

**CITY OF DUBUQUE, IOWA**

**Comprehensive Annual  
Financial Report**

**For the fiscal year ended  
June 30, 1997**

**Prepared by:  
Department of Finance**





## **INTRODUCTORY SECTION**



## CITY OF DUBUQUE, IOWA

TABLE OF CONTENTS

	<u>Exhibit Number</u>	<u>Page Number</u>
INTRODUCTORY SECTION		
Table of Contents		1 - 3
Letter of Transmittal		4 - 14
City Organizational Chart		15
Officials		16
Certificate of Achievement for Excellence in Financial Reporting		17
FINANCIAL SECTION		
Independent Auditor's Report		18 - 19
General Purpose Financial Statements:		
Combined Balance Sheet - All Fund Types, Account Groups, and Discretely Presented Component Unit	1	20 - 23
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Funds	2	24 - 25
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Budgetary Basis) - All Governmental Fund Types	3	26 - 27
Combined Statement of Revenues, Expenses, and Changes in Retained Earnings/Fund Balances - All Proprietary Fund Types, Nonexpendable Trust Funds, and Discretely Presented Component Unit	4	28 - 29
Combined Statement of Cash Flows - All Proprietary Fund Types, Nonexpendable Trust Funds, and Discretely Presented Component Unit	5	30 - 33
Notes to Financial Statements		34 - 53
Combining, Individual Fund and Account Group Statements and Schedules:		
General Fund:		
Balance Sheet	A - 1	54
Statement of Revenues, Expenditures, and Changes in Fund Balance	A - 2	55
Special Revenue Funds:		
Combining Balance Sheet	B - 1	56 - 57
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	B - 2	58 - 59
Debt Service Fund:		
Balance Sheet	C - 1	60
Statement of Revenues, Expenditures, and Changes in Fund Balances	C - 2	61
Capital Projects Funds:		
Combining Balance Sheet	D - 1	62 - 63
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	D - 2	64 - 65

	<u>Exhibit Number</u>	<u>Page Number</u>
Enterprise Funds:		
Combining Balance Sheet	E - 1	66 - 69
Combining Statement of Revenues, Expenses, and Changes in Retained Earnings	E - 2	70 - 71
Combining Statement of Cash Flows	E - 3	72 - 75
Internal Service Funds:		
Combining Balance Sheet	F - 1	76 - 77
Combining Statement of Revenues, Expenses, and Changes in Retained Earnings	F - 2	78 - 79
Combining Statement of Cash Flows	F - 3	80 - 81
Trust and Agency Funds:		
Combining Balance Sheet	G - 1	82 - 83
Expendable Trust Funds:		
Combining Balance Sheet	G - 2	84
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	G - 3	85
Nonexpendable Trust Funds:		
Combining Balance Sheet	G - 4	86
Combining Statement of Revenues, Expenses, and Changes in Fund Balances	G - 5	87
Combining Statement of Cash Flows	G - 6	88
Agency Funds:		
Combining Statement of Changes in Assets and Liabilities	G - 7	89
General Fixed Assets Account Group:		
Comparative Schedules of General Fixed Assets by Source	H - 1	90
Schedule of General Fixed Assets - By Program and Department	H - 2	91 - 92
Schedule of Changes in General Fixed Assets - By Program and Department	H - 3	93
INFORMATION PROVIDED TO COMPLY WITH OMB CIRCULAR A-133 AND GOVERNMENT AUDITING STANDARDS		
Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		94 - 95
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133		96 - 97
Schedule of Expenditures of Federal and Other Awards		98 - 99
Notes to the Schedule of Expenditures of Federal and Other Awards		100
Schedule of Findings and Questioned Costs.		101 - 107

STATISTICAL SECTION (Unaudited)

	<u>Table Number</u>	
General Governmental Expenditures by Function	1	108
General Governmental Revenues by Source	2	109
General Governmental Tax Revenues by Source	2A	109
Property Tax Levies and Collections	3	110-111
Assessed and Estimated Actual Value of Property	4	112
Property Tax Rates - Direct and Overlapping Governments	5	113
Principal Taxpayers	6	114
Special Assessment Billings and Collections	7	115
Computation of Legal Debt Margin	8	116
Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt Per Capita	9	117
Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total General Government Expenditures	10	118
Computation of Direct and Overlapping Debt - General Obligation Bonds	11	119
Revenue Bond Coverage - Parking Bonds	12	120
Property Value, Construction Permits, and Bank Deposits	13	121 - 122
Taxable Retail Sales	14	123
Demographic Statistics	15	124
Schedule of Insurance in Force	16	125 - 126
Miscellaneous Statistics	17	127

wage structure and should help maintain or expand the current level of employment for the Dubuque plant which manufactures construction equipment and engines. Two local tool and die manufacturers, Precision Tool & Engineering, Inc. and Uelner Precision Tools & Dies, expanded facilities to meet increased demand. Morrison Brothers Company, a Dubuque based manufacturer of brass valves and fittings for the petroleum industry, rebuilt and expanded facilities that were damaged by a fire. Several quality industrial sites are currently under development to attract new industry and allow expansion of local businesses and industries. The acquisition of industrial property by the City near key transportation links on the west and south sides of the City will provide much needed capacity to job creation and economic development over the next several years.

The three Dubuque four-year colleges and the local community college have all continued to experience growth in enrollment. Northeast Iowa Community College expanded its downtown Dubuque Center, the University of Dubuque began construction on a \$2.5 million Advanced Academic Technology Center, and Clarke College broke ground on a three-story student apartment building. The Dubuque area community college received national attention in the agriculture industry with the opening of the National Education Center for Agricultural Safety on the campus of Northeast Iowa Community College (NICC) in nearby Peosta. The Center was formed in partnership with the National Safety Council and the state of Iowa to provide safety resources and training for farmers, ranchers, emergency response rescue personnel, and medical professionals. An estimated 3,500 students and trainees will be served annually by the Center. The Safety Center is linked with the Iowa Communications Fiber Optic Network that connects community colleges, universities and other public educational institutions in the state with interactive video conferencing.

## **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.

Major highway improvements were completed this year, including Highway 20 which upgraded the City's primary east-west highway connection to a limited access four-lane highway through the City. Grade work continued and additional paving work was completed on the four-lane expansion of Highway 61 south. The Highway 61 improvement will give Dubuque a limited access four-lane connection to Interstate 80 and the Quad Cities. State Highway 32, the City's Northwest Arterial was reconstructed from two lanes to a four-lane divided highway to better serve growth on the west-side. The City street improvement program remained a top priority of the City Council. Investment in local street improvements has more than doubled in the second half of this decade from an average of \$2.1 million per year to \$5.5 million per year. Major city street improvements included re-paving of Kelly Lane, Cedar Cross Road, Fremont Avenue, West Third Street, and Clarke Drive. The City Operations and Maintenance Department also continued an aggressive program of street maintenance.

The Dubuque Regional Airport received FAA approval and began work on a major runway extension project to be completed in 2001. The runway project will include a considerably longer unobstructed approach for commercial aircraft and will significantly reduce canceled or delayed flights due to low ceiling conditions. The airport also had the distinction of receiving a perfect safety compliance rating from the FAA for the seventh consecutive year. The Dubuque airport's current string of perfect safety inspections is the longest of all the FAA's nine regions by two years.

The third and final phase of major reconstruction of the City's wastewater treatment plant neared completion during FY 97 with the installation and implementation of a plant supervisory control and data acquisition system (SCADA). The completion of the improvements will lower the operating cost of the plant and help to meet required standards for wastewater discharge. The wastewater treatment plant also completed an extensive departmental review which identified an action plan to be implemented over the next five years which will reduce plant operation expense by more than \$300,000 per year.

The availability of industrial property improved greatly during the year as land purchases and development plans were made to increase land available for future industrial development from less than 30 acres to over 800 acres. New industrial land acquisition and development was a top priority of the City Council to ensure that the City will have sufficient sites available for development and job-creation over the next twenty years. The City has partnered with the Greater Dubuque Development Corporation in the acquisition, development, and marketing of five sites for industrial growth. The City has budgeted over \$16 million to develop the new industrial areas using local, county, state, and federal funds. This investment will provide quality streets, utilities, and graded sites for new businesses. The extension of water and sewer utilities to the Dubuque Industrial Center South site will also provide 1,500 acres of undeveloped property with access to utilities that will provide opportunities for private commercial and residential development. Extension of utilities to the west side industrial sites will also open considerable acreage for development.

The development of the City's Geographic Information System (GIS) moved forward with the installation of hardware and software and completion of geographic data coverage in a pilot area. The digital ortho photography for the City's base map was completed, and the Engineering and Planning Departments are actively using the digital photography information for map production and analysis.

The City Water Department received national recognition for water quality when the Dubuque tap water received first place in the municipal category at the Toast of the Tap International Water Tasting and Competition held in Berkeley Springs, West Virginia. The seventh annual competition for bottled and tap water was covered by Fox, CBS, CNN, and the BBC as well as numerous other national and regional publications and broadcasting systems.

The City's Health and Housing Services Departments, working in partnership in providing childhood lead poisoning prevention programs, executed a grant contract with HUD for a three-year \$3.7 million project to provide lead paint hazard reduction/abatement in 480 dwelling units. The funds will be used for inspection of units to determine lead hazards, lead hazard reduction, and abatement by certified contractors.

City gaming related revenue has increased substantially due to a gambling referendum passed in 1994 which allowed installation of slot machines at the Dubuque Greyhound Park dog track and removed the wagering limits on the Riverboat Casino. Total gaming related revenue for the City more than doubled from \$2.34 million in FY 96 to \$5.39 million in FY 97. This increase in revenue will be used to fund capital improvements and will be part of a program to eliminate the regular issuance of essential corporate purpose general obligation bonds. The elimination of debt over a ten year period 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. 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.

Additions of new commercial and industrial businesses and the expansion of existing companies has greatly reduced the availability of industrial sites within the City. Development of new industrial parks continues as one of the City Council's highest priorities. An industrial park site study was completed in FY 96 in conjunction with an annexation study. Acquisition and site development is planned for calendar 1997 with an industrial site of approximately 300 acres to be ready for occupancy in the spring of 1998. The addition of industrial sites will be essential to allow for continued economic growth and employment expansion. The City is also completing an extensive annexation study which includes a cost/benefit analysis of 12 potential annexation areas for controlled growth of residential, commercial, industrial, and parks and open space.

The City will continue a program of increased investment in neighborhood streets. The condition of the City streets will be greatly improved over the next ten years as the long-term capital improvement program is implemented with a strong emphasis on arterial, neighborhood streets, and other infrastructure. The planned street projects will provide improved transportation services to both neighborhoods and commercial and industrial locations.

The mayor and City council have made riverfront development one of their high priorities to create recreational and employment opportunities that will attract additional investment. The City, the Dubuque Area Chamber of Commerce, and the Dubuque County Historical Society are working together with private, state and federal agencies to create a world-class project that will include:

- Mississippi River Discovery Center  
A multi-building 70,000 square-foot interactive, interpretive museum with aquariums, wetland, living history exhibits, historic steamboat and more.



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

The City has budgeted over \$3 million in the five-year capital improvement plan for riverfront projects.

### **Department Focus - Leisure Services Department, Park Division**

The City of Dubuque park system was established on July 2, 1836, when the federal government designated four areas in the City as parks reserved for public use. These four original parks, Washington, Jackson, Grant, and Flat Iron parks have continued to this day as part of Dubuque's extensive park system. In 1907 the Dubuque park system took a turn for the better after a visit from a noted eastern park specialist, Charles Robinson. Robinson was impressed with the natural resources Dubuque had to offer, but was unimpressed with what the people were doing with it. "I have never seen a place where the almighty has done more, and mankind less, than Dubuque," stated Robinson during his visit. Many citizens of Dubuque were upset with Robinson's comments, but Judge Oliver Perry Shiras used the comment as motivation to start a campaign to create a park system that Dubuque could be proud of. Today that system has grown to include 33 parks comprising 741 acres.

Eagle Point park is the showcase of the park system with 164 wooded acres located on a scenic bluff directly above the Mississippi River. The park offers sweeping views of the tree lined bluffs of Illinois and Wisconsin as well as lock and dam number eleven operated by the Army Corps of Engineers. The year-round open water created by the dam has made the area a popular winter feeding site for bald eagles which can be viewed from the park throughout the winter months. The park has sixteen pavilions, many of which were built as WPA projects in the

"Prairie Style" architecture of Frank Lloyd Wright. The park system continues to grow with development beginning on two large parks in the City's growing south and west sides. The Park Division has formed partnerships with several volunteer organizations, the most significant partnership is with the Dubuque Arboretum Association which operates the very popular Dubuque Arboretum and Botanical Gardens in Marshall Park.

The park system includes more than three miles of landscaped parkways, 20 tennis courts, three outdoor ice skating facilities, 25 park shelters, 17 rest room facilities and numerous play units. Each year over 70,000 flowers are grown in the Park Division's greenhouse and planted in parks, parkways, and other City property by Park Division employees and citizen volunteers.

The Park Division is staffed by 21 full-time and 10 seasonal part-time employees. A unique feature of the Dubuque Park Division is that two of the full-time employees are sworn police officers who patrol the parks to help ensure the safety and security of citizens enjoying the park areas. These employee and citizen volunteer groups have helped to establish and maintain one of the finest park systems in the state.

## **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, 1997, 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, 1997, and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenues	Amount (000's)	Percent of Total	Increase (Decrease) from 1996 (000's)	Percent of Increase (Decrease)
Taxes	24,772	52.48%	3,153	14.58%
Special assessment	382	0.81%	238	165.28%
Licenses and permits	507	1.07%	(210)	(29.29%)
Intergovernmental	11,454	24.27%	2,201	23.79%
Charges for services	6,637	14.06%	1,146	20.87%
Fines and forfeits	358	0.76%	9	2.58%
Miscellaneous	1,487	3.15%	866	139.45%
Interest	1,596	3.38%	(90)	(5.34%)
<b>Total Revenues</b>	<b>47,193</b>	<b>100.00%</b>	<b>7,313</b>	<b>18.34%</b>

The increase in tax revenue is due to an increase in collection of local option sales tax and an increase in local gaming related taxes.

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

License and permit revenue decreased due to a reduction in building permit activity related to a large hail storm which damaged several buildings in the City in 1995 and created a large increase in building permit activity for two years.

Intergovernmental receipts were increased due FAA funding for a runway overlay and emergency response vehicle, and UTMA funding of transit buses.

Charges for services increased primarily due to higher lease receipts for the City owned dog racing facility.

The increase in miscellaneous revenue was due to land sales.

The tax rate of \$5.60272 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 \$.1799 decrease from FY 1996 is primarily a result of increased valuations.

The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 1997, and the percentage of increases and decreases in relation to prior year amounts.

<u>Expenditures</u>	<u>Amount (000's)</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 1996 (000's)</u>	<u>Percent of Increase (Decrease)</u>
Current:				
Policy & Administration	3,892	10.70%	639	19.64%
Community Protection	12,082	33.22%	(120)	(0.98%)
Home & Community	11,050	30.38%	1,007	10.03%
Human Development	5,856	16.10%	348	6.32%
Debt Service:				
Principal	2,778	7.64%	(73)	(2.56%)
Interest and fiscal charges	714	1.96%	(185)	(20.58%)
Capital outlay	0	0.00%	(17)	(100.00%)
<b>Total Expenditures</b>	<b>36,372</b>	<b>100.00%</b>	<b>1,599</b>	<b>4.60%</b>

Changes in expenditure amounts for the Policy and Administration program was primarily related to capital improvement programs including implementation of a Geographical Information System. The City also changed the method of classifying central administration functions for enterprise funds, reflecting these costs under the Policy and Administration program.

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

The decrease in capital outlay was small in actual dollars and reflects a shift of capital spending to other fund types.

**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 \$1,238,000 as of June 30, 1997, 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 \$2,476,000, 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, 1997, the City of Dubuque had a number of debt issues outstanding. These issues included \$11,755,000 of general obligation bonds, \$350,000 of tax increment financing bonds, and \$2,435,000 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, 1997, the government's net general obligation bonded debt of \$11,755,000 was well below the legal limit of \$87,541,000, and debt per capita equaled \$198.95.

**Cash Management.** Cash temporarily idle during the year was invested in demand deposits, certificates of deposit, repurchase agreements, U.S. Treasury securities, federal agency obligations, and authorized mutual funds. The City recorded investment earnings of \$2,340,548 for the year.

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

**Risk Management.** The City of Dubuque is a member of a statewide risk pool for local governments, the Iowa Communities Assurance Pool. The coverage for general and auto liability, as well as public official and police professional liability, are acquired through this agency. Worker's compensation coverage up to \$400,000 for each accident is provided through self-insurance. The accumulated reserve provision for such claims equaled \$915,316 as of June 30, 1997. 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 \$1,039,998 as of June 30, 1997. All self-insured health plans are certified as actuarially sound and certificates of compliance have been filed with the State of Iowa.

CITY OF DUBUQUE, IOWA

OFFICIALS

June 30, 1997

CITY COUNCIL

TERRANCE M. DUGGAN  
DANIEL E. NICHOLSON  
ANN MICHALSKI  
KATHRYN E. KRIEG  
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  
ELIZABETH CREGER  
BOB GREEN  
DAVID W. HARRIS, JR.  
PAUL HORSEFALL  
PAULINE J. JOYCE  
MICHAEL A. KOCH  
JOHN J. MAUSS  
DANIEL E. BROWN  
RANDALL K. PECK  
DUANE PITCHER  
DAVID SHURTS  
GIL D. SPENCE  
ELIZABETH A. STRALEY  
DONALD J. VOGT

COMMUNITY/ECONOMIC DEVELOPMENT  
DIRECTOR  
PLANNING SERVICES MANAGER  
PUBLIC SERVICES 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  
ACTING LIBRARY DIRECTOR  
OPERATIONS AND MAINTENANCE MANAGER

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Dubuque,  
Iowa

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 1996

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.



*Linda K. Savitsky*  
President

*Jeffrey L. Esser*  
Executive Director





## **FINANCIAL SECTION**





Charles Bailly & Company P.L.L.P.

Certified Public Accountants • Consultants

**INDEPENDENT AUDITOR'S REPORT**

To the Honorable Mayor and Members of the City Council:

We have audited the accompanying general purpose financial statements of the City of Dubuque, Iowa, as of and for the year ended June 30, 1997, 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, 1997, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 1997, on our consideration of the City of Dubuque, Iowa'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 financial statements, schedules, statistical data, and the Schedule of Expenditures of Federal and Other 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 presented in all material respects in relation to the general purpose financial statements taken as a whole.

*Charles Bailly & Company P.L.L.P.*

Dubuque, Iowa  
December 5, 1997

**GENERAL PURPOSE  
FINANCIAL STATEMENTS**





## CITY OF DUBUQUE, IOWA

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

June 30, 1997

	Governmental Fund Types				Proprietary
	General	Special Revenue	Debt Service	Capital Projects	Enterprise
Assets and Other Debits					
Assets:					
Cash and pooled cash investments	\$ 11,012,995	\$ 9,281,811	\$ 390,783	\$ 7,622,041	\$ 9,130,372
Cash and pooled cash investments - nonexpendable trust	0	0	0	0	0
Investments	0	0	0	0	0
Insurance deposit	0	0	0	0	0
Receivables:					
Taxes	171,682	13,893	45,103	0	10,516
Accounts	262,671	0	0	0	1,239,117
Special assessments	0	410,835		0	0
Accrued interest	294,179	96,710	5,105	85,481	94,364
Notes - current	0	897,184	25,000	0	0
Notes - long-term	0	11,498,252	0	0	0
Intergovernmental	1,043,931	1,456,898	0	492,466	2,930
Due from other funds	1,057	0	0	0	0
Due from primary government	0	0	0	0	0
Inventory	0	0	0	0	234,647
Prepaid items	0	0	0	0	5,037
Advances to other funds	317,794	0	0	0	0
Restricted assets:					
Cash and pooled cash investments	0	0	0	0	607,504
Deferred charges	0	0	0	0	15,356
Land	0	0	0	0	1,151,521
Buildings and improvements	0	0	0	0	41,347,571
Improvements other than buildings	0	0	0	0	15,005,161
Machinery and equipment	0	0	0	0	29,691,378
Construction in progress	0	0	0	0	11,484,157
Accumulated depreciation	0	0	0	0	(45,229,711)
Other Debits:					
Amount available in debt service funds	0	0	0	0	0
Amount to be provided for retirement of general long-term debt	0	0	0	0	0
Total Assets and Other Debits	\$ 13,104,309	\$ 23,655,583	\$ 465,991	\$ 8,199,988	\$ 64,789,920



Fund Types	Fiduciary	Account Groups			Totals	Component	Totals
	Fund Type				Primary	Unit	Reporting
Internal	Trust	General	General	Government	Dubuque	Metropolitan	Entity
Service	and	Fixed	Long-Term	(Memorandum	Metropolitan	Area Solid	(Memorandum
	Agency	Assets	Debt	Only)	Waste Agency		Only)
\$ 1,955,313	\$ 706,993	\$ 0	\$ 0	\$ 40,100,308	\$ 5,226,745	\$ 45,327,053	
0	81,989	0	0	81,989	0	81,989	
0	8,251,361	0	0	8,251,361	0	8,251,361	
1,000	0	0	0	1,000	0	1,000	
0	0	0	0	241,194	0	241,194	
0	23,402	0	0	1,525,190	114,885	1,640,075	
0	0	0	0	410,835	0	410,835	
25,551	1,069	0	0	602,459	87,964	690,423	
0	0	0	0	922,184	0	922,184	
0	0	0	0	11,498,252	0	11,498,252	
0	0	0	0	2,996,225	0	2,996,225	
0	0	0	0	1,057	0	1,057	
0	0	0	0	0	33,599	33,599	
16,949	0	0	0	251,596	0	251,596	
0	0	0	0	5,037	0	5,037	
0	0	0	0	317,794	0	317,794	
0	31,555	0	0	639,059	456,365	1,095,424	
0	0	0	0	15,356	0	15,356	
0	0	9,443,106	0	10,594,627	552,528	11,147,155	
0	0	37,626,869	0	78,974,440	3,961,365	82,935,805	
0	0	4,626,646	0	19,631,807	0	19,631,807	
142,549	0	13,857,531	0	43,691,458	1,330,398	45,021,856	
0	0	3,111,619	0	14,595,776	0	14,595,776	
(110,719)	0	0	0	(45,340,430)	(2,012,064)	(47,352,494)	
0	0	0	450,899	450,899	0	450,899	
0	0	0	12,015,401	12,015,401	0	12,015,401	
\$ 2,030,643	\$ 9,096,369	\$ 68,665,771	\$ 12,466,300	\$ 202,474,874	\$ 9,751,785	\$ 212,226,659	

(continued)

## CITY OF DUBUQUE, IOWA

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

June 30, 1997

	Governmental Fund Types				Proprietary
	General	Special Revenue	Debt Service	Capital Projects	Enterprise
Liabilities, Equity, and Other Credits					
Liabilities:					
Accounts payable	\$ 128,257	\$ 318,933	0	\$ 979,152	\$ 366,201
Accrued payroll	583,888	58,997	0	0	120,929
General obligation bonds payable - current	0	0	0	0	190,000
Revenue bonds payable - current	0	0	0	0	120,000
Accrued compensated absences	293,683	29,418	0	0	279,327
Due to employees	0	0	0	0	0
Intergovernmental payable	0	77,785	0	0	0
Due to other funds	0	0	0	0	0
Due to component unit	0	0	0	0	33,599
Payable from restricted assets:					
Accrued interest payable	0	0	0	0	30,254
Matured interest payable	0	0	300	0	0
Advances from other funds	0	0	0	0	317,794
Notes payable	0	0	0	0	0
General obligation bonds payable	0	0	0	0	1,230,000
Revenue bonds payable	0	0	0	0	2,295,690
Landfill closure and postclosure care	0	0	0	0	0
Tax-increment financing bonds payable	0	0	0	0	0
Deferred revenue	56,304	446,158	14,792	0	3,449
Total Liabilities	1,062,132	931,291	15,092	979,152	4,987,243
Equity and Other Credits:					
Contributed capital	0	0	0	0	33,854,840
Investment in general fixed assets	0	0	0	0	0
Retained earnings:					
Reserved by State statute	0	0	0	0	0
Reserved by bond ordinance	0	0	0	0	607,504
Reserved for minority interests	0	0	0	0	0
Unreserved	0	0	0	0	25,340,333
Fund Balances:					
Reserved for long-term notes receivable	0	11,498,252	0	0	0
Reserved for encumbrances	674,817	1,328,902	0	2,993,280	0
Reserved for dog track	0	0	0	1,241,933	0
Reserved by franchise agreement	0	0	0	0	0
Reserved for endowments	0	0	0	0	0
Reserved for debt service	0	0	450,899	0	0
Unreserved, undesignated	11,367,360	9,897,138	0	2,985,623	0
Total Equity and Other Credits	12,042,177	22,724,292	450,899	7,220,836	59,802,677
Total Liabilities, Equity, and Other Credits	\$ 13,104,309	\$ 23,655,583	\$ 465,991	\$ 8,199,988	\$ 64,789,920

See notes to financial statements.

EXHIBIT 1  
(continued)

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)
Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt			
\$ 493,181	\$ 3,435	\$ 0	\$ 0	\$ 2,289,159	\$ 52,286	\$ 2,341,445
14,553	6,480	0	0	784,847	11,321	796,168
0	0	0	0	190,000	0	190,000
0	0	0	0	120,000	0	120,000
0	0	0	1,566,300	2,168,728	41,908	2,210,636
0	8,263,589	0	0	8,263,589	0	8,263,589
0	0	0	0	77,785	47,516	125,301
1,057	0	0	0	1,057	0	1,057
0	0	0	0	33,599	0	33,599
0	0	0	0	30,254	0	30,254
0	0	0	0	300	0	300
0	0	0	0	317,794	0	317,794
0	0	0	215,000	215,000	0	215,000
0	0	0	10,335,000	11,565,000	0	11,565,000
0	0	0	0	2,295,690	0	2,295,690
0	0	0	0	0	948,439	948,439
0	0	0	350,000	350,000	0	350,000
0	310,500	0	0	831,203	0	831,203
508,791	8,584,004	0	12,466,300	29,534,005	1,101,470	30,635,475
0	0	0	0	33,854,840	0	33,854,840
0	0	68,665,771	0	68,665,771	0	68,665,771
0	0	0	0	0	456,365	456,365
0	0	0	0	607,504	0	607,504
0	0	0	0	0	1,860,027	1,860,027
1,521,852	0	0	0	26,862,185	6,333,923	33,196,108
0	0	0	0	11,498,252	0	11,498,252
0	0	0	0	4,996,999	0	4,996,999
0	0	0	0	1,241,933	0	1,241,933
0	19,327	0	0	19,327	0	19,327
0	83,058	0	0	83,058	0	83,058
0	0	0	0	450,899	0	450,899
0	409,980	0	0	24,660,101	0	24,660,101
1,521,852	512,365	68,665,771	0	172,940,869	8,650,315	181,591,184
\$ 2,030,643	\$ 9,096,369	\$ 68,665,771	\$ 12,466,300	\$ 202,474,874	\$ 9,751,785	\$ 212,226,659

## 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, 1997

	Governmental	
	General	Special Revenue
Revenues:		
Taxes	\$ 14,955,073	\$ 6,971,056
Special assessments	0	381,571
Licenses and permits	506,571	0
Intergovernmental	1,123,575	10,330,393
Charges for services	6,637,364	0
Fines and forfeits	358,035	0
Miscellaneous	1,262,615	224,576
Interest	1,034,371	499,945
Total Revenues	<u>25,877,604</u>	<u>18,407,541</u>
Expenditures:		
Current:		
Policy and administration	3,428,871	460,679
Community protection	11,711,867	370,130
Home and community environment	3,243,869	7,806,034
Human development	5,705,760	150,491
Non-program	0	0
Debt service:		
Principal retirement	0	498,450
Interest and fiscal charges	0	52,300
Capital outlay	0	0
Total Expenditures	<u>24,090,367</u>	<u>9,338,084</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,787,237</u>	<u>9,069,457</u>
Other Financing Sources (Uses):		
Operating transfers in	4,913,362	1,232,417
Operating transfers out	(1,625,292)	(10,728,022)
Total Other Financing Sources (Uses)	<u>3,288,070</u>	<u>(9,495,605)</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>5,075,307</u>	<u>(426,148)</u>
Fund Balances, Beginning, as restated	<u>6,966,870</u>	<u>23,150,440</u>
Fund Balances, Ending	<u>\$ 12,042,177</u>	<u>\$ 22,724,292</u>

See notes to financial statements.

Fund Types		Fiduciary	Totals
Debt	Capital	Fund Type	Primary
Service	Projects	Expendable	Government
		Trust	(Memorandum
			Only)
\$ 2,845,435	\$ 379,078	\$ 0	\$ 25,150,642
0	0	0	381,571
0	0	0	506,571
0	1,559,229	0	13,013,197
0	0	0	6,637,364
0	0	0	358,035
0	448,470	378,941	2,314,602
61,963	345,896	0	1,942,175
2,907,398	2,732,673	378,941	50,304,157
1,950	0	184,320	4,075,820
0	0	212,491	12,294,488
0	0	0	11,049,903
0	0	0	5,856,251
0	0	179	179
2,280,000	0	0	2,778,450
661,501	0	0	713,801
0	11,752,503	0	11,752,503
2,943,451	11,752,503	396,990	48,521,395
(36,053)	(9,019,830)	(18,049)	1,782,762
32,822	9,265,032	0	15,443,633
0	(2,328,408)	(50)	(14,681,772)
32,822	6,936,624	(50)	761,861
(3,231)	(2,083,206)	(18,099)	2,544,623
454,130	9,304,042	447,406	40,322,888
\$ 450,899	\$ 7,220,836	\$ 429,307	\$ 42,867,511

## 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, 1997

	General Fund			Special Revenue	
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual
Revenues:					
Taxes	\$11,600,329	\$13,912,956	\$ 2,312,627	\$ 7,038,484	\$ 7,533,587
Special assessments	0	0	0	528,000	377,736
Licenses and permits	598,531	506,569	(91,962)	0	0
Intergovernmental	2,367,350	1,180,997	(1,186,353)	20,685,975	10,671,536
Charges for services	5,816,154	6,762,868	946,714	0	0
Fines and forfeits	353,500	359,648	6,148	0	0
Miscellaneous	368,776	1,262,613	893,837	731,740	1,101,356
Interest	707,000	1,009,266	302,266	476,008	794,275
Total Revenues	<u>21,811,640</u>	<u>24,994,917</u>	<u>3,183,277</u>	<u>29,460,207</u>	<u>20,478,490</u>
Expenditures:					
Current:					
Policy and administration	4,061,519	3,409,015	652,504	1,315,005	460,025
Community protection	12,194,096	11,629,863	564,233	433,772	381,387
Home and community environment	5,587,422	3,352,159	2,235,263	24,450,428	15,443,944
Human development	6,090,678	5,689,535	401,143	297,741	149,925
Debt service:					
Principal retirement	0	0	0	1,233,282	498,450
Interest & fiscal charges	0	0	0	52,354	52,299
Capital outlay	0	0	0	0	0
Total Expenditures	<u>27,933,715</u>	<u>24,080,572</u>	<u>3,853,143</u>	<u>27,782,582</u>	<u>16,986,030</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,122,075)</u>	<u>914,345</u>	<u>7,036,420</u>	<u>1,677,625</u>	<u>3,492,460</u>
Other Financing Sources (Uses):					
Operating transfers in	4,585,688	4,734,953	149,265	341,815	1,232,418
Operating transfers out	(1,417,852)	(1,625,293)	(207,441)	(11,157,088)	(10,728,022)
Total Other Financing Sources (Uses)	<u>3,167,836</u>	<u>3,109,660</u>	<u>(58,176)</u>	<u>(10,815,273)</u>	<u>(9,495,604)</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(2,954,239)</u>	<u>4,024,005</u>	<u>6,978,244</u>	<u>(9,137,648)</u>	<u>(6,003,144)</u>
Fund Balances, Beginning	<u>6,990,047</u>	<u>6,990,047</u>	<u>0</u>	<u>15,284,955</u>	<u>15,284,955</u>
Fund Balances, Ending	<u>\$ 4,035,808</u>	<u>\$11,014,052</u>	<u>\$ 6,978,244</u>	<u>\$ 6,147,307</u>	<u>\$ 9,281,811</u>

See notes to financial statements.

Funds	Debt Service Funds			Capital Projects Funds		
Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
495,103	\$ 2,836,829	\$ 2,823,897	\$ (12,932)	\$ 0	\$ 0	\$ 0
(150,264)	0	0	0	0	0	0
0	0	0	0	0	0	0
(10,014,439)	0	0	0	451,195	25,997	(425,198)
0	0	0	0	355,630	246,638	(108,992)
0	0	0	0	0	0	0
369,616	0	0	0	3,113,357	2,394,558	(718,799)
318,267	0	56,860	56,860	60,000	339,198	279,198
(8,981,717)	2,836,829	2,880,757	43,928	3,980,182	3,006,391	(973,791)
854,980	3,150	1,950	1,200	0	0	0
52,385	0	0	0	0	0	0
9,006,484	0	0	0	0	0	0
147,816	0	0	0	0	0	0
734,832	2,255,000	2,255,000	0	0	0	0
55	661,501	661,501	0	0	0	0
0	0	0	0	19,032,632	11,783,038	7,249,594
10,796,552	2,919,651	2,918,451	1,200	19,032,632	11,783,038	7,249,594
1,814,835	(82,822)	(37,694)	45,128	(15,052,450)	(8,776,647)	6,275,803
890,603	32,822	32,822	0	10,106,343	9,265,032	(841,311)
429,066	0	0	0	(1,583,993)	(2,343,408)	(759,415)
1,319,669	32,822	32,822	0	8,522,350	6,921,624	(1,600,726)
3,134,504	(50,000)	(4,872)	45,128	(6,530,100)	(1,855,023)	4,675,077
0	395,655	395,655	0	9,477,064	9,477,064	0
3,134,504	\$ 345,655	\$ 390,783	\$ 45,128	\$ 2,946,964	\$ 7,622,041	\$ 4,675,077

## 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, 1997

	Proprietary Fund Types	
	Enterprise	Internal Service
Operating Revenues:		
Charges for sales and services	\$ 11,205,239	\$ 4,082,829
Other	379,909	0
Investment earnings	0	0
Total Operating Revenues	<u>11,585,148</u>	<u>4,082,829</u>
Operating Expenses:		
Employee expense	4,328,169	1,076,667
Utilities	857,464	13,014
Repairs and maintenance	963,142	10,177
Supplies and services	2,876,898	284,220
Insurance	269,130	3,018,006
Landfill closure and postclosure care	0	0
Depreciation	1,959,487	10,148
Total Operating Expenses	<u>11,254,290</u>	<u>4,412,232</u>
Operating Income (Loss)	<u>330,858</u>	<u>(329,403)</u>
Nonoperating Revenues (Expenses):		
Interest revenue	426,967	101,520
Interest expense	(267,797)	0
Operating grants	490,335	0
Taxes	652,606	0
Gain on disposal of assets	360	0
Bond issuance costs	(1,193)	0
Total Nonoperating Revenues (Expenses)	<u>1,301,278</u>	<u>101,520</u>
Income (Loss) Before Operating Transfers	<u>1,632,136</u>	<u>(227,883)</u>
Operating Transfers:		
Operating transfers in	2,883,773	169,558
Operating transfers out	(3,790,544)	(542)
Total Operating Transfers	<u>(906,771)</u>	<u>169,016</u>
Net Income (Loss)	725,365	(58,867)
Retained Earnings/Fund Balances, Beginning, as restated	<u>25,222,472</u>	<u>1,580,719</u>
Retained Earnings/Fund Balances, Ending	<u>\$ 25,947,837</u>	<u>\$ 1,521,852</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				
\$ 0	\$ 15,288,068	\$ 2,206,381		\$ 17,494,449
2,212	382,121	12,148		394,269
5,250	5,250	0		5,250
7,462	15,675,439	2,218,529		17,893,968
0	5,404,836	406,728		5,811,564
0	870,478	15,794		886,272
0	973,319	61,484		1,034,803
6,392	3,167,510	668,912		3,836,422
0	3,287,136	19,427		3,306,563
0	0	468,525		468,525
0	1,969,635	514,699		2,484,334
6,392	15,672,914	2,155,569		17,828,483
1,070	2,525	62,960		65,485
0	528,487	289,955		818,442
0	(267,797)	0		(267,797)
0	490,335	25,000		515,335
0	652,606	0		652,606
0	360	0		360
0	(1,193)	0		(1,193)
0	1,402,798	314,955		1,717,753
1,070	1,405,323	377,915		1,783,238
0	3,053,331	58,212		3,111,543
0	(3,791,086)	(82,318)		(3,873,404)
0	(737,755)	(24,106)		(761,861)
1,070	667,568	353,809		1,021,377
81,988	26,885,179	8,296,506		35,181,685
\$ 83,058	\$ 27,552,747	\$ 8,650,315		\$ 36,203,062

## 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, 1997

	<u>Proprietary Fund Types</u>	
	<u>Enterprise</u>	<u>Internal Service</u>
Cash Flows from Operating Activities:		
Operating income (loss)	\$ 330,858	\$ (329,403)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Landfill closure and postclosure care	0	0
Depreciation	1,959,487	10,148
Operating grants received	490,335	0
Investment earnings	0	0
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(98,107)	0
(Increase) in intergovernmental receivable	(761)	0
Decrease in due from primary government	0	0
Decrease in inventory	8,384	1,092
Increase (decrease) in accounts payable	214,269	(49,815)
Increase (decrease) in accrued payroll	4,222	(11,767)
Increase (decrease) in accrued compensated absences	6,083	0
Increase in advances from other funds	317,794	0
Increase in intergovernmental payable	0	0
(Decrease) in due to other funds	0	(27,467)
(Decrease) in due to component unit	(13,889)	0
Increase in deferred revenue	3,449	0
Net cash provided (used) by operating activities	<u>3,222,124</u>	<u>(407,212)</u>
Cash Flows from Noncapital Financing Activities:		
Property taxes received	648,202	0
Operating transfers in	2,883,773	169,558
Operating transfers out	<u>(3,790,544)</u>	<u>(542)</u>
Net cash provided (used) by noncapital financing activities	<u>(258,569)</u>	<u>169,016</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisition and construction of fixed assets	(4,683,687)	(3,014)
Proceeds from sale of fixed assets	1,150	0
Principal paid on bonds	(748,500)	0
Interest paid on bonds	(280,397)	0
Capital contributed by intergovernmental	377,791	0
Capital contributed by government	<u>8,430</u>	<u>0</u>
Net cash (used) by capital and related financing activities	<u>(5,325,213)</u>	<u>(3,014)</u>

## EXHIBIT 5

<u>Fiduciary Fund Type</u>	<u>Totals Primary Government (Memorandum Only)</u>	<u>Component Unit Dubuque Metropolitan Area Solid Waste Agency</u>	<u>Totals Reporting Entity (Memorandum Only)</u>
<u>Nonexpendable Trust</u>			
\$ 1,070	\$ 2,525	\$ 62,961	\$ 65,486
0	0	468,525	468,525
0	1,969,635	514,699	2,484,334
0	490,335	25,000	515,335
(5,250)	(5,250)	0	(5,250)
0	(98,107)	94,861	(3,246)
0	(761)	0	(761)
0	0	24,422	24,422
0	9,476	0	9,476
(484)	163,970	(143,061)	20,909
0	(7,545)	1,709	(5,836)
0	6,083	5,251	11,334
0	317,794	0	317,794
0	0	2,329	2,329
0	(27,467)	0	(27,467)
0	(13,889)	0	(13,889)
0	3,449	0	3,449
<u>(4,664)</u>	<u>2,810,248</u>	<u>1,056,696</u>	<u>3,866,944</u>
0	648,202	0	648,202
0	3,053,331	58,212	3,111,543
0	(3,791,086)	(82,318)	(3,873,404)
<u>0</u>	<u>(89,553)</u>	<u>(24,106)</u>	<u>(113,659)</u>
0	(4,686,701)	(1,098,354)	(5,785,055)
0	1,150	0	1,150
0	(748,500)	0	(748,500)
0	(280,397)	0	(280,397)
0	377,791	0	377,791
0	8,430	0	8,430
<u>0</u>	<u>(5,328,227)</u>	<u>(1,098,354)</u>	<u>(6,426,581)</u>

(continued)

CITY OF DUBUQUE, IOWA

Combined Statement of Cash Flows -  
All Proprietary Fund Types, Nonexpendable Trust Funds,  
and Discretely Presented Component Unit

For the fiscal year ended June 30, 1997

	<u>Proprietary Fund Types</u>	
	<u>Enterprise</u>	<u>Internal Service</u>
Cash Flows from Investing Activities:		
Interest on cash and pooled cash investments	\$ 431,140	\$ 98,316
Net increase (decrease) in cash and cash equivalents	(1,930,518)	(142,894)
Cash and cash equivalents at beginning of year	11,668,394	2,098,207
Cash and cash equivalents at end of year	<u>\$ 9,737,876</u>	<u>\$ 1,955,313</u>
Noncash Investing, Capital, and Financing Activities:		
Contributions of fixed assets from developers and users	\$ 530,001	\$ 0

See notes to financial statements.

EXHIBIT 5  
(continued)

<u>Fiduciary Fund Type</u>	<u>Totals Primary Government (Memorandum Only)</u>	<u>Component Unit Dubuque Metropolitan Area Solid Waste Agency</u>	<u>Totals Reporting Entity (Memorandum Only)</u>
<u>\$ 5,054</u>	<u>\$ 534,510</u>	<u>\$ 275,324</u>	<u>\$ 809,834</u>
390	(2,073,022)	209,560	(1,863,462)
<u>81,599</u>	<u>13,848,200</u>	<u>5,473,550</u>	<u>19,321,750</u>
<u>\$ 81,989</u>	<u>\$ 11,775,178</u>	<u>\$ 5,683,110</u>	<u>\$ 17,458,288</u>
 \$ 0		 \$ 0	

CITY OF DUBUQUE, IOWA  
Notes to Financial Statements

June 30, 1997

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 Beginning Fund Balance/Retained Earnings

CITY OF DUBUQUE, IOWA

Notes to the Financial Statements

June 30, 1997

**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 it is legally separate from the City. The component unit has a June 30 year end.

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

City of Dubuque  
Finance Department  
50 West 13<sup>th</sup> Street  
Dubuque, Iowa 52001

**Jointly Governed Organizations**

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

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

**Measurement Focus, Basis of Accounting, and Basis of Presentation**

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

The City has the following fund types and account groups:

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

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

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

Governmental funds include the following fund types:

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

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

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

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

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

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

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



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

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

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

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

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

## **Assets, Liabilities, and Equity**

### *Deposits and Investments*

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

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

Investments are stated at cost or amortized cost, except for investments in the deferred compensation agency fund which are reported at market value.

### *Receivables and Payables*

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

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

### *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 to 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.

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.

#### *Fund Equity*

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

#### *Memorandum Only--Total Columns*

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

## **Note 2. Stewardship, Compliance, and Accountability**

### **Budgetary Information**

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

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

The budget for the fiscal year ended June 30, 1997, was amended twice during the year to allow the City to increase program expenditures by approximately \$31,500,000, primarily for the carry-forward of unfinished capital improvement projects, expenditure of additional grants for capital improvements, and the expenditure of additional intergovernmental revenue for community development projects.

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

### **Budget/GAAP Reconciliation**

The accompanying "Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Budgetary Basis) - All Governmental Fund Types" presents comparisons of the legally adopted budget with actual data on a budgetary basis for the general, special revenue, debt service, and capital projects fund types. Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of resultant basis, timing, perspective, and entity differences in excess of revenues and other sources of financial resources over expenditures and other uses of financial resources for the year ended June 30, 1997, is presented as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (budgetary basis)	\$ 4,024,005	\$ (6,003,144)	\$ (4,872)	\$ (1,855,023)
Adjustments:				
To adjust revenues for accruals	1,061,096	(2,070,950)	26,641	(273,718)
To adjust expenditures for accruals	<u>(9,794)</u>	<u>7,647,946</u>	<u>(25,000)</u>	<u>45,535</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (GAAP basis)	<u>\$ 5,075,307</u>	<u>\$ (426,148)</u>	<u>\$ (3,231)</u>	<u>\$ (2,083,206)</u>

#### Deficit Fund Equity

The following funds had deficit retained earnings amounts as of June 30, 1997:

Enterprise:	
Transit System	\$ (2,794,477)
Internal Service:	
General Service	(1,310)

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

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

<u>Program</u>	<u>Appropriations</u>	<u>Actual Disbursements</u>	<u>Variance Favorable (Unfavorable)</u>
Policy and administration	\$ 6,145,250	\$ 4,584,590	\$ 1,560,660
Community protection	12,814,659	12,021,875	792,784
Home and community environment	75,916,178	49,284,238	26,631,940
Human development	<u>7,692,974</u>	<u>6,743,986</u>	<u>948,988</u>
Total	<u>\$102,569,061</u>	<u>\$72,634,689</u>	<u>\$29,934,372</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 \$17,885.

**Deposits.** At year end, the City's carrying amount of deposits was \$5,276,121 and the bank balance was \$6,410,985. Of the bank balance, \$500,000 was covered by depository insurance. The balance was collateralized with securities or letters of credit held by the City or its agent in the City's name, or by a multiple financial institution collateral pool in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The carrying amount of deposits for the Dubuque Metropolitan Area Solid Waste Agency was \$1,406,309 and the bank balance was \$1,406,309. Of the bank balance, \$200,000 was covered by depository insurance. The balance was collateralized with securities or letters of credit held by the Agency or its agent in the Agency's name, or by a multiple financial institution collateral pool in accordance with Chapter 12C of the Code of Iowa.

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

The City's investments at June 30, 1997, are as follows:

	Categories			Carrying Amount	Market Value
	1	2	3		
U.S. Treasury Securities	\$23,534,462	\$ 0	\$ 0	\$23,534,462	\$23,493,289
Federal Agency Obligations	9,128,013	0	0	9,128,013	9,074,272
Corporate Stock	7,036	0	0	7,036	65,425
	<u>\$32,669,511</u>	<u>\$ 0</u>	<u>\$ 0</u>	32,669,511	32,632,986
Investment Pools:					
Mutual U.S. Government Bond Fund				2,858,839	2,858,839
Deferred Compensation Mutual Fund				<u>8,251,361</u>	<u>8,251,361</u>
Total Investments				<u>\$43,779,711</u>	<u>\$43,743,186</u>

The Dubuque Metropolitan Area Solid Waste Agency's investments at June 30, 1997, are as follows:

	Carrying Amount	Market Value
U.S. Treasury securities	<u>\$ 4,276,800</u>	<u>\$ 4,282,331</u>



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

Cash on hand	\$ 17,885
Carrying amount of deposits	5,276,121
Carrying amount of investments	<u>43,779,711</u>

Total	<u>\$49,073,717</u>
-------	---------------------

Cash and pooled cash investments	\$40,100,308
Cash and pooled cash investments - nonexpendable trust	81,989
Investments	8,251,361
Insurance deposit	1,000
Cash and pooled cash investments - restricted	<u>639,059</u>

Total	<u>\$49,073,717</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 \$1,057.

#### 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, 1996	Additions	Retirements	Balance June 30, 1997
Land	\$ 9,187,932	\$ 466,296	\$ 211,122	\$ 9,443,106
Buildings and improvements	35,790,981	2,110,691	274,803	37,626,869
Improvements other than buildings	4,617,891	8,755	0	4,626,646
Machinery and equipment	12,423,509	1,666,529	232,507	13,857,531
Construction in progress	<u>1,275,471</u>	<u>3,111,619</u>	<u>1,275,471</u>	<u>3,111,619</u>
Total General Fixed Assets	<u>\$63,295,784</u>	<u>\$ 7,363,890</u>	<u>\$ 1,993,903</u>	<u>\$68,665,771</u>

The following is a summary of proprietary fund type assets at June 30, 1997:

	Enterprise Funds	Internal Service Funds
Land	\$ 1,151,521	\$ 0
Buildings and improvements	41,347,571	0
Improvements other than buildings	15,005,161	0
Machinery and equipment	29,691,378	142,549
Construction in progress	11,484,157	0
Accumulated depreciation	<u>(45,229,711)</u>	<u>(110,719)</u>
Net Fixed Assets	<u>\$ 53,450,077</u>	<u>\$ 31,830</u>

The following is a summary of proprietary fund type fixed assets for the Dubuque Metropolitan Area Solid Waste Agency at June 30, 1997:

Land	\$ 552,528
Buildings and improvements	3,961,365
Machinery and equipment	1,330,398
Accumulated depreciation	<u>(2,012,064)</u>
Net Fixed Assets	<u>\$ 3,832,227</u>

**Note 6. Interfund Receivables and Payables**

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Internal Service Funds Stores/Printing	<u>\$ 1,057</u>

Due to/from primary government and component unit:

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
Component unit - Dubuque Metropolitan Area Solid Waste Agency	Primary government - refuse collection fund	<u>\$ 33,599</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, 1997, 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	\$ 2,075,000
Corporate purpose	06/01/89	05/01/91-05/01/00	6.50-6.70	3,500,000	1,240,000
Corporate purpose	05/15/90	05/01/91-05/01/00	6.50-6.80	1,965,000	720,000
Corporate purpose	05/01/91	05/01/92-05/01/02	5.50-6.10	2,500,000	1,505,000
Corporate purpose	06/01/93	05/01/94-05/01/03	2.65-4.50	4,615,000	2,145,000
Corporate purpose	05/01/94	05/01/95-05/01/04	3.50-5.13	3,100,000	2,220,000
Corporate purpose	07/01/95	05/01/96-05/01/05	4.10-4.90	2,000,000	1,850,000
				<u>\$21,680,000</u>	<u>\$11,755,000</u>



Annual debt service requirements to maturity for general obligation bonds, including interest of \$2,082,542, are as follows:

<u>Fiscal Year Ending</u> <u>June 30</u>	<u>General Long-Term</u> <u>Debt Account Group/</u> <u>Enterprise Funds</u>
1998	\$ 2,936,464
1999	2,751,141
2000	2,216,361
2001	2,218,296
2002	1,592,211
2003-2005	<u>2,123,069</u>
Total	<u>\$13,837,542</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, 1997, are as follows:

<u>Purpose</u>	<u>Date of</u> <u>Issue</u>	<u>Maturity</u> <u>Dates</u>	<u>Interest</u> <u>Rates</u>	<u>Amount</u> <u>Originally</u> <u>Issued</u>	<u>Amount</u> <u>Outstanding</u> <u>End of Year</u>
Nordstrom	03/01/91	08/01/93-08/01/98	7.13-8.56%	<u>\$ 1,000,000</u>	<u>\$ 350,000</u>

Annual debt service requirements to maturity for tax-increment financing bonds, including interest of \$29,820, are as follows:

<u>Fiscal Year Ending</u> <u>June 30</u>	<u>Amount</u>
1998	\$ 197,330
1999	<u>182,490</u>
Total	<u>\$ 379,820</u>

**Revenue Bonds.** The City also issues bonds where the City pledges income derived from acquired or constructed assets to pay debt service. These bonds generally are issued as serial bonds with varying amounts of principal maturing annually and with interest payable semi-annually. Revenue bonds outstanding at June 30, 1997, are as follows:

<u>Purpose</u>	<u>Date of</u> <u>Issue</u>	<u>Maturity</u> <u>Dates</u>	<u>Interest</u> <u>Rates</u>	<u>Amount</u> <u>Originally</u> <u>Issued</u>	<u>Amount</u> <u>Outstanding</u> <u>End of Year</u>
Parking facilities	05/15/90	05/01/92-05/01/10	7.40-7.63%	<u>\$ 3,000,000</u>	<u>\$ 2,415,690</u>

Revenue bond debt service requirements to maturity, including interest of \$1,465,319, are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
1998	\$ 301,019
1999	297,139
2000	297,889
2001	297,899
2002	297,169
2003-2010	<u>2,389,894</u>
Total	<u>\$ 3,881,009</u>

**Notes Payable.** Notes payable have been issued to provide funds for economic development and for golf course improvements and equipment. Notes payable at June 30, 1997, are as follows:

<u>Purpose</u>	<u>Date of Issue</u>	<u>Maturity Dates</u>	<u>Interest Rates</u>	<u>Amount Originally Issued</u>	<u>Amount Outstanding End of Year</u>
Economic development	04/02/84	05/15/89-05/15/98	None	\$ 250,000	\$ 25,000
Economic development	11/30/90	10/01/99	None	<u>190,000</u>	<u>190,000</u>
				<u>\$ 440,000</u>	<u>\$ 215,000</u>

Debt service requirements to maturity on notes payable are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
1998	\$ 25,000
1999	0
2000	<u>190,000</u>
Total	<u>\$ 215,000</u>

**Changes in Long-term Liabilities.** During the fiscal year ended June 30, 1997, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance July 1, 1996</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 1997</u>
Accrued Compensated Absences	\$ 1,452,938	\$ 113,362	\$ 0	\$ 1,566,300
Notes Payable - Long-Term	411,429	0	196,429	215,000
General Obligation Debt	12,590,000	0	2,255,000	10,335,000
Tax-Increment Financing Debt	<u>835,000</u>	<u>0</u>	<u>485,000</u>	<u>350,000</u>
Totals	<u>\$15,289,367</u>	<u>\$ 113,362</u>	<u>\$ 2,936,429</u>	<u>\$12,466,300</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	<u>\$24,835,440</u>	<u>\$ 2,287,598</u>	<u>\$ 336,354</u>	<u>\$ 5,479,226</u>
Contributions received:				
Government	0	0	0	8,430
Intergovernmental	0	0	0	377,791
Developers and users	<u>432,253</u>	<u>97,748</u>	<u>0</u>	<u>0</u>
Total contributions received	<u>432,253</u>	<u>97,748</u>	<u>0</u>	<u>386,221</u>
Contributions made:				
Government	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending balance, contributed capital	<u><u>\$25,267,693</u></u>	<u><u>\$ 2,385,346</u></u>	<u><u>\$ 336,354</u></u>	<u><u>\$ 5,865,447</u></u>

#### Note 9. Risk Management

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

The City has established a Health Insurance Reserve Fund for insuring benefits provided to City employees and covered dependents which is included in the Internal Service Fund Type. Health benefits were self-insured up to an individual stop loss amount of \$60,000, and an aggregate stop loss of approximately \$2,992,000 for 1997. 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 1997. 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 \$421,818 in the Health Insurance Reserve Fund and \$71,258 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, 1996 and 1997, are summarized as follows:

	Health Insurance Reserve Fund	Workers' Compensation Reserve Fund
Liabilities at June 30, 1995	\$ 681,417	\$ 81,359
Claim and changes in estimates during fiscal year 1996	1,902,143	314,601
Claim payments	<u>( 2,190,247)</u>	<u>( 246,277)</u>
Liabilities at June 30, 1996	393,313	149,683
Claims and changes in estimates during fiscal year 1997	2,696,635	(33,399)
Claim payments	<u>(2,668,130)</u>	<u>(45,026)</u>
Liabilities at June 30, 1997	<u>\$ 421,818</u>	<u>\$ 71,258</u>

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

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

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

The City's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The City's annual contributions to the Pool for the year ended June 30, 1997, were \$429,971.

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, 1997, no liability has been recorded in the City's financial statements. As of June 30, 1997, settled claims have not exceeded the risk pool or reinsurance company coverage since the pool's inception.

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

#### **Note 10. Segment Information - Enterprise Funds**

The City maintains five enterprise funds which provide sewage disposal, water, parking, refuse, and transit services. Selected financial information for the fiscal year ended June 30, 1997, is as follows:

	Sewage Disposal Works	Water Utility	Parking Facilities
Operating revenues	\$ 4,650,503	\$ 3,800,890	\$ 1,113,933
Depreciation expense	540,326	777,833	293,698
Operating income (loss)	877,559	424,442	269,723
Operating grants	0	0	0
Operating transfers:			
In	1,402,654	1,216,258	220,000
Out	(1,841,826)	(1,552,603)	(244,128)
Tax revenues	0	0	0
Net income (loss)	649,566	164,740	114,960
Current capital contributions	432,253	97,748	0
Fixed assets:			
Additions	3,551,536	808,411	170,210
Deletions	(33,461)	(74,481)	0
Net working capital	4,232,047	2,112,438	393,827
Total assets	30,549,950	20,987,910	7,880,642
Bonds payable from			
operating revenues	1,020,000	400,000	2,415,690
Total equity	28,951,004	20,280,943	5,388,143

	<u>Refuse Collection</u>	<u>Transit System</u>	<u>Total Enterprise Funds</u>
Operating revenues	\$ 1,788,635	\$ 231,187	\$ 11,585,148
Depreciation expense	126,616	221,014	1,959,487
Operating income (loss)	(5,446)	(1,235,420)	330,858
Operating grants	0	490,335	490,335
Operating transfers:			
In	0	44,861	2,883,773
Out	(151,987)	0	(3,790,544)
Tax revenues	0	652,606	652,606
Net income (loss)	(157,433)	(46,468)	725,365
Current capital contributions	0	386,221	916,222
Fixed assets:			
Additions	6,210	456,694	4,993,061
Deletions	0	(1,200)	(109,142)
Net working capital	1,924,543	622,829	9,285,684
Total assets	2,221,026	3,150,392	64,789,920
Bonds payable from operating revenues	0	0	3,835,690
Total equity	2,111,617	3,070,970	59,802,677

#### **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, 1997.

##### **Litigation**

The City's corporation counsel reported that as of June 30, 1997, various claims and lawsuits were on file against the City. The corporation counsel estimated that all potential settlements against the City not covered by insurance would not materially affect the financial position of the City. The City has authority to levy additional taxes (outside the regular limit) to cover uninsured judgments against the City.

##### **Construction Contracts**

The City has recognized as a liability only that portion of construction contracts representing construction completed through June 30, 1997. The City has additional commitments for signed construction contracts of approximately \$8,278,500 as of June 30, 1997. Of these commitments, approximately \$563,800 will be funded by federal and state grants, \$7,040,000 by cash reserves, and \$674,700 by transfers from other funds.

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

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

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

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

#### **Note 13. Post-Employment Health Care Benefits**

In addition to providing pension benefits, the City provides certain health care benefits for retired disabled police officers and firefighters as mandated by the Code of Iowa. The cost of health care benefits for retired disabled police officers and firefighters is recognized as an expenditure as claims are paid. As of June 30, 1997, 55 retirees were eligible for these benefits, and the cost of the benefits for the fiscal year ended June 30, 1997, totaled \$55,413.

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

##### **MFPRSI**

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

Plan members are required to contribute 9.35% of earnable compensation and the City's contribution rate may not be less than 17% of earnable compensation. Contribution requirements are established by State statute. The City's contributions to the Plan for the years ended June 30, 1997, 1996, and 1995, were \$1,112,226, \$1,113,118, and \$1,150,344, respectively, which met the required minimum contribution for each year.



## **IPERS**

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

Plan members are required to contribute 3.70% of their annual covered salary and the City is required to contribute 5.75% of annual covered payroll. Contribution requirements are established by State statute. The City's contributions to IPERS for the years ended June 30, 1997, 1996, and 1995, were \$678,752, \$657,720, and \$633,046, 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, 1997, there were eight series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$26,100,999.

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

### **Note 16. Landfill Closure and Postclosure Care**

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

Although closure and postclosure care costs will be paid only near or after the date that each cell stops accepting waste, the Agency reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$948,439 reported as landfill closure and postclosure care liability at June 30, 1997, represents the cumulative amount reported to date based on the use of 50 percent of the estimated capacity of cell 3 and the use of 35 percent of the estimated capacity of cell 4. The Agency will recognize the remaining estimated cost of closure and postclosure care of \$1,496,493 as the remaining estimated capacity is filled.



These amounts are based on what it would cost to perform all closure and postclosure care in 1997. 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.

**Note 17. Restatement of Beginning Fund Balance/Retained Earnings**

The beginning fund balance of the Community Development Special Revenue Fund for the year ended June 30, 1997, has been restated to correct prior receivables which should not have been recorded at their inception.

Fund balance, July 1, 1996, as previously reported	\$ 12,316,568
Prior period adjustment	<u>(193,106)</u>
Fund balance, July 1, 1996, as restated	<u>\$ 12,123,462</u>

The beginning retained earnings of the Dubuque Metropolitan Solid Waste Agency for the year ended June 30, 1997, has been restated to correct for certain fixed asset improvements that were inadvertently reported as expenses in the prior year. These expenses of \$181,081 should have been recorded as fixed assets in the Dubuque Metropolitan Solid Waste Agency for the period ended June 30, 1996. The effect of the restatement is as follows:

Retained earnings, July 1, 1996, as previously reported	\$ 8,115,425
Prior period adjustment	<u>181,081</u>
Retained earnings, July 1, 1996, as restated	<u>\$ 8,296,506</u>



# 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, 1997

## ASSETS

Cash and pooled cash investments	\$ 11,012,995
Receivables:	
Taxes	171,682
Accounts	262,671
Accrued interest	294,179
Intergovernmental	1,043,931
Due from other funds	1,057
Advances to other funds	<u>317,794</u>
Total Assets	<u>\$ 13,104,309</u>

## LIABILITIES AND FUND BALANCES

Liabilities:	
Accounts payable	\$ 128,257
Accrued payroll	583,888
Accrued compensated absences	293,683
Deferred revenue	<u>56,304</u>
Total Liabilities	<u>1,062,132</u>
Fund Balances:	
Reserved for encumbrances	674,817
Unreserved, undesignated	<u>11,367,360</u>
Total Fund Balances	<u>12,042,177</u>
Total Liabilities and Fund Balances	<u>\$ 13,104,309</u>

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

For the fiscal year ended June 30, 1997

Revenues:	
Taxes	\$ 14,955,073
Licenses and permits	506,571
Intergovernmental	1,123,575
Charges for services	6,637,364
Fines and forfeits	358,035
Miscellaneous	1,262,615
Interest	<u>1,034,371</u>
Total Revenues	<u>25,877,604</u>
Expenditures:	
Current:	
Policy and administration	3,428,871
Community protection	11,711,867
Home and community environment	3,243,869
Human development	<u>5,705,760</u>
Total Expenditures	<u>24,090,367</u>
Excess of Revenues Over Expenditures	<u>1,787,237</u>
Other Financing Sources (Uses):	
Operating transfers in	4,913,362
Operating transfers out	<u>(1,625,292)</u>
Total Other Financing Sources (Uses)	<u>3,288,070</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	5,075,307
Fund Balance, Beginning	<u>6,966,870</u>
Fund Balance, Ending	<u>\$ 12,042,177</u>

# **SPECIAL REVENUE FUNDS**

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

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

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

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

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

**Tort Liability Fund** - This fund is used to account for the administration and payment of damage claims against the City.

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

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

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

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

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







CITY OF DUBUQUE, IOWA  
SPECIAL REVENUE FUNDS

Combining Balance Sheet

June 30, 1997

	Road Use Tax	Employee Benefits	Community Development	Section VIII Housing
<b>ASSETS</b>				
Cash and pooled cash investments	\$ 3,049,166	\$ 104,447	\$ 1,547,924	\$ 300,677
Receivables:				
Taxes	0	9,817	0	0
Special assessments	0	0	0	0
Accrued interest	0	0	69,297	0
Notes - current	0	0	897,184	0
Notes - long-term	0	0	11,474,929	23,323
Intergovernmental	504,904	0	378,583	4,795
Total Assets	<u>\$ 3,554,070</u>	<u>\$ 114,264</u>	<u>\$ 14,367,917</u>	<u>\$ 328,795</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 288,501	\$ 0	\$ 16,252	\$ 13,900
Accrued payroll	29,916	0	19,239	9,842
Accrued compensated absences	14,163	0	15,255	0
Intergovernmental payable	0	0	0	77,785
Deferred revenue	0	3,220	0	0
Total Liabilities	<u>332,580</u>	<u>3,220</u>	<u>50,746</u>	<u>101,527</u>
Fund Balances:				
Reserved for long-term notes receivable	0	0	11,474,929	23,323
Reserved for encumbrances	681,304	640	622,168	18,861
Unreserved, undesignated	<u>2,540,186</u>	<u>110,404</u>	<u>2,220,074</u>	<u>185,084</u>
Total Fund Balances	<u>3,221,490</u>	<u>111,044</u>	<u>14,317,171</u>	<u>227,268</u>
Total Liabilities and Fund Balances	<u>\$ 3,554,070</u>	<u>\$ 114,264</u>	<u>\$ 14,367,917</u>	<u>\$ 328,795</u>

<u>Tort</u> <u>Liability</u>	<u>Sales Tax</u>	<u>Police</u> <u>and Fire</u> <u>Retirement</u>	<u>Special</u> <u>Assessments</u>	<u>Tax</u> <u>Increment</u> <u>Financing</u>	<u>Law</u> <u>Enforcement</u> <u>Block Grant</u>	<u>Total</u>
\$ 6,439	\$ 1,517,511	\$ 1,174,061	\$ 1,000,142	\$ 536,285	\$ 45,159	\$ 9,281,811
4,076	0	0	0	0	0	13,893
0	0	0	410,835	0	0	410,835
0	19,819	0	0	7,004	590	96,710
0	0	0	0	0	0	897,184
0	0	0	0	0	0	11,498,252
0	568,616	0	0	0	0	1,456,898
<u>\$ 10,515</u>	<u>\$ 2,105,946</u>	<u>\$ 1,174,061</u>	<u>\$ 1,410,977</u>	<u>\$ 543,289</u>	<u>\$ 45,749</u>	<u>\$ 23,655,583</u>

\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 280	\$ 318,933
0	0	0	0	0	0	58,997
0	0	0	0	0	0	29,418
0	0	0	0	0	0	77,785
1,337	0	0	397,801	0	43,800	446,158
1,337	0	0	397,801	0	44,080	931,291

0	0	0	0	0	0	11,498,252
0	0	0	0	5,611	318	1,328,902
9,178	2,105,946	1,174,061	1,013,176	537,678	1,351	9,897,138
9,178	2,105,946	1,174,061	1,013,176	543,289	1,669	22,724,292
<u>\$ 10,515</u>	<u>\$ 2,105,946</u>	<u>\$ 1,174,061</u>	<u>\$ 1,410,977</u>	<u>\$ 543,289</u>	<u>\$ 45,749</u>	<u>\$ 23,655,583</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, 1997

	Road Use Tax	Employee Benefits	Community Development	Section VIII Housing
Revenues:				
Taxes	\$ 0	\$ 693,143	\$ 0	\$ 0
Special assessments	0	0	0	0
Intergovernmental	4,078,553	0	3,126,831	3,120,283
Miscellaneous	0	1,496	191,343	31,737
Interest	0	0	345,397	1,186
Total Revenues	<u>4,078,553</u>	<u>694,639</u>	<u>3,663,571</u>	<u>3,153,206</u>
Expenditures:				
Current:				
Policy and administration	109,713	231	301,804	0
Community protection	365,099	25	0	0
Home and community environment	3,381,160	0	1,264,666	3,160,208
Human development	0	0	150,491	0
Debt service:				
Principal retirement	0	0	0	0
Interest	0	0	0	0
Total Expenditures	<u>3,855,972</u>	<u>256</u>	<u>1,716,961</u>	<u>3,160,208</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>222,581</u>	<u>694,383</u>	<u>1,946,610</u>	<u>(7,002)</u>
Other Financing Sources (Uses):				
Operating transfers in	0	411,423	775,994	0
Operating transfers out	(1,525,080)	(933,558)	(528,895)	0
Total Other Financing Sources (Uses)	<u>(1,525,080)</u>	<u>(522,135)</u>	<u>247,099</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(1,302,499)</u>	<u>172,248</u>	<u>2,193,709</u>	<u>(7,002)</u>
Fund Balances, Beginning, as restated	<u>4,523,989</u>	<u>(61,204)</u>	<u>12,123,462</u>	<u>234,270</u>
Fund Balances, Ending	<u>\$ 3,221,490</u>	<u>\$ 111,044</u>	<u>\$ 14,317,171</u>	<u>\$ 227,268</u>

Tort Liability	Sales Tax	Police and Fire Retirement	Special Assessments	Tax Increment Financing	Law Enforcement Block Grant	Total
\$ 260,088	\$ 5,372,977	\$ 0	\$ 0	\$ 644,848	\$ 0	\$ 6,971,056
0	0	0	381,571	0	0	381,571
0	0	0	0	0	4,726	10,330,393
0	0	0	0	0	0	224,576
0	93,126	0	33,923	24,364	1,949	499,945
260,088	5,466,103	0	415,494	669,212	6,675	18,407,541
0	0	0	0	48,931	0	460,679
0	0	0	0	0	5,006	370,130
0	0	0	0	0	0	7,806,034
0	0	0	0	0	0	150,491
0	0	0	0	498,450	0	498,450
0	0	0	0	52,300	0	52,300
0	0	0	0	599,681	5,006	9,338,084
260,088	5,466,103	0	415,494	69,531	1,669	9,069,457
0	0	0	0	45,000	0	1,232,417
(251,726)	(6,020,843)	(318,424)	(282,350)	(867,146)	0	(10,728,022)
(251,726)	(6,020,843)	(318,424)	(282,350)	(822,146)	0	(9,495,605)
8,362	(554,740)	(318,424)	133,144	(752,615)	1,669	(426,148)
816	2,660,686	1,492,485	880,032	1,295,904	0	23,150,440
\$ 9,178	\$ 2,105,946	\$ 1,174,061	\$ 1,013,176	\$ 543,289	\$ 1,669	\$ 22,724,292



## **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, 1997

## ASSETS

Cash and pooled cash investments	\$ 390,783
Receivables:	
Taxes	45,103
Accrued interest	5,105
Notes - current	<u>25,000</u>
Total Assets	<u>\$ 465,991</u>

## LIABILITIES AND FUND BALANCE

Liabilities:	
Matured interest payable	\$ 300
Deferred revenue	<u>14,792</u>
Total Liabilities	15,092
Fund Balance:	
Reserved for debt service	<u>450,899</u>
Total Liabilities and Fund Balance	<u>\$ 465,991</u>

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

For the fiscal year ended June 30, 1997

Revenues:	
Taxes	\$ 2,845,435
Interest	<u>61,963</u>
Total Revenues	<u>2,907,398</u>
Expenditures:	
Current:	
Policy and administration	1,950
Debt service:	
Principal retirement	2,280,000
Interest and fiscal charges	<u>661,501</u>
Total Expenditures	<u>2,943,451</u>
Deficiency of Revenues Under Expenditures	(36,053)
Other Financing Sources:	
Operating transfers in	<u>32,822</u>
Deficiency of Revenues and Other Financing Sources Under Expenditures	(3,231)
Fund Balance, Beginning	<u>454,130</u>
Fund Balance, Ending	<u><u>\$ 450,899</u></u>

# CAPITAL PROJECTS FUNDS

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

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

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

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

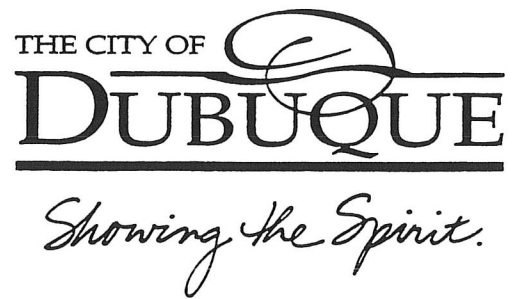
**General Construction Fund** - This fund is used to account for the resources and costs related to non-assignable capital improvements.

**General Obligation Bond Proceeds Fund** - This fund is used to account for general obligation bond proceeds prior to their transfer to the respective construction fund.

**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.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60  
61  
62  
63  
64  
65  
66  
67  
68  
69  
70  
71  
72  
73  
74  
75  
76  
77  
78  
79  
80  
81  
82  
83  
84  
85  
86  
87  
88  
89  
90  
91  
92  
93  
94  
95  
96  
97  
98  
99  
100



CITY OF DUBUQUE, IOWA  
CAPITAL PROJECTS FUNDS

Combining Balance Sheet

June 30, 1997

	<u>Street Construction</u>	<u>Storm Sewer Construction</u>	<u>Dog Track Depreciation</u>
ASSETS			
Cash and pooled cash investments	\$ 2,175,286	\$ 1,383,652	\$ 1,225,922
Receivables:			
Accrued interest	28,410	18,071	16,011
Intergovernmental	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$ 2,203,696</u>	<u>\$ 1,401,723</u>	<u>\$ 1,241,933</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	<u>\$ 680,211</u>	<u>\$ 14,920</u>	<u>\$ 0</u>
Fund Balances:			
Reserved for encumbrances	1,523,485	39,980	0
Reserved for dog track	0	0	1,241,933
Unreserved, undesignated	<u>0</u>	<u>1,346,823</u>	<u>0</u>
Total Fund Balances	<u>1,523,485</u>	<u>1,386,803</u>	<u>1,241,933</u>
Total Liabilities and Fund Balances	<u>\$ 2,203,696</u>	<u>\$ 1,401,723</u>	<u>\$ 1,241,933</u>

<u>General</u>	<u>General</u>	<u>Airport</u>	<u>Sales Tax</u>	
<u>Construction</u>	<u>Obligation</u>	<u>Construction</u>	<u>Construction</u>	<u>Total</u>
<u>Bond Proceeds</u>				
\$ 1,180,624	\$ 0	\$ 198,104	\$ 1,458,453	\$ 7,622,041
1,354	0	2,587	19,048	85,481
0	0	113,388	379,078	492,466
<u>\$ 1,181,978</u>	<u>\$ 0</u>	<u>\$ 314,079</u>	<u>\$ 1,856,579</u>	<u>\$ 8,199,988</u>

\$ 205,017	\$ 0	\$ 28,100	\$ 50,904	\$ 979,152
976,961	0	46,217	406,637	2,993,280
0	0	0	0	1,241,933
0	0	239,762	1,399,038	2,985,623
<u>976,961</u>	<u>0</u>	<u>285,979</u>	<u>1,805,675</u>	<u>7,220,836</u>
<u>\$ 1,181,978</u>	<u>\$ 0</u>	<u>\$ 314,079</u>	<u>\$ 1,856,579</u>	<u>\$ 8,199,988</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, 1997

	<u>Street Construction</u>	<u>Storm Sewer Construction</u>	<u>Dog Track Depreciation</u>
Revenues:			
Taxes	\$ 0	\$ 0	\$ 0
Intergovernmental	25,997	0	0
Miscellaneous	163,411	12,502	0
Racing Association	0	0	120,000
Passenger facility charges	0	0	0
Interest	<u>142,903</u>	<u>44,756</u>	<u>61,934</u>
Total Revenues	332,311	57,258	181,934
Expenditures:			
Capital outlay	<u>5,668,774</u>	<u>97,019</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,336,463)</u>	<u>(39,761)</u>	<u>181,934</u>
Other Financing Sources (Uses):			
Operating transfers in	4,607,041	811,462	0
Operating transfers out	<u>(741,506)</u>	<u>(9,495)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>3,865,535</u>	<u>801,967</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(1,470,928)	762,206	181,934
Fund Balances, Beginning	<u>2,994,413</u>	<u>624,597</u>	<u>1,059,999</u>
Fund Balances, Ending	<u>\$ 1,523,485</u>	<u>\$ 1,386,803</u>	<u>\$ 1,241,933</u>



General Construction	General Obligation Bond Proceeds	Airport Construction	Sales Tax Construction	Total
\$ 0	\$ 0	\$ 0	\$ 379,078	\$ 379,078
0	0	1,533,232	0	1,559,229
24,352	0	0	1,567	201,832
15,000	0	0	0	135,000
0	0	111,638	0	111,638
5,209	0	3,010	88,084	345,896
44,561	0	1,647,880	468,729	2,732,673
2,859,483	0	1,865,300	1,261,927	11,752,503
(2,814,922)	0	(217,420)	(793,198)	(9,019,830)
2,505,353	0	154,460	1,186,716	9,265,032
(15,000)	(899,086)	(154,460)	(508,861)	(2,328,408)
2,490,353	(899,086)	0	677,855	6,936,624
(324,569)	(899,086)	(217,420)	(115,343)	(2,083,206)
1,301,530	899,086	503,399	1,921,018	9,304,042
\$ 976,961	\$ 0	\$ 285,979	\$ 1,805,675	\$ 7,220,836



# 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, 1997

	Sewage Disposal Works	Water Utility
ASSETS		
Current Assets:		
Cash and pooled cash investments	\$ 4,342,951	\$ 1,736,432
Receivables:		
Property taxes	0	0
Accounts	546,283	481,001
Accrued interest	56,722	22,679
Intergovernmental	0	0
Inventory	0	229,293
Prepaid items	5,037	0
Total Current Assets	<u>4,950,993</u>	<u>2,469,405</u>
Restricted Assets:		
Cash and pooled cash investments	<u>0</u>	<u>0</u>
Deferred Charges	<u>0</u>	<u>0</u>
Fixed Assets:		
Land	60,440	144,066
Buildings and improvements	24,721,814	5,845,489
Improvements other than buildings	15,005,161	0
Machinery and equipment	1,704,906	23,583,344
Construction in progress	10,705,930	766,202
Accumulated depreciation	<u>(26,599,294)</u>	<u>(11,820,596)</u>
Net Fixed Assets	<u>25,598,957</u>	<u>18,518,505</u>
Total Assets	<u>\$ 30,549,950</u>	<u>\$ 20,987,910</u>

<u>Parking Facilities</u>	<u>Refuse Collection</u>	<u>Transit System</u>	<u>Total</u>
538,206	\$ 1,829,695	\$ 683,088	\$ 9,130,372
0	0	10,516	10,516
7,213	204,257	363	1,239,117
14,963	0	0	94,364
0	0	2,930	2,930
0	0	5,354	234,647
0	0	0	5,037
<u>560,382</u>	<u>2,033,952</u>	<u>702,251</u>	<u>10,716,983</u>
<u>607,504</u>	<u>0</u>	<u>0</u>	<u>607,504</u>
<u>15,356</u>	<u>0</u>	<u>0</u>	<u>15,356</u>
911,015	0	36,000	1,151,521
8,861,039	0	1,919,229	41,347,571
0	0	0	15,005,161
488,279	971,210	2,943,639	29,691,378
12,025	0	0	11,484,157
<u>(3,574,958)</u>	<u>(784,136)</u>	<u>(2,450,727)</u>	<u>(45,229,711)</u>
<u>6,697,400</u>	<u>187,074</u>	<u>2,448,141</u>	<u>53,450,077</u>
<u>\$ 7,880,642</u>	<u>\$ 2,221,026</u>	<u>\$ 3,150,392</u>	<u>\$ 64,789,920</u>

(continued)

CITY OF DUBUQUE, IOWA  
ENTERPRISE FUNDS

Combining Balance Sheet

June 30, 1997

	Sewage Disposal Works	Water Utility
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities:</b>		
Accounts payable	\$ 141,360	\$ 202,575
Accrued payroll	36,440	30,487
General obligation bonds payable - current	140,000	50,000
Revenue bonds payable - current	0	0
Accrued compensated absences	83,352	73,905
Due to component unit	0	0
Deferred revenue	0	0
Advances from other funds	317,794	0
	<u>718,946</u>	<u>356,967</u>
<b>Total Current Liabilities</b>		
<b>Current Liabilities Payable from Restricted Assets:</b>		
Accrued interest payable	<u>0</u>	<u>0</u>
<b>Noncurrent Liabilities:</b>		
General obligation bonds payable	880,000	350,000
Revenue bonds payable	<u>0</u>	<u>0</u>
	<u>880,000</u>	<u>350,000</u>
<b>Total Noncurrent Liabilities</b>		
<b>Total Liabilities</b>	<u>1,598,946</u>	<u>706,967</u>
<b>Equity:</b>		
Contributed Capital:		
Government	3,430,836	0
Intergovernmental	11,943,895	0
Developers and users	9,892,962	2,385,346
	<u>25,267,693</u>	<u>2,385,346</u>
<b>Total Contributed Capital</b>		
<b>Retained Earnings (Deficit):</b>		
Reserved by bond ordinance	0	0
Unreserved	3,683,311	17,895,597
	<u>3,683,311</u>	<u>17,895,597</u>
<b>Total Retained Earnings (Deficit)</b>		
<b>Total Equity</b>	<u>28,951,004</u>	<u>20,280,943</u>
<b>Total Liabilities and Equity</b>	<u>\$ 30,549,950</u>	<u>\$ 20,987,910</u>



EXHIBIT E-1  
(continued)

<u>Parking Facilities</u>	<u>Refuse Collection</u>	<u>Transit System</u>	<u>Total</u>
\$ 4,587	\$ 4,799	\$ 12,880	\$ 366,201
10,851	22,856	20,295	120,929
0	0	0	190,000
120,000	0	0	120,000
31,117	48,155	42,798	279,327
0	33,599	0	33,599
0	0	3,449	3,449
0	0	0	317,794
<u>166,555</u>	<u>109,409</u>	<u>79,422</u>	<u>1,431,299</u>
<u>30,254</u>	<u>0</u>	<u>0</u>	<u>30,254</u>
0	0	0	1,230,000
<u>2,295,690</u>	<u>0</u>	<u>0</u>	<u>2,295,690</u>
<u>2,295,690</u>	<u>0</u>	<u>0</u>	<u>3,525,690</u>
<u>2,492,499</u>	<u>109,409</u>	<u>79,422</u>	<u>4,987,243</u>
0	61,704	1,408,710	4,901,250
0	274,650	4,456,737	16,675,282
<u>0</u>	<u>0</u>	<u>0</u>	<u>12,278,308</u>
<u>0</u>	<u>336,354</u>	<u>5,865,447</u>	<u>33,854,840</u>
607,504	0	0	607,504
<u>4,780,639</u>	<u>1,775,263</u>	<u>(2,794,477)</u>	<u>25,340,333</u>
<u>5,388,143</u>	<u>1,775,263</u>	<u>(2,794,477)</u>	<u>25,947,837</u>
<u>5,388,143</u>	<u>2,111,617</u>	<u>3,070,970</u>	<u>59,802,677</u>
<u>\$ 7,880,642</u>	<u>\$ 2,221,026</u>	<u>\$ 3,150,392</u>	<u>\$ 64,789,920</u>

CITY OF DUBUQUE, IOWA  
ENTERPRISE FUNDS

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

For the fiscal year ended June 30, 1997

	Sewage Disposal Works	Water Utility
Operating Revenues:		
Charges for sales and services	\$ 4,446,586	\$ 3,647,578
Other	203,917	153,312
Total Operating Revenues	<u>4,650,503</u>	<u>3,800,890</u>
Operating Expenses:		
Employee expense	1,241,308	1,147,046
Utilities	425,832	338,384
Repairs and maintenance	214,193	68,731
Supplies and services	1,267,790	994,941
Insurance	83,495	49,513
Depreciation	540,326	777,833
Total Operating Expenses	<u>3,772,944</u>	<u>3,376,448</u>
Operating Income (Loss)	<u>877,559</u>	<u>424,442</u>
Nonoperating Revenues (Expenses):		
Interest revenue	267,025	98,575
Interest expense	(55,056)	(21,932)
Operating grants	0	0
Taxes	0	0
Gain (loss) on disposal of assets	(790)	0
Bond issuance costs	0	0
Total Nonoperating Revenues (Expenses):	<u>211,179</u>	<u>76,643</u>
Income (Loss) Before Operating Transfers	<u>1,088,738</u>	<u>501,085</u>
Operating Transfers:		
Operating transfers in	1,402,654	1,216,258
Operating transfers out	(1,841,826)	(1,552,603)
Total Operating Transfers	<u>(439,172)</u>	<u>(336,345)</u>
Net Income (Loss)	649,566	164,740
Retained Earnings (Deficit), Beginning	<u>3,033,745</u>	<u>17,730,857</u>
Retained Earnings (Deficit), Ending	<u>\$ 3,683,311</u>	<u>\$ 17,895,597</u>

Parking Facilities	Refuse Collection	Transit System	Total
\$ 1,111,708	\$ 1,784,084	\$ 215,283	\$ 11,205,239
2,225	4,551	15,904	379,909
1,113,933	1,788,635	231,187	11,585,148
370,493	837,785	731,537	4,328,169
49,100	326	43,822	857,464
23,038	589,712	67,468	963,142
90,893	213,178	310,096	2,876,898
16,988	26,464	92,670	269,130
293,698	126,616	221,014	1,959,487
844,210	1,794,081	1,466,607	11,254,290
269,723	(5,446)	(1,235,420)	330,858
61,367	0	0	426,967
(190,809)	0	0	(267,797)
0	0	490,335	490,335
0	0	652,606	652,606
0	0	1,150	360
(1,193)	0	0	(1,193)
(130,635)	0	1,144,091	1,301,278
139,088	(5,446)	(91,329)	1,632,136
220,000	0	44,861	2,883,773
(244,128)	(151,987)	0	(3,790,544)
(24,128)	(151,987)	44,861	(906,771)
114,960	(157,433)	(46,468)	725,365
5,273,183	1,932,696	(2,748,009)	25,222,472
\$ 5,388,143	\$ 1,775,263	\$ (2,794,477)	\$ 25,947,837

CITY OF DUBUQUE, IOWA  
ENTERPRISE FUNDS

Combining Statement of Cash Flows  
For the fiscal year ended June 30, 1997

	Sewage Disposal Works	Water Utility
Cash Flows from Operating Activities:		
Operating income (loss)	\$ 877,559	\$ 424,442
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	540,326	777,833
Operating grants received	0	0
Changes in assets and liabilities:		
(Increase) in accounts receivable	(56,902)	(36,707)
(Increase) in intergovernmental receivable	0	0
Decrease in inventory	0	7,018
Increase (decrease) in accounts payable	50,406	189,482
Increase (decrease) in accrued payroll	5,944	(8,786)
Increase (decrease) in accrued compensated absences	(3,137)	894
Increase in advances from other funds	317,794	0
(Decrease) in due to component unit	0	0
Increase in deferred revenue	0	0
Net cash provided (used) by operating activities	<u>1,731,990</u>	<u>1,354,176</u>
Cash Flows from Noncapital Financing Activities:		
Property taxes received	0	0
Operating transfers in	1,402,654	1,216,258
Operating transfers out	<u>(1,841,826)</u>	<u>(1,552,603)</u>
Net cash provided (used) by noncapital financing activities	<u>(439,172)</u>	<u>(336,345)</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisition and construction of fixed assets	(2,918,229)	(1,224,351)
Proceeds from sale of fixed assets	0	0
Principal paid on bonds	(140,000)	(500,000)
Interest paid on bonds	(55,056)	(33,182)
Capital contributed by intergovernmental	0	0
Capital contributed by government	<u>0</u>	<u>0</u>
Net cash (used) by capital and related financing activities	<u>(3,113,285)</u>	<u>(1,757,533)</u>

## EXHIBIT E-3

<u>Parking Facilities</u>	<u>Refuse Collection</u>	<u>Transit System</u>	<u>Total</u>
\$ 269,723	\$ (5,446)	\$ (1,235,420)	\$ 330,858
293,698	126,616	221,014	1,959,487
0	0	490,335	490,335
(2,039)	(2,420)	(39)	(98,107)
0	0	(761)	(761)
0	0	1,366	8,384
(12,637)	4,291	(17,273)	214,269
1,826	3,282	1,956	4,222
(632)	8,337	621	6,083
0	0	0	317,794
0	(13,889)	0	(13,889)
0	0	3,449	3,449
<u>549,939</u>	<u>120,771</u>	<u>(534,752)</u>	<u>3,222,124</u>
0	0	648,202	648,202
220,000	0	44,861	2,883,773
<u>(244,128)</u>	<u>(151,987)</u>	<u>0</u>	<u>(3,790,544)</u>
<u>(24,128)</u>	<u>(151,987)</u>	<u>693,063</u>	<u>(258,569)</u>
(78,203)	(6,210)	(456,694)	(4,683,687)
0	0	1,150	1,150
(108,500)	0	0	(748,500)
(192,159)	0	0	(280,397)
0	0	377,791	377,791
0	0	8,430	8,430
<u>(378,862)</u>	<u>(6,210)</u>	<u>(69,323)</u>	<u>(5,325,213)</u>

(continued)

CITY OF DUBUQUE, IOWA  
ENTERPRISE FUNDS

Combining Statement of Cash Flows

For the fiscal year ended June 30, 1997

	<u>Sewage Disposal Works</u>	<u>Water Utility</u>
Cash Flows from Investing Activities:		
Interest on cash and pooled cash investments	\$ 273,340	\$ 101,311
Net increase (decrease) in cash and cash equivalents	(1,547,127)	(638,391)
Cash and cash equivalents at beginning of year	<u>5,890,078</u>	<u>2,374,823</u>
Cash and cash equivalents at end of year	<u>\$ 4,342,951</u>	<u>\$ 1,736,432</u>
Noncash Investing, Capital, and Financing Activities:		
Contributions of fixed assets from developers and users	\$ 432,253	\$ 97,748

EXHIBIT E-3  
(continued)

<u>Parking Facilities</u>	<u>Refuse Collection</u>	<u>Transit System</u>	<u>Total</u>
\$ <u>56,489</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>431,140</u>
203,438	(37,426)	88,988	(1,930,518)
<u>942,272</u>	<u>1,867,121</u>	<u>594,100</u>	<u>11,668,394</u>
<u>\$ 1,145,710</u>	<u>\$ 1,829,695</u>	<u>\$ 683,088</u>	<u>\$ 9,737,876</u>
\$ 0	\$ 0	\$ 0	\$ 530,001





## 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, 1997

	General Service	Garage Service
ASSETS		
Current Assets:		
Cash and pooled cash investments	\$ 0	\$ 0
Insurance deposit	0	0
Accrued interest receivable	0	0
Inventory	0	13,355
Total Current Assets	0	13,355
Fixed Assets:		
Machinery and equipment	0	142,549
Accumulated depreciation	0	(110,719)
Net Fixed Assets	0	31,830
Total Assets	\$ 0	\$ 45,185
LIABILITIES AND EQUITY		
Current Liabilities:		
Accounts payable	\$ 0	\$ 105
Accrued payroll	1,310	13,243
Due to other funds	0	0
Total Liabilities	1,310	13,348
Equity:		
Retained earnings (deficit), unreserved	(1,310)	31,837
Total Liabilities and Equity	\$ 0	\$ 45,185

<u>Stores/ Printing</u>	<u>Health Insurance Reserve</u>	<u>Workers' Compensation Reserve</u>	<u>Total</u>
\$ 0	\$ 1,039,998	\$ 915,315	\$ 1,955,313
0	0	1,000	1,000
0	13,583	11,968	25,551
<u>3,594</u>	<u>0</u>	<u>0</u>	<u>16,949</u>
<u>3,594</u>	<u>1,053,581</u>	<u>928,283</u>	<u>1,998,813</u>
0	0	0	142,549
<u>0</u>	<u>0</u>	<u>0</u>	<u>(110,719)</u>
0	0	0	31,830
<u>\$ 3,594</u>	<u>\$ 1,053,581</u>	<u>\$ 928,283</u>	<u>\$ 2,030,643</u>

\$ 0	\$ 421,818	\$ 71,258	\$ 493,181
0	0	0	14,553
<u>1,057</u>	<u>0</u>	<u>0</u>	<u>1,057</u>
1,057	421,818	71,258	508,791
<u>2,537</u>	<u>631,763</u>	<u>857,025</u>	<u>1,521,852</u>
<u>\$ 3,594</u>	<u>\$ 1,053,581</u>	<u>\$ 928,283</u>	<u>\$ 2,030,643</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, 1997

	General Service	Garage Service
Operating Revenues:		
Charges for sales and services	\$ 610,744	\$ 628,693
Operating Expenses:		
Employee expense	597,014	479,653
Utilities	0	13,014
Repairs and maintenance	0	10,177
Supplies and services	0	263,080
Insurance	0	8,074
Depreciation	0	10,148
Total Operating Expenses	597,014	784,146
Operating Income (Loss)	13,730	(155,453)
Nonoperating Revenues:		
Interest Revenue	0	0
Income (Loss) Before Operating Transfers	13,730	(155,453)
Operating Transfers:		
Operating transfers in	0	169,558
Operating transfers out	0	(542)
Total Operating Transfers	0	169,016
Net Income (Loss)	13,730	13,563
Retained Earnings (Deficit), Beginning	(15,040)	18,274
Retained Earnings (Deficit), Ending	\$ (1,310)	\$ 31,837

Stores/ Printing	Health Insurance Reserve	Workers' Compensation Reserve	Total
<u>\$ 24,750</u>	<u>\$ 2,514,840</u>	<u>\$ 303,802</u>	<u>\$ 4,082,829</u>
0	0	0	1,076,667
0	0	0	13,014
0	0	0	10,177
21,140	0	0	284,220
0	2,941,232	68,700	3,018,006
<u>0</u>	<u>0</u>	<u>0</u>	<u>10,148</u>
<u>21,140</u>	<u>2,941,232</u>	<u>68,700</u>	<u>4,412,232</u>
3,610	(426,392)	235,102	(329,403)
<u>0</u>	<u>59,317</u>	<u>42,203</u>	<u>101,520</u>
<u>3,610</u>	<u>(367,075)</u>	<u>277,305</u>	<u>(227,883)</u>
0	0	0	169,558
<u>0</u>	<u>0</u>	<u>0</u>	<u>(542)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>169,016</u>
3,610	(367,075)	277,305	(58,867)
<u>(1,073)</u>	<u>998,838</u>	<u>579,720</u>	<u>1,580,719</u>
<u>\$ 2,537</u>	<u>\$ 631,763</u>	<u>\$ 857,025</u>	<u>\$ 1,521,852</u>

CITY OF DUBUQUE, IOWA  
INTERNAL SERVICE FUNDS

Combining Statement of Cash Flows

For the fiscal year ended June 30, 1997

	<u>General Service</u>	<u>Garage Service</u>
Cash Flows from Operating Activities:		
Operating income (loss)	\$ 13,730	\$ (155,453)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	0	10,148
Changes in assets and liabilities:		
Decrease in inventory	0	826
Increase (decrease) in accounts payable	0	105
Increase (decrease) in accrued payroll	(13,730)	1,963
(Decrease) in due to other funds	<u>0</u>	<u>(23,591)</u>
Net cash provided (used) by operating activities	<u>0</u>	<u>(166,002)</u>
Cash Flows from Noncapital Financing Activities:		
Operating transfers in	0	169,558
Operating transfers out	<u>0</u>	<u>(542)</u>
Net cash provided by noncapital financing activities	<u>0</u>	<u>169,016</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisition and construction of fixed assets	<u>0</u>	<u>(3,014)</u>
Cash Flows from Investing Activities:		
Interest on cash and pooled cash investments	<u>0</u>	<u>0</u>
Net increase (decrease) in cash and cash equivalents	0	0
Cash and cash equivalents at beginning of year	<u>0</u>	<u>0</u>
Cash and cash equivalents at end of year	<u>\$ 0</u>	<u>\$ 0</u>



<u>Stores/ Printing</u>	<u>Health Insurance Reserve</u>	<u>Workers' Compensation Reserve</u>	<u>Total</u>
\$ 3,610	\$ (426,392)	\$ 235,102	\$ (329,403)
0	0	0	10,148
266	0	0	1,092
0	28,505	(78,425)	(49,815)
0	0	0	(11,767)
<u>(3,876)</u>	<u>0</u>	<u>0</u>	<u>(27,467)</u>
<u>0</u>	<u>(397,887)</u>	<u>156,677</u>	<u>(407,212)</u>
0	0	0	169,558
<u>0</u>	<u>0</u>	<u>0</u>	<u>(542)</u>
0	0	0	169,016
0	0	0	(3,014)
0	60,357	37,959	98,316
0	(337,530)	194,636	(142,894)
<u>0</u>	<u>1,377,528</u>	<u>720,679</u>	<u>2,098,207</u>
<u>\$ 0</u>	<u>\$ 1,039,998</u>	<u>\$ 915,315</u>	<u>\$ 1,955,313</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, 1997

	Expendable Trust	Nonexpendable Trust
<b>ASSETS</b>		
Cash and pooled cash investments	\$ 706,993	\$ 81,989
Investments	0	0
Receivables:		
Accounts	23,402	0
Accrued interest	0	1,069
Restricted assets:		
Cash and pooled cash investments	<u>19,327</u>	<u>0</u>
Total Assets	<u>\$ 749,722</u>	<u>\$ 83,058</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Accounts payable	\$ 3,435	\$ 0
Accrued payroll	6,480	0
Due to employees	0	0
Deferred revenue	<u>310,500</u>	<u>0</u>
Total Liabilities	<u>320,415</u>	<u>0</u>
Fund Balances:		
Reserved by franchise agreement	19,327	0
Reserved for endowments	0	83,058
Unreserved, undesignated	<u>409,980</u>	<u>0</u>
Total Fund Balances	<u>429,307</u>	<u>83,058</u>
Total Liabilities and Fund Balances	<u>\$ 749,722</u>	<u>\$ 83,058</u>

<u>Agency</u>	<u>Totals</u>
\$ 0	\$ 788,982
8,251,361	8,251,361
0	23,402
0	1,069
<u>12,228</u>	<u>31,555</u>
<u>\$ 8,263,589</u>	<u>\$ 9,096,369</u>

\$ 0	\$ 3,435
0	6,480
8,263,589	8,263,589
<u>0</u>	<u>310,500</u>
<u>8,263,589</u>	<u>8,584,004</u>

0	19,327
0	83,058
<u>0</u>	<u>409,980</u>
<u>0</u>	<u>512,365</u>
<u>\$ 8,263,589</u>	<u>\$ 9,096,369</u>

CITY OF DUBUQUE, IOWA  
EXPENDABLE TRUST FUNDS

## Combining Balance Sheet

June 30, 1997

	Cable TV	Respiratory Disease Trust	Total
<b>ASSETS</b>			
Cash and pooled cash investments	\$ 702,756	\$ 4,237	\$ 706,993
Accounts receivable	23,402	0	23,402
Restricted assets:			
Cash and pooled cash investments	19,327	0	19,327
Total Assets	<u>\$ 745,485</u>	<u>\$ 4,237</u>	<u>\$ 749,722</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 3,435	\$ 0	\$ 3,435
Accrued payroll	6,480	0	6,480
Deferred revenue	310,500	0	310,500
Total Liabilities	<u>320,415</u>	<u>0</u>	<u>320,415</u>
Fund Balances:			
Reserved by franchise agreement	19,327	0	19,327
Unreserved, undesignated	405,743	4,237	409,980
Total Fund Balances	<u>425,070</u>	<u>4,237</u>	<u>429,307</u>
Total Liabilities and Fund Balances	<u>\$ 745,485</u>	<u>\$ 4,237</u>	<u>\$ 749,722</u>



CITY OF DUBUQUE, IOWA  
EXPENDABLE TRUST FUNDS

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

For the fiscal year ended June 30, 1997

	Cable TV	Respiratory Disease Trust	Total
Revenues:			
Franchise fees	\$ 378,663	\$ 0	\$ 378,663
Miscellaneous	278	0	278
Total Revenues	378,941	0	378,941
Expenditures:			
Policy and administration	184,320	0	184,320
Community protection	212,491	0	212,491
Non-program	0	179	179
Total Expenditures	396,811	179	396,990
Deficiency of Revenues Under Expenditures	(17,870)	(179)	(18,049)
Other Financing Uses:			
Operating transfers out	(50)	0	(50)
Deficiency of Revenues Under Expenditures and Other Financing Uses	(17,920)	(179)	(18,099)
Fund Balances, Beginning	442,990	4,416	447,406
Fund Balances, Ending	\$ 425,070	\$ 4,237	\$ 429,307

CITY OF DUBUQUE, IOWA  
NONEXPENDABLE TRUST FUNDS

## Combining Balance Sheet

June 30, 1997

	Ella Lyons Peony Trail Trust	Library Gifts Trust	Total
ASSETS			
Cash and pooled cash investments	\$ 19,014	\$ 62,975	\$ 81,989
Accrued interest receivable	247	822	1,069
Total Assets	<u>\$ 19,261</u>	<u>\$ 63,797</u>	<u>\$ 83,058</u>
FUND BALANCES			
Fund Balances:			
Reserved for endowments	<u>\$ 19,261</u>	<u>\$ 63,797</u>	<u>\$ 83,058</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, 1997

	Ella Lyons Peony Trail Trust	Library Gifts Trust	Total
Operating Revenues:			
Miscellaneous	\$ 0	\$ 2,212	\$ 2,212
Investment earnings	1,980	3,270	5,250
Total Operating Revenues	1,980	5,482	7,462
Operating Expenses:			
Supplies and services	3,015	3,377	6,392
Net Income (Loss)	(1,035)	2,105	1,070
Fund Balances, Beginning	20,296	61,692	81,988
Fund Balances, Ending	<u>\$ 19,261</u>	<u>\$ 63,797</u>	<u>\$ 83,058</u>

CITY OF DUBUQUE, IOWA  
NONEXPENDABLE TRUST FUNDS

EXHIBIT G-6

Combining Statement of Cash Flows

For the fiscal year ended June 30, 1997

	Ella Lyons Peony Trail Trust	Library Gifts Trust	Total
Cash Flows from Operating Activities:			
Net income (loss)	\$ (1,035)	\$ 2,105	\$ 1,070
Adjustments to reconcile net income (loss) to net cash (used) by operating activities:			
Investment earnings	(1,980)	(3,270)	(5,250)
Changes in assets and liabilities:			
Decrease in accounts payable	<u>0</u>	<u>(484)</u>	<u>(484)</u>
Net cash (used) by operating activities	(3,015)	(1,649)	(4,664)
Cash Flows from Investing Activities:			
Interest on cash and pooled cash investments	<u>1,948</u>	<u>3,106</u>	<u>5,054</u>
Net increase (decrease) in cash and cash equivalents	(1,067)	1,457	390
Cash and cash equivalents at beginning of year	<u>20,081</u>	<u>61,518</u>	<u>81,599</u>
Cash and cash equivalents at end of year	<u><u>\$ 19,014</u></u>	<u><u>\$ 62,975</u></u>	<u><u>\$ 81,989</u></u>

CITY OF DUBUQUE, IOWA  
ALL AGENCY FUNDS

EXHIBIT G-7

Combining Statement of Changes in Assets and Liabilities

For the fiscal year ended June 30, 1997

	Balance July 1 1996	Net Additions	Net Deductions	Balance June 30 1997
<u>Deferred Compensation</u>				
ASSETS				
Investments	\$ 6,951,505	\$ 1,621,752	\$ 321,896	\$ 8,251,361
LIABILITIES				
Due to employees	\$ 6,951,505	\$ 1,621,752	\$ 321,896	\$ 8,251,361
<u>Flexible Spending</u>				
Restricted cash and pooled cash investments	\$ 9,830	\$ 124,187	\$ 121,789	\$ 12,228
Due to employees	\$ 9,830	\$ 124,187	\$ 121,789	\$ 12,228
<u>Totals</u>				
ASSETS				
Investments	\$ 6,951,505	\$ 1,621,752	\$ 321,896	\$ 8,251,361
Restricted cash and pooled cash investments	9,830	124,187	121,789	12,228
Total assets	\$ 6,961,335	\$ 1,745,939	\$ 443,685	\$ 8,263,589
LIABILITIES				
Due to employees	\$ 6,961,335	\$ 1,745,939	\$ 443,685	\$ 8,263,589



**GENERAL FIXED ASSETS  
ACCOUNT GROUP**





## Comparative Schedules of General Fixed Assets by Source

June 30, 1997

## General Fixed Assets:

Land	\$ 9,443,106
Buildings and improvements	37,626,869
Improvements other than buildings	4,626,646
Machinery and equipment	13,857,531
Construction in progress	<u>3,111,619</u>

Total General Fixed Assets	<u>\$68,665,771</u>
----------------------------	---------------------

## Investment in General Fixed Assets by Source:

Investments in property acquired prior to July 1, 1983	\$ 1,440,960*
General fund	22,259,530
Special revenue funds	3,229,744
Capital projects funds	39,273,607
Donations	<u>2,461,930</u>

Total Investment in General Fixed Assets	<u>\$68,665,771</u>
--	---------------------

\* It is impossible to determine the sources of investments prior to this date because records reflecting information in this form were not maintained.

## CITY OF DUBUQUE, IOWA

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

June 30, 1997

<u>Program and Department</u>	<u>Land</u>	<u>Buildings and Improvements</u>
Policy and Administration:		
City Manager	\$ 0	\$ 0
City Clerk	0	0
Finance	0	0
Legal	0	0
Information Services	0	9,070,894
Dog Track	0	0
Cable TV	0	0
City Council	3,559,675	4,418,364
Other - Unclassified		
Total Policy and Administration	<u>3,559,675</u>	<u>13,489,258</u>
Community Protection:		
Police	23,860	238,036
Joint Communications	0	0
Fire	161,100	2,108,836
Disaster Services	0	0
Human Rights	0	0
Total Community Protection	<u>184,960</u>	<u>2,346,872</u>
Home and Community Environment:		
Airport	359,835	5,055,537
Engineering	0	0
Street and Sewers	131,030	795,668
Community Development	0	0
Housing Services	0	0
Planning Services	0	0
Building Services	65,510	2,122,110
Health Services	0	0
Total Home and Community Environment	<u>556,375</u>	<u>7,973,315</u>
Human Development:		
Park	3,567,730	2,455,465
Civic Center	172,246	4,423,155
Recreation	1,335,160	3,789,344
Library	66,960	3,149,460
Total Human Development	<u>5,142,096</u>	<u>13,817,424</u>
Construction in Progress	<u>0</u>	<u>0</u>
Total General Fixed Assets	<u>\$ 9,443,106</u>	<u>\$ 37,626,869</u>

## EXHIBIT H-2

<u>Improvements Other Than Buildings</u>	<u>Machinery and Equipment</u>	<u>Construction in Progress</u>	<u>Total</u>
\$ 0	\$ 110,400	\$ 0	\$ 110,400
0	15,767	0	15,767
0	251,429	0	251,429
0	16,367	0	16,367
0	133,703	0	133,703
1,073,877	0	0	10,144,771
0	306,716	0	306,716
0	9,382	0	9,382
0	0	0	7,978,039
<u>1,073,877</u>	<u>843,764</u>	<u>0</u>	<u>18,966,574</u>
0	1,100,440	0	1,362,336
0	172,744	0	172,744
0	1,904,919	0	4,174,855
0	103,545	0	103,545
0	25,812	0	25,812
<u>0</u>	<u>3,307,460</u>	<u>0</u>	<u>5,839,292</u>
1,821,862	1,787,162	0	9,024,396
0	345,193	0	345,193
17,135	3,190,490	0	4,134,323
136,561	49,401	0	185,962
0	296,013	0	296,013
0	57,178	0	57,178
0	94,071	0	2,281,691
0	83,659	0	83,659
<u>1,975,558</u>	<u>5,903,167</u>	<u>0</u>	<u>16,408,415</u>
1,331,342	1,176,371	0	8,530,908
43,573	1,067,725	0	5,706,699
202,296	304,939	0	5,631,739
0	1,254,105	0	4,470,525
<u>1,577,211</u>	<u>3,803,140</u>	<u>0</u>	<u>24,339,871</u>
<u>0</u>	<u>0</u>	<u>3,111,619</u>	<u>3,111,619</u>
<u>\$ 4,626,646</u>	<u>\$ 13,857,531</u>	<u>\$ 3,111,619</u>	<u>\$ 68,665,771</u>

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

For the fiscal year ended June 30, 1997

Program and Department	General Fixed Assets July 1 1996			General Fixed Assets June 30 1997		
		Additions	Deductions			
Policy and Administration:						
City Manager	\$ 101,683	\$ 8,717	\$ 0	\$ 110,400		
City Clerk	11,558	4,209	0	15,767		
Finance	243,837	145,330	(137,738)	251,429		
Legal	15,751	616	0	16,367		
Information Services	116,871	16,832	0	133,703		
Dog Track	10,144,771	0	0	10,144,771		
Cable TV	296,897	16,412	(6,593)	306,716		
City Council	1,240	8,142	0	9,382		
Other - Unclassified	7,978,039	0	0	7,978,039		
Total Policy and Administration	18,910,647	200,258	(144,331)	18,966,574		
Community Protection:						
Police	1,268,358	168,059	(74,081)	1,362,336		
Joint Communications	172,744	0	0	172,744		
Fire	4,103,818	85,132	(14,095)	4,174,855		
Disaster Services	103,545	0	0	103,545		
Human Rights	22,597	3,215	0	25,812		
Total Community Protection	5,671,062	256,406	(88,176)	5,839,292		
Home and Community Environment:						
Airport	6,933,220	2,117,676	(26,500)	9,024,396		
Engineering	323,357	58,492	(36,656)	345,193		
Street and Sewers	3,684,456	660,989	(211,122)	4,134,323		
Community Development	171,098	14,864	0	185,962		
Housing Services	257,314	60,691	(21,992)	296,013		
Planning Services	50,051	7,127	0	57,178		
Building Services	2,058,845	232,141	(9,295)	2,281,691		
Health Services	78,635	14,319	(9,295)	83,659		
Total Home and Community Environment	13,556,976	3,166,299	(314,860)	16,408,415		
Human Development:						
Park	8,216,336	357,262	(42,690)	8,530,908		
Civic Center	5,655,526	152,018	(100,845)	5,706,699		
Recreation	5,626,959	32,310	(27,530)	5,631,739		
Library	4,382,807	87,718	0	4,470,525		
Total Human Development	23,881,628	629,308	(171,065)	24,339,871		
Construction in Progress	1,275,471	3,111,619	(1,275,471)	3,111,619		
Total General Fixed Assets	\$ 63,295,784	\$ 7,363,890	\$ (1,993,903)	\$ 68,665,771		

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

# THE CLEVELAND



Charles Bailly & Company P.L.L.P.

Certified Public Accountants • Consultants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Mayor and Members of the City Council:

We have audited the general purpose financial statements of the City of Dubuque, Iowa, as of and for the year ended June 30, 1997, and have issued our report thereon dated December 5, 1997. We conducted our audit in accordance with generally accepted auditing standards; Chapter 11 of the Code of Iowa; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City of Dubuque, Iowa's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted a certain immaterial instance of noncompliance that is described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 1997, are based exclusively on knowledge obtained from procedures performed during our audit of the general purpose financial statements of the City. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Internal Control Over Financial Reporting

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

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted matters involving the internal control over financial reporting that we have reported to management of the City of Dubuque, Iowa, in a separate letter dated December 5, 1997.

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

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the City of Dubuque, Iowa, during the course of our audit.

Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

*Charles Bailly & Company P.L.L.P.*

Dubuque, Iowa  
December 5, 1997





Charles Bailly & Company P.L.L.P.

Certified Public Accountants • Consultants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133

To the Honorable Mayor and Members of the City Council:

Compliance

We have audited the compliance of the City of Dubuque, Iowa, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 1997. The City of Dubuque, Iowa's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City of Dubuque, Iowa's management. Our responsibility is to express an opinion on the City of Dubuque, Iowa's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; Chapter 11 of the Code of Iowa; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Dubuque, Iowa's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Dubuque, Iowa's compliance with those requirements.

In our opinion the City of Dubuque, Iowa, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1997.

Internal Control Over Compliance

The management of the City of Dubuque, Iowa, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Dubuque, Iowa's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the City of Dubuque, Iowa's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts, and grants. The reportable conditions are described in Part III of the accompanying Schedule of Findings and Questioned Costs.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable conditions described above are not material weaknesses.

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

*Charles Bailly & Company P.L.L.P.*

Dubuque, Iowa  
December 5, 1997

CITY OF DUBUQUE, IOWA

Schedule of Expenditures of Federal and Other Awards

For the fiscal year ended June 30, 1997

<u>Grantor/Program</u>	<u>CFDA Number</u>	<u>Agency or Pass-Through Number</u>	<u>Program Expenditures</u>
Expenditures of Federal Awards:			
Direct:			
Department of Housing and Urban Development:			
Community Development Block Grant/Entitlement Grant	14.218	B-9X-MC-19-0004	\$ 4,162,838
Community Development Block Grant/Entitlement Grant	14.218	B-94-MF-19-0004	16,943
Fair Housing Assistance Program - State and Local	14.401	FF207K957006	13,360
Fair Housing Assistance Program - State and Local	14.401	FF207K967006	18,507
Section 8 Rental Voucher Program	14.855	KC-9004V	597,003
Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	14.856	KC-9004MR-001, 002, 003, 005, 007	727,640
Section 8 Rental Certificate Program	14.857	KC-9004E	1,780,986
Department of Justice:			
Local Law Enforcement Block Grant Program	16.592	96-LB-VX-3042	4,726
Department of Transportation:			
Airport Improvement Program	20.106	3-19-0028-09, 15, 16, 17, 18, 19	1,569,712
Federal Transit Capital and Operating Assistance Formula Grants	20.507	IA-90-X198	362,620
Federal Transit Capital and Operating Assistance Formula Grants	20.507	IA-03-0077	<u>376,279</u>
Total Direct			<u>9,630,614</u>
Indirect:			
Department of Housing and Urban Development:			
State of Iowa:			
HOME Investment Partnerships Program	14.239	M93-SG-19-0103-100-21	16,555
Department of Justice:			
Dubuque County, Iowa:			
Drug Control and System Improvement - Formula Grant	16.579	95-0228	3,794
Department of Transportation:			
State of Iowa:			
Highway Planning and Construction	20.205	STP-E-2100(6)--8V-31	46,485
Highway Planning and Construction	20.205	STP-E-2100(7)--8V-31	24,584
Highway Planning and Construction	20.205	STP-E-2100(8)--8L-31	32,000
State and Community Highway Safety	20.600	96/96-11, Task 13	165
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grant	20.601	97-410, Task 17	23,203

CITY OF DUBUQUE, IOWA

Schedule of Expenditures of Federal and Other Awards

For the fiscal year ended June 30, 1997

<u>Grantor/Program</u>	<u>CFDA Number</u>	<u>Agency or Pass-Through Number</u>	<u>Program Expenditures</u>
Expenditures of Federal Awards: (continued)			
Indirect: (continued)			
Federal Emergency Management Agency:			
State of Iowa:			\$ 123
Disaster Assistance	83.516	DRIA996	
Department of Education:			
State of Iowa:			
Drug-Free Schools and Communities-			4,693
State Grant	84.186	5887LE20	
Department of Health and Human Services:			
State of Iowa:			411
AIDS Coalition	93.118	5887AP21	7,617
AIDS Coalition	93.118	5886AP21	
Childhood Lead Poisoning			2,317
Prevention	93.197	5887LP12	1,105
AIDS Preventive Health	93.991	5887AS05	1,220
AIDS Preventive Health	93.991	5886AS05	
			<u>164,272</u>
Total Indirect			\$ <u>9,794,886</u>
Total Federal			
Expenditures of Other Awards:			
Iowa Department of Transportation:			\$ <u>127,715</u>
State Transit Assistance		02207	

CITY OF DUBUQUE, IOWA

Notes to the Schedule of Expenditures of Federal and Other Awards

June 30, 1997

**NOTE 1. BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal and Other Awards is presented in conformity with generally accepted accounting principles except for the Community Development Block Grant/Entitlement Grant - CFDA Number 14.218 - Agency Number B-96-MC-19-0004 which is presented using the cash basis of accounting.

CITY OF DUBUQUE, IOWA

Schedule of Findings and Questioned Costs

For the fiscal year ended June 30, 1997

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

- (a) An unqualified opinion was issued on the financial statements.
- (b) Reportable conditions in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any noncompliance which is material to the financial statements.
- (d) Reportable conditions in internal control over major programs were disclosed by the audit of the financial statements.
- (e) An unqualified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit disclosed audit findings which were 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 Grant/Entitlement Grant
  - CFDA Number 14.855 - Section 8 Rental Voucher Program
  - CFDA Number 14.856 - Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation
  - CFDA Number 14.857 - Section 8 Rental Certificate Program
  - CFDA Number 20.106 - Airport Improvement Program
  - CFDA Number 20.507 - Federal Transit Capital and Operating Assistance Formula Grants
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) The City of Dubuque, Iowa, did not qualify as a low-risk auditee.

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

REPORTABLE CONDITIONS

- 97-II-A Fixed Assets - The City has a centralized custodian who maintains a record of the City's general fixed assets and accumulates information on the proprietary fund asset additions and deletions for the year. However, there are no formal procedures in place to ensure that the custodian is notified of all completed projects which must be capitalized. Also complicating this 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 combined and summarized for the fixed asset documentation.

CITY OF DUBUQUE, IOWA

Schedule of Findings and Questioned Costs

For the fiscal year ended June 30, 1997

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

Recommendation - Some progress has been made in this area through the issuance of a memo to department heads regarding the use of a standard form. However, further improvement is needed. The City should adopt a formal policy in order to improve the reporting of fixed asset additions, retirements, and transfers to the centralized custodian. Also, 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 and Corrective Action Planned - The City will draft and implement an Administrative Policy on reporting fixed asset additions, retirements, and transfers. The City is also in the process of implementing an on-line purchasing system which will then be integrated with a fixed asset system to accumulate original cost information on fixed assets as acquired. The Administrative Policy on the purchasing system will be completed by the end of FY 98. The integration of the purchasing system with fixed assets will be completed during FY 99.

Conclusion - Response accepted.

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

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





## CITY OF DUBUQUE, IOWA

## 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>
1988	\$6,179	\$2,657	\$5,724	\$2,081	\$3,776	\$20,417
1989	6,510	2,762	6,727	1,778	3,853	21,630
1990	6,873	3,025	7,056	1,960	4,305	23,219
1991	7,315	3,222	9,041	2,042	7,094	28,714
1992	7,843	3,429	9,123	2,270	5,532	28,197
1993	7,874	3,548	8,776	2,237	3,915	26,350
1994	11,068	4,407	11,092	5,456	4,276	36,299
1995	11,747	5,207	9,785	2,927	3,764	33,430
1996	12,202	5,508	10,060	3,252	3,750	34,772
1997	12,082	5,856	11,050	3,891	3,492	36,371

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

Table 2

## CITY OF DUBUQUE, IOWA

## GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)

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

<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>
1988	\$10,427	\$467	\$6,292	\$2,126	\$228	\$1,325	\$2,345	\$23,210
1989	13,240	490	7,039	2,140	279	1,699	2,157	27,044
1990	13,360	539	8,147	2,397	367	2,342	6,484	33,636
1991	13,841	618	7,533	2,876	360	2,914	6,544	34,686
1992	14,420	639	8,049	3,150	346	1,785	3,426	31,815
1993	15,016	666	7,662	2,944	337	1,474	749	28,848
1994	20,295	673	10,417	3,526	388	1,438	736	37,473
1995	20,889	921	9,457	4,494	341	2,155	1,130	39,387
1996	21,620	717	9,253	5,491	350	1,686	765	39,882
1997	24,772	507	11,454	6,637	358	1,596	1,487	46,811

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

Table 2A

## CITY OF DUBUQUE, IOWA

## GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE

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

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Moneys and Credits Replaced Tax</u>	<u>Mobile Homes Tax</u>	<u>State Replace Personal Prop. Exemption</u>	<u>Sales Tax (1)</u>	<u>Hotel Motel Tax</u>	<u>Total</u>
1988	\$9,465	\$22	\$31	\$500	\$ -	\$409	\$10,427
1989	8,174	36	38	671	3,886	435	13,240
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

(1) Tax levy approved February 1988.



## 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>
1988	\$ 12,580	\$ 11,957	95.0%	\$ 462	\$ 12,419
1989	11,018	10,790	97.9	466	11,256
1990	11,064	10,889	98.4	415	11,304
1991	11,851	11,618	98.0	383	12,001
1992	12,694	12,042	94.9	608	12,650
1993	13,242	12,635	95.4	571	13,206
1994	14,851	14,101	94.9	161	14,262
1995	14,997	14,635	97.6	116	14,751
1996	15,182	14,832	97.7	118	14,950
1997	15,299	15,025	98.2	132	15,157

(1) Includes tax increment levy.

Table 3

<u>Ratio of Total Tax Collections to Total Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Ratio of Delinquent Taxes to Total Tax Levy</u>
98.7%	\$ 915	7.3%
102.2	677	6.1
102.2	437	3.9
101.3	287	2.4
99.7	331	2.6
99.7	367	2.8
96.0	956	6.4
98.4	245	1.6
98.5	232	1.5
99.1	274	1.8

## CITY OF DUBUQUE, IOWA

Table 4

## ASSESSED AND ESTIMATED ACTUAL VALUE OF PROPERTY

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

Fiscal Year	<u>Real Property</u>		<u>Exemptions</u>	<u>Total</u>		Ratio of Total Assessed Value to Total Estimated Actual Value
	<u>Taxable Value</u>	<u>Assessed Actual Value</u>	<u>Real Property</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	
1988	\$ 907,787	\$ 1,062,145	\$ 12,042	\$ 895,745	\$ 1,062,145	84.33%
1989	945,898	1,079,200	11,873	934,025	1,079,200	86.55
1990	955,819	1,089,808	11,734	944,085	1,089,808	86.63
1991	966,009	1,106,628	11,351	954,658	1,106,628	86.27
1992	984,894	1,129,691	11,160	973,734	1,129,691	86.19
1993	960,732	1,185,363	10,783	949,949	1,185,363	80.14
1994	997,573	1,229,395	10,681	986,892	1,229,395	80.27
1995	1,127,153	1,450,026	10,642	1,116,511	1,450,026	77.00
1996	1,151,187	1,487,208	10,467	1,140,720	1,487,208	76.70
1997	1,237,246	1,750,830	10,405	1,226,841	1,750,830	70.07

PROPERTY TAX RATES  
DIRECT AND OVERLAPPING GOVERNMENTS

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

TAX RATES PER \$1,000 ASSESSED VALUE

<u>Fiscal Year</u>	<u>Dubuque City</u>	<u>Dubuque School District</u>	<u>Board of Education and Independents</u>	<u>Area 1 Voc. Tech</u>	<u>Dubuque County</u>	<u>Total</u>	<u>Ratio of Dubuque City To Total</u>
1988	\$13.9529	\$12.2700	\$ .617	\$ .4535	\$ 4.5858	\$31.8792	43.77%
1989	11.8007	11.9511	.613	.4517	5.7209	30.5374	38.64
1990	11.6891	12.3212	.613	.4503	5.6024	30.6760	38.11
1991	12.3004	12.8876	.613	.4515	6.2061	32.4586	37.90
1992	12.7742	13.6506	.6186	.4620	7.0749	34.5803	36.94
1993	12.4989	13.6650	.6733	.4699	7.6173	34.9244	35.79
1994	12.60588	13.92886	.50303	.47495	7.61714	35.12986	35.88
1995	11.78206	13.60398	.53777	.49222	6.95885	33.37488	35.30
1996	11.78215	13.70668	.74972	.49360	6.13169	32.86384	35.85
1997	11.38153	12.39251	.70548	.50348	5.87236	30.85536	36.89

Source: Dubuque County Auditor's Office.

## CITY OF DUBUQUE, IOWA

**PRINCIPAL TAXPAYERS**  
 December 31, 1996  
 (Amounts expressed in thousands)  
 (Unaudited)

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

Source: Dubuque County - Auditor.



## SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS

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

<u>Fiscal Year</u>	<u>Special Assessment Billings</u>	<u>Special Assessment Collected (1)</u>
1988	\$189	
1989	128	\$269
1990	79	397
1991	72	268
1992	59	373
1993	58	276
1994	44	333
1995	51	339
1996	33	609
1997	41	147
		378

(1) Includes prepayments.

CITY OF DUBUQUE, IOWA  
COMPUTATION OF LEGAL DEBT MARGIN

June 30, 1997  
(Amounts expressed in thousands)  
(Unaudited)

---

Actual Valuations		<u>\$1,750,830</u>
Legal debt margin:		\$ 87,541
Debt limitation-5% of actual valuations		
Debt applicable to limitation:		
Total bonded debt	\$ 14,540	
Less: Revenue bonds	2,435	
Tax-increment financing bonds	<u>350</u>	
Total debt applicable to limitation		<u>11,755</u>
Legal debt margin		<u>\$ 75,786</u>

## CITY OF DUBUQUE, IOWA

RATIO OF NET GENERAL OBLIGATION BONDED DEBT  
TO ASSESSED VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA

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

<u>Fiscal Year</u>	<u>Population(1)</u>	<u>Assessed Value(2)</u>	<u>Gross Bonded Debt (3)</u>	<u>Debt Payable Other Revenues(4)</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt per Capita</u>
1988	62	\$ 895,745	\$ 22,870	\$ 7,525	\$ 15,345	1.71%	\$ .248
1989	62	934,025	25,425	7,325	18,100	1.94	.292
1990	62	944,085	21,455	3,025	18,430	1.95	.297
1991	58	954,658	18,395	0	18,395	1.93	.317
1992	58	973,734	16,255	0	16,255	1.67	.280
1993	58	949,949	16,340	0	16,340	1.72	.282
1994	58	986,892	17,125	0	17,125	1.74	.295
1995	58	1,116,511	14,775	0	14,775	1.32	.255
1996	59	1,140,720	14,200	0	14,200	1.24	.241
1997	59	1,226,841	11,755	0	11,755	0.96	.199

(1) U.S. Census Bureau.

(2) From Table 4.

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

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

## CITY OF DUBUQUE, IOWA

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

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest (1)</u>	<u>Total Debt Service</u>	<u>Total General Governmental Expenditures (2)</u>	<u>Ratio of Debt Service to General Governmental Expenditures</u>
1988	\$1,415	\$1,148	\$ 2,563	\$ 20,417	12.55%
1989	1,570	1,052	2,622	21,630	12.12
1990	1,585	1,206	2,791	23,219	12.02
1991	2,095	1,221	3,316	28,714	11.55
1992	2,140	1,242	3,382	28,197	11.99
1993	4,530*	1,137	5,667	26,350	21.51
1994	2,315	908	3,223	36,299	8.88
1995	2,350	915	3,265	33,430	9.77
1996	2,435	757	3,192	34,772	9.18
1997	2,445	740	3,185	36,371	8.76

(1) Excludes bond insurance 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, 1997  
 (Amounts expressed in thousands)  
 (Unaudited)

<u>Jurisdiction</u>	<u>Net General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to Government</u>	<u>Amount Applicable to Government</u>
Direct:			
City of Dubuque	\$ 10,335 (1)	100.000%	\$ 10,335
Total	\$ 10,335		\$ 10,335

(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)

<u>Fiscal Year</u>	<u>Gross Revenue (1)</u>	<u>Operating Expenses (2)</u>	<u>Net Revenue Available For Debt Service</u>	<u>Debt Service Requirements</u>			<u>Coverage (3)</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
1988	\$ 770	\$369	\$401	\$125	\$ 58	\$183	2.19
1989	782	378	404	140	55	195	2.07
1990	762	397	365	153	45	198	1.84
1991	995	502	493	0	216	216	2.28
1992	1,061	513	548	80	224	304	1.80
1993	1,160	504	656	85	218	303	2.17
1994	1,090	543	547	90	212	302	1.81
1995	1,108	592	516	95	205	300	1.72
1996	1,152	631	521	105	198	303	1.72
1997	1,175	551	624	110	191	301	2.07

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



CITY OF DUBUQUE, IOWA

PROPERTY VALUE, CONSTRUCTION PERMITS, AND BANK DEPOSITS

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

Fiscal Year	Property Value (1)			Construction Permits	
	Other (3)	Residential	Totals	Number of Permits	Value
1988	\$ 378,376	\$ 683,769	\$ 1,062,145	1,818	\$ 31,320
1989	390,222	688,978	1,079,200	1,638	25,163
1990	395,794	694,014	1,089,808	1,663	32,804
1991	407,989	698,639	1,106,628	1,670	54,233
1992	424,616	705,075	1,129,691	1,656	38,532
1993	352,979	832,384	1,185,363	1,780	41,964
1994	381,324	848,071	1,229,395	1,862	56,928
1995	441,399	1,008,627	1,450,026	6,918*	65,599
1996	456,075	1,031,133	1,487,208	4,190	75,569
1997	519,104	1,231,726	1,750,830	2,039	34,950

- (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.



Table 13

---

<u>Bank Deposits (2)</u>	
<u>Calendar Year</u>	<u>Total Deposits</u>
1987	\$ 657,842
1988	616,000
1989	671,000
1990	714,000
1991	833,931
1992	869,000
1993	852,000
1994	883,000
1995	902,659
1996	901,724





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	IPO41901414000003	7/1/97	Municipal General Liability Includes EMT's and Ambulance Service
Iowa Communities Assurance Pool	IP035901414000003	7/1/97	Municipal Auto Liability Includes Transit Liability
Iowa Communities Assurance Pool	IP015901414000003	7/1/97	Comprehensive & Collision
Iowa Communities Assurance Pool	IP039901414000003	7/1/97	Public Official Liability
Iowa Communities Assurance Pool	IP040891414000003	7/1/97	Police Professional
Phoenix Aviation Managers	12459	7/1/97	Airport Liability
St. Paul F & M Ins. Group	EMO6649597	8/1/97	Professional Liability- Nurses
Transcontinental	LLP1622436	8/1/97	Liquor Law Liability
<u>PROPERTY INSURANCE</u>			
U.S. Fidelity & Guaranty Co.	9CP-30003800200	7/1/97	Comprehensive Business Policy
<u>CRIME INSURANCE</u>			
Allied Group Insurance	BD7900557276	7/1/97	Public Official Bond
<u>BOILER INSURANCE</u>			
Hartford Steam Boiler	CH-8317973-21	7/1/97	Boiler & Machinery

Table 16

<u>Liability Limits</u>		<u>Annual Premium</u>
\$ 5,000,000	Each Occurrence	\$ 189,804
\$ 1,000	Deductible	
\$ 4,000,000	Each Accident	134,445
	Per Scheduled Automobiles	43,978
\$ 2,000,000	Each Claim	22,405
\$ 2,000,000	Aggregate	
\$ 5,000	Deductible	
\$ 2,000,000	Per Person/Agg.	38,880
\$ 2,000,000	Aggregate	
\$ 4,000	Deductible	
\$ 20,000,000	Aggregate	17,200
\$ 1,000,000	Each Person	175
\$ 3,000,000	Total Limit	
\$ 1,000,000	Each Common Cause	2,164
\$ 91,331,077	Building & Contents	116,997
\$ 10,000	Deductible	
\$ 10,000,000	Earthquake	
\$ 547,940	Business Interruption	
\$ 711,643	EDP Equipment	
\$ 131,317	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	62,025
\$ 5,000	Deductible	
Total		<u>\$ 631,909</u>

Table 17

## CITY OF DUBUQUE, IOWA

## Miscellaneous Statistics

June 30, 1997  
(Unaudited)

Date of Incorporation	1837
Form of Government	Council/Manager - Ward
Population - 1990 Census	59,084
Number of employees:	510
Full Time	278
Part Time/Seasonal	25
Area in square miles	
City of Dubuque facilities and services:	325
Miles of streets	3,436
Number of street lights	102
Number of traffic signals	
Culture and Recreation:	33
Parks	741
Park acreage	1
Golf courses	2
Swimming Pools	1
Civic Center	
Fire Protection:	6
Number of stations	90
Number of fire personnel and officers	
Police Protection:	1
Number of stations	80
Number of police personnel and officers	
Sewerage System:	152
Miles of sanitary sewers	144
Miles of storm sewers	1
Number of treatment plants	20,000
Number of service connections	10,200,000
Daily average treatment in gallons	15,000,000
Maximum daily capacity of treatment plant in gallons	
Water System:	250
Miles of water mains	20,000
Number of service connections	2,004
Number of fire hydrants	8,519,740
Daily average consumption in gallons	18,000,000
Maximum daily capacity of plant in gallons	
Public Transit System	Vehicles - 24
Facilities and services not included in the reporting entity:	
Education:	17
Number of elementary schools	7
Number of secondary schools	4
Number of colleges	1
Number of universities	2
Number of theological seminaries	
Hospitals:	2
Number of hospitals	584
Number of licensed patient beds	