>Outstanding Delinquent Taxes</u>		<u>Ratio of Delinquent Taxes to Total Tax Levy</u>
\$	437	3.9%
	287	2.4
	331	2.6
	367	2.8
	956	6.4
	245	1.6
	232	1.5
	274	1.8
	112	0.7
	59	0.4

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

Table 4

Fiscal Year	Real Property		Exemptions	Total		Ratio of Total Assessed Value to Total Estimated Actual Value
	Taxable Value	Assessed Actual Value	Real Property	Assessed Value	Estimated Actual Value	
1990	\$ 955,819	\$ 1,089,808	\$ 11,734	\$ 944,085	\$ 1,089,808	86.63%
1991	966,009	1,106,628	11,351	954,658	1,106,628	86.27
1992	984,894	1,129,691	11,160	973,734	1,129,691	86.19
1993	960,732	1,185,363	10,783	949,949	1,185,363	80.14
1994	997,573	1,229,395	10,681	986,892	1,229,395	80.27
1995	1,127,153	1,450,026	10,642	1,116,511	1,450,026	77.00
1996	1,151,187	1,487,208	10,467	1,140,720	1,487,208	76.70
1997	1,237,246	1,750,830	10,405	1,226,841	1,750,830	70.07
1998	1,259,649	1,776,342	10,218	1,249,431	1,776,342	70.34
1999	1,344,102	1,987,466	10,385	1,333,717	1,987,466	67.11

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

Table 5

<u>Fiscal Year</u>	<u>Dubuque City</u>	<u>Dubuque School District</u>	<u>Board of Education and Independents</u>	<u>Area 1 Voc. Tech</u>	<u>Dubuque County</u>	<u>Total</u>	<u>Ratio of Dubuque City to Total</u>
1990	\$ 11.6891	\$ 12.3212	\$.613	\$.4503	\$ 5.6024	\$ 30.6760	38.11%
1991	12.3004	12.8876	.613	.4515	6.2061	32.4586	37.90
1992	12.7742	13.6506	.6186	.4620	7.0749	34.5803	36.94
1993	12.4989	13.6650	.6733	.4699	7.6173	34.9244	35.79
1994	12.60588	13.92886	.50303	.47495	7.61714	35.12986	35.88
1995	11.78206	13.60398	.53777	.49222	6.95885	33.37488	35.30
1996	11.78215	13.70668	.74972	.49360	6.13169	32.86384	35.85
1997	11.38153	12.39251	.70548	.50348	5.87236	30.85536	36.89
1998	11.40112	12.03974	.52563	.49951	5.54113	30.00713	37.99
1999	11.07340	11.98226	.50368	.48592	5.52169	29.56695	37.45

Source: Dubuque County Auditor's Office.

CITY OF DUBUQUE, IOWA
PRINCIPAL TAXPAYERS
PAYABLE FISCAL YEAR 1999
(AMOUNTS EXPRESSED IN THOUSANDS)
(UNAUDITED)

Table 6

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

Source: Dubuque County – Auditor.

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

Table 7

<u>Fiscal Year</u>	<u>Special Assessment Billings</u>	<u>Special Assessment Collected (1)</u>
1990	\$ 79	\$ 268
1991	72	373
1992	59	276
1993	58	333
1994	44	339
1995	51	609
1996	33	147
1997	41	378
1998	73	179
1999	67	644

(1) Includes prepayments.

CITY OF DUBUQUE, IOWA
COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 1999
(AMOUNTS EXPRESSED IN THOUSANDS)
(UNAUDITED)

Table 8

Actual Valuations		<u>\$ 1,987,466</u>
Legal debt margin:		
Debt limitation – 5% of actual valuations		\$ 99,373
Debt applicable to limitation:		
Total bonded debt	\$ 11,655	
Less: Revenue bonds	2,210	
Tax-increment financing bonds	<u>900</u>	
Total debt applicable to limitation		<u>8,545</u>
Legal debt margin		<u>\$ 90,828</u>

CITY OF DUBUQUE, IOWA

Table 9

RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA LAST TEN FISCAL YEARS (AMOUNTS EXPRESSED IN THOUSANDS) (UNAUDITED)

Fiscal Year	Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Debt Payable Other Revenues (4)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1990	62	\$ 944,085	\$ 21,455	\$ 3,025	\$ 18,430	1.95%	\$.297
1991	58	954,658	18,395	-	18,395	1.93	.317
1992	58	973,734	16,255	-	16,255	1.67	.280
1993	58	949,949	16,340	-	16,340	1.72	.282
1994	58	986,892	17,125	-	17,125	1.74	.295
1995	58	1,116,511	14,775	-	14,775	1.32	.255
1996	59	1,140,720	14,200	-	14,200	1.24	.241
1997	59	1,226,841	11,755	-	11,755	0.96	.199
1998	59	1,249,431	10,795	-	10,795	0.86	.183
1999	56	1,333,717	8,545	-	8,545	0.64	.153

(1) U.S. Census Bureau.

(2) From Table 4.

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

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

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

Table 10

Fiscal Year	Principal	Interest (1)	Total Debt Service	Total General Governmental Expenditures (2)	Ratio of Debt Service to General Governmental Expenditures
1990	\$ 1,585	\$ 1,206	\$ 2,791	\$ 23,219	12.02%
1991	2,095	1,221	3,316	28,714	11.55
1992	2,140	1,242	3,382	28,197	11.99
1993	4,530 *	1,137	5,667	26,350	21.51
1994	2,315	908	3,223	36,299	8.88
1995	2,350	915	3,265	33,430	9.77
1996	2,435	757	3,192	34,772	9.18
1997	2,445	740	3,185	36,371	8.76
1998	2,150	551	2,701	36,691	7.36
1999	2,060	438	2,498	41,806	5.98

(1) Excludes bond issuance and other costs.

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

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

CITY OF DUBUQUE, IOWA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
GENERAL OBLIGATION BONDS
JUNE 30, 1999
(AMOUNTS EXPRESSED IN THOUSANDS)
(UNAUDITED)

Table 11

<u>Jurisdiction</u>	<u>Net General Obligation Bonded Debt Outstanding</u>	<u>General Applicable to Government</u>	<u>Amount Applicable to Government</u>
Direct:			
City of Dubuque	\$ 6,150 (1)	100.000%	\$ 6,150
Total	<u>\$ 6,150</u>		<u>\$ 6,150</u>

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

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

Table 12

Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available For Debt Service	Debt Service Requirements			Coverage (3)
				Principal	Interest	Total	
1990	\$ 762	\$ 397	\$ 365	\$ 153	\$ 45	\$ 198	1.84
1991	995	502	493	-	216	216	2.28
1992	1,061	513	548	80	224	304	1.80
1993	1,160	504	656	85	218	303	2.17
1994	1,090	543	547	90	212	302	1.81
1995	1,108	592	516	95	205	300	1.72
1996	1,152	631	521	105	198	303	1.72
1997	1,175	551	624	110	191	301	2.07
1998	1,268	570	698	150	195	345	2.02
1999	1,303	876	427	155	98	253	1.69

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

CITY OF DUBUQUE, IOWA

Table 13

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

Fiscal Year	Property Value (1)			Construction Permits		Bank Deposits (2)	
	Other (3)	Residential	Totals	Number of Permits	Value	Calendar Year	Total Deposits
1990	\$ 395,794	\$ 694,014	\$ 1,089,808	1,663	\$ 32,804	1989	\$ 671,000
1991	407,989	698,639	1,106,628	1,670	54,233	1990	714,000
1992	424,616	705,075	1,129,691	1,656	38,532	1991	833,931
1993	352,979	832,384	1,185,363	1,780	41,964	1992	869,000
1994	381,324	848,071	1,229,395	1,862	56,928	1993	852,000
1995	441,399	1,008,627	1,450,026	6,918 *	65,599	1994	883,000
1996	456,075	1,031,133	1,487,208	4,190	75,569	1995	902,659
1997	519,104	1,231,726	1,750,830	2,039	34,950	1996	901,724
1998	521,327	1,255,015	1,776,342	1,572	35,647	1997	701,402 **
1999	589,760	1,397,706	1,987,466	1,500	58,309	1998	973,549 **

(1) Estimated actual value from Table 4.

(2) Source: Iowa Department of Banking.

(3) Commercial, Industrial, and Utilities.

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

** In 1998, two major banks in the City were consolidated into larger bank corporations, deposits were recorded only at source of charter. In 1999, deposits were again recorded at location of actual deposit.

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

Table 14

<u>Calendar Year</u>	<u>Taxable Sales</u>	<u>Percent Growth (Decline)</u>
1989	\$ 477,305	5.94%
1990	506,139	6.04
1991	530,852	4.88
1992	599,002	12.84
1993	610,691	1.95
1994	688,699	12.77
1995	771,946	12.09
1996	700,350	(9.27)
1997	718,761	2.63
1998	868,822	20.88

Source: Iowa Department of Revenue and Finance.

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

Table 15

<u>Fiscal Year</u>	<u>(1) Population</u>	<u>(2) Per Capita Income</u>	<u>(3) Median Age</u>	<u>(4) School Enrollment</u>	<u>(5) Unemployment Rate</u>
1990	57,538	\$ 14,207	34	9,618	6.7%
1991	57,538	16,767	34	9,754	6.1
1992	57,538	17,208	34	9,867	6.8
1993	57,538	18,453	34	9,995	5.5
1994	57,538	19,110	34	10,022	4.3
1995	57,538	20,113	34	10,133	3.8
1996	59,084	21,755	34	10,065	4.8
1997	59,084	22,096	34	9,985	4.7
1998	59,084	22,874	34	9,857	3.1
1999	56,467	*	34	9,735	3.1

Data Sources:

- (1) Bureau of Census; 1998 update of 1990 census.
- (2) Survey of Current Business, U.S. Department of Commerce.
- (3) Bureau of Census; 1990 Census.
- (4) School District
- (5) Iowa Department of Employment Services.

* Unavailable at report date.

CITY OF DUBUQUE, IOWA
SCHEDULE OF INSURANCE IN FORCE

<u>Insurer</u>	<u>Policy Number</u>	<u>Expiration Date</u>	<u>Details of Coverage</u>
<u>LIABILITY INSURANCE</u>			
Iowa Communities Assurance Pool	IP041901414000003	7/1/99	Municipal General Liability Includes EMT's and Ambulance Service
Iowa Communities Assurance Pool	IP035901414000003	7/1/99	Municipal Auto Liability Includes Transit Liability
Iowa Communities Assurance Pool	IP015901414000003	7/1/99	Comprehensive & Collision
Iowa Communities Assurance Pool	IP039901414000003	7/1/99	Public Official Liability
Iowa Communities Assurance Pool	IP040891414000003	7/1/99	Police Professional
American Eagle Group	13675	7/31/99	Airport Liability
St. Paul F & M Ins. Group	EM06649597	8/1/99	Professional Liability – Nurses
Transcontinental	LLP1622436	8/1/99	Liquor Law Liability
<u>PROPERTY INSURANCE</u>			
The Cincinnati Insurance Co.	CAP 769 5898	7/1/99	Comprehensive Business Policy
<u>CRIME INSURANCE</u>			
Allied Group Insurance	BD7900557276	7/1/99	Public Official Bond
<u>BOILER INSURANCE</u>			
The Cincinnati Insurance Co.	BES 265 72 22	7/1/99	Boiler & Machinery

Table 16

Liability Limits			Annual Premium
\$ 5,000,000	Each Occurrence		
\$ 1,000	Deductible		\$ 160,868
\$ 4,000,000	Each Accident		142,710
	Per Scheduled Automobiles		47,119
\$ 2,000,000	Each Claim		
\$ 2,000,000	Aggregate		27,400
\$ 5,000	Deductible		
\$ 2,000,000	Per Person/Agg.		
\$ 2,000,000	Aggregate		38,576
\$ 4,000	Deductible		
\$ 20,000,000	Aggregate		18,484
\$ 1,000,000	Each Person		175
\$ 3,000,000	Total Limit		
\$ 1,000,000	Each Common Cause		2,164
\$ 95,583,889	Building & Contents		
\$ 10,000	Deductible		89,794
\$ 10,000,000	Earthquake		
\$ 547,940	Business Interruption		
\$ 747,307	EDP Equipment		
\$ 180,817	Mobile Equipment		
\$ 87,426	Communications Equipment		
\$ 5,000	Signing		
\$ 50,000	All Employees		3,836
\$ 1,000,000	City Manager		
\$ 1,000,000	Finance Director		
\$ 1,000,000	Treasurer		
\$ 1,000,000	Administrative Service Manager		
\$ 2,500,000	Per Accident		56,953
\$ 5,000	Deductible		
Total			<u>\$ 588,079</u>

CITY OF DUBUQUE, IOWA
MISCELLANEOUS STATISTICS
JUNE 30, 1999
(UNAUDITED)

Table 17

Date of Incorporation	1837
Form of Government	Council/Manager – Ward
Population – 1990 Census; 1998 update	56,467
Number of employees:	
Full Time	510
Part Time/Seasonal	278
Area in square miles	25
City of Dubuque facilities and services:	
Miles of streets	325
Number of street lights	3,436
Number of traffic signals	102
Culture and Recreation:	
Parks	33
Park acreage	741
Golf courses	1
Swimming Pools	2
Civic Center	1
Fire Protection:	
Number of stations	6
Number of fire personnel and officers	90
Police Protection:	
Number of stations	1
Number of police personnel and officers	80
Sewerage System:	
Miles of sanitary sewers	152
Miles of storm sewers	144
Number of treatment plants	1
Number of service connections	20,000
Daily average treatment in gallons	10,200,000
Maximum daily capacity of treatment plant in gallons	15,000,000
Water System:	
Miles of water mains	250
Number of service connections	20,000
Number of fire hydrants	2,004
Daily average consumption in gallons	8,519,740
Maximum daily capacity of plant in gallons	18,000,000
Public Transit System	Vehicles – 24
Facilities and services not included in the reporting entity:	
Education:	
Number of elementary schools	17
Number of secondary schools	7
Number of colleges	4
Number of universities	1
Number of theological seminaries	2
Hospitals:	
Number of hospitals	2
Number of licensed patient beds	649