New Issue

Date of Sale: Monday, May 15, 2023 *(Alternate Bid Methods)*
Between 10:30 and 11:00 A.M., C.D.T. *(Closed SpeerAuction)*
Before 11:00 A.M., C.D.T. *(Sealed Bids)*

Investment Rating:
Moody's Investors Service …
(Rating Requested)

Official Statement

Assuming compliance with certain covenants, in the opinion of Ahlers & Cooney, P.C., Bond Counsel, under present law and assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Bonds is excludable from gross income for federal income tax purposes. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. See ***"TAX MATTERS"*** *herein for a more detailed discussion.*

$4,500,000*
CITY OF WAVERLY
Bremer County, Iowa
General Obligation Bonds, Series 2023

Dated Date of Delivery **Book-Entry** **Bank Qualified** **Due Serially June 1, 2025 - 2034**

The $4,500,000* General Obligation Bonds, Series 2023 (the "Bonds") are being issued by the City of Waverly, Bremer County, Iowa (the "City" or the "Issuer"). Interest is payable semiannually on June 1 and December 1 of each year, commencing December 1, 2023. Interest is calculated based on a 360-day year of twelve 30-day months. The Bonds will be issued using a book-entry system. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The ownership of one fully registered Bond for each maturity will be registered in the name of Cede & Co., as nominee for DTC and no physical delivery of Bonds will be made to purchasers. The Bonds will mature on June 1 in the following years and amounts.

AMOUNTS*, MATURITIES, INTEREST RATES, PRICES OR YIELDS AND CUSIP NUMBERS

Principal Amount*	Due June 1	Interest Rate	Price or Yield	CUSIP Number(1)	Principal Amount*	Due June 1	Interest Rate	Price or Yield	CUSIP Number(1)
$375,000	2025	____%	____%	_____	$455,000	2030	____%	____%	_____
390,000	2026	____%	____%	_____	475,000	2031	____%	____%	_____
405,000	2027	____%	____%	_____	495,000	2032	____%	____%	_____
420,000	2028	____%	____%	_____	515,000	2033	____%	____%	_____
435,000	2029	____%	____%	_____	535,000	2034	____%	____%	_____

Any consecutive maturities may be aggregated into term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

OPTIONAL REDEMPTION

Bonds due June 1, 2025 - 2030, inclusive, are not subject to optional redemption. Bonds due June 1, 2031 - 2034, inclusive, are callable in whole or in part on any date on or after June 1, 2030, at a price of par and accrued interest. If less than all the Bonds are called, they shall be redeemed in such principal amounts and from such maturities as determined by the City and within any maturity by lot. See **"OPTIONAL REDEMPTION"** herein.

PURPOSE, LEGALITY AND SECURITY

The proceeds of the Bonds are expected to be used to: (i) finance the cost of various essential and general corporate purpose capital improvements, and (ii) pay the costs of issuing the Bonds. See **"THE PROJECT"** herein.

In the opinion of Bond Counsel, Ahlers & Cooney, P.C., Des Moines, Iowa, the Bonds will constitute valid and legally binding obligations of the City payable both as to principal and interest from ad valorem taxes levied against all taxable, real property within the corporate limits of the City without limitation as to rate or amount, all except as limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws relating to the enforcement of creditors' rights generally and except that enforcement by equitable and similar remedies, such as mandamus, is subject to the exercise of judicial discretion.

The City intends to designate the Bonds as "qualified tax-exempt obligations" pursuant to the small issuer exception provided by Section 265(b)(3) of the Internal Revenue Code of 1986.

This Official Statement is dated May 3, 2023, and has been prepared under the authority of the City. An electronic copy of this Official Statement is available from the www.speerfinancial.com web site under "Official Statement Sales Calendar". Additional copies may be obtained from James W. Bronner, City Administrator, City of Waverly, 200 1st Street NE, Waverly, Iowa, 50677, or from the Registered Municipal Advisors to the City.

Speer Financial, Inc.
INDEPENDENT MUNICIPAL ADVISORS • ESTABLISHED 1954
230 WEST MONROE STREET, SUITE 2630 • CHICAGO, ILLINOIS 60606
Telephone: (312) 346-3700 • Facsimile: (312) 346-8833
531 COMMERCIAL STREET, SUITE 608 • WATERLOO, IOWA 50701
Telephone: (319) 291-2077 • Facsimile: (319) 291-8628

**Subject to principal adjustment in accordance with the Official Terms of Offering.*

(1) CUSIP numbers appearing in this Official Statement have been provided by the CUSIP Service Bureau, which is managed on behalf of the American Bankers Association by S&P Capital IQ, a part of McGraw Hill Financial Inc. The City is not responsible for the selection of CUSIP numbers and makes no representation as to their correctness on the Bonds or as set forth on the cover of this Official Statement.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or corrected by the City from time to time (collectively, the "Official Statement"), may be treated as an Official Statement with respect to the Bonds described herein that is deemed near final as of the date hereof (or the date of any such supplement or correction) by the City.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts and interest rates of the Bonds, together with any other information required by law or deemed appropriate by the City, shall constitute a "Final Official Statement" of the City with respect to the Bonds, as that term is defined in Rule 15c2-12. Any such addendum or addenda shall, on and after the date thereof, be fully incorporated herein and made a part hereof by reference. Alternatively, such final terms of the Bonds and other information may be included in a separate document entitled "Final Official Statement" rather than through supplementing the Official Statement by an addendum or addenda.

No dealer, broker, salesman or other person has been authorized by the City to give any information or to make any representations with respect to the Bonds other than as contained in the Official Statement or the Final Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the City. Certain information contained in the Official Statement and the Final Official Statement may have been obtained from sources other than records of the City and, while believed to be reliable, is not guaranteed as to completeness. THE INFORMATION AND EXPRESSIONS OF OPINION IN THE OFFICIAL STATEMENT AND THE FINAL OFFICIAL STATEMENT ARE SUBJECT TO CHANGE, AND NEITHER THE DELIVERY OF THE OFFICIAL STATEMENT OR THE FINAL OFFICIAL STATEMENT NOR ANY SALE MADE UNDER EITHER SUCH DOCUMENT SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE CITY SINCE THE RESPECTIVE DATES THEREOF.

References herein to laws, rules, regulations, ordinances, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Official Statement or the Final Official Statement, they will be furnished on request. This Official Statement does not constitute an offer to sell, or solicitation of an offer to buy, any securities to any person in any jurisdiction where such offer or solicitation of such offer would be unlawful.

TABLE OF CONTENTS

Page

BOND ISSUE SUMMARY 1
SECURITY AND SOURCE OF PAYMENT 2
CERTAIN BONDHOLDERS' RISKS 3
Potential Impact of The Coronavirus 3
Secondary Market 3
Ratings Loss 4
Redemption Prior to Maturity 4
Forward-Looking Statements 4
Tax Matters, Bank Qualification and Loss of Tax Exemption 4
DTC-Beneficial Owners 5
Pension and OPEB Benefits 5
Continuing Disclosure 6
Cybersecurity 7
Suitability of Investment 7
Bankruptcy and Insolvency 7
Matters Relating to Enforceability of Agreements 7
Legislation 8
Changes in Property Taxation: 8
Tax Levy Procedures 8
Loss of Tax Base 9
Risk of Audit 9
Federal Funds Orders and State Funds Legislation 9
Other Factors 9
THE CITY 9
City Organization and Services 9
Community Life 10
Education 10
Transportation 10
SOCIOECONOMIC INFORMATION 10
Population 10
Employment 11
Building Permits 12
Housing 12
Income and Benefits 13
Agriculture 13
Local Option Sales and Services Tax 14
Retail Sales 15
THE PROJECT 15
DEFAULT RECORD 16
SHORT-TERM BORROWING 16
DEBT INFORMATION 16
Debt Limitation 16
Other Debt – TIF backed Agreements 19
PROPERTY ASSESSMENT AND TAX INFORMATION 20
Property Tax Assessment 20
Property Tax Collection 20
Levy Limits 22
Tax Levy Procedures 23
Utility Property Tax Replacement 23
Tax Increment Financing 24
Property Tax Legislation 24

FINANCIAL INFORMATION 25
Financial Reports 25
No Consent or Updated Information Requested of the Auditor 25
Summary Financial Information 25
REGISTRATION, TRANSFER AND EXCHANGE 29
TAX MATTERS 30
Tax Exemption 30
Qualified Tax Exemption Obligations 31
Discount and Premium Bonds 31
Other Tax Advice 31
Audits 31
Reporting and Withholding 31
Tax Legislation 32
Enforcement 32
The Opinion 32
Bond Counsel Review 32
CONTINUING DISCLOSURE 33
OPTIONAL REDEMPTION 33
LITIGATION 34
LEGAL MATTERS 34
OFFICIAL STATEMENT AUTHORIZATION 34
INVESTMENT RATING 35
UNDERWRITING 35
MUNICIPAL ADVISOR 35
MISCELLANEOUS 36

APPENDIX A -FISCAL YEAR 2022 ANNUAL COMPREHENSIVE FINANCIAL REPORT
APPENDIX B -DESCRIBING BOOK-ENTRY-ONLY ISSUANCE
APPENDIX C -DRAFT FORM OF BOND COUNSEL OPINION
APPENDIX D -DRAFT FORM OF CONTINUING DISCLOSURE CERTIFICATE

OFFICIAL BID FORM
OFFICIAL TERMS OF OFFERING
Exhibit A – Example Issue Price Certificate

BOND ISSUE SUMMARY

This Bond Issue Summary is expressly qualified by the entire Official Statement, including the Official Terms of Offering and the Official Bid Form, which are provided for the convenience of potential investors and should be reviewed in their entirety by potential investors.

Issuer:	City of Waverly, Bremer County, Iowa.
Issue:	$4,500,000* General Obligation Bonds, Series 2023.
Dated Date:	Date of delivery (expected to be on or about June 20, 2023).
Interest Due:	Each June 1 and December 1, commencing December 1, 2023.
Principal Due:	Serially each June 1, commencing June 1, 2025 through 2034, as detailed on the cover page of this Official Statement.
Optional Redemption:	Bonds maturing on or after June 1, 2031, are callable at the option of the City on any date on or after June 1, 2030, at a price of par plus accrued interest. See **"OPTIONAL REDEMPTION"** herein.
Authorization:	The Bonds are being issued pursuant to authority established in Code of Iowa, 2023 as amended, Chapter 384 (the "Act"), and all laws amendatory thereof and supplementary thereto, and in conformity with a resolution (the "Resolution" or the "Bond Resolution") of the City duly passed and approved.
Security:	The Bonds are valid and legally binding obligations of the City payable both as to principal and interest from ad valorem taxes levied against all taxable real property within the corporate limits of the City without limitation as to rate or amount, all except as limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws relating to the enforcement of creditors' rights generally and except that enforcement by equitable and similar remedies, such as mandamus, is subject to the exercise of judicial discretion.
Investment Rating:	An investment rating for the Bonds has been requested from Moody's Investors Service, New York, New York. See **"INVESTMENT RATING**" herein.
Purpose:	The proceeds of the Bonds will be used to: (i) finance the cost of various essential and general corporate purpose capital improvements, and (ii) to pay the costs of issuing the Bonds. See **"THE PROJECT"** herein.
Tax Matters:	Ahlers & Cooney, P.C., Des Moines, Iowa, will provide an opinion as to the tax exemption of the Bonds as discussed under **"TAX MATTERS"** in this Official Statement. Interest on the Bonds is not exempt from present State of Iowa income taxes. See **APPENDIX C** for a draft form of legal opinion for the Bonds.
Bank Qualified:	The City intends to designate the Bonds as "qualified tax-exempt obligations".
Bond Registrar/Paying Agent:	UMB Bank, n.a., West Des Moines, Iowa (the "Registrar").
Delivery:	The Bonds are expected to be delivered on or about June 20, 2023.
Book-Entry Form:	The Bonds will be registered in the name of Cede & Co. as nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository of the Bonds. See **APPENDIX B** herein.
Denomination:	$5,000 or integral multiples thereof.
Municipal Advisor:	Speer Financial, Inc., Waterloo, Iowa and Chicago, Illinois.

**Subject to change.*

CITY OF WAVERLY
Bremer County, Iowa

Adam Hoffman
Mayor

Council Members

Heather Beaufore	Brian Birgen	Rodney Drenkow
Tim Kangas	Julie Meyers	Ann Rathe
	Matthew Schneider	

Officials

James W. Bronner *City Administrator*	Carla Guyer *City Clerk*
Valorie Northrup *Finance Manager*	William Werger, Esq. *City Attorney*

SECURITY AND SOURCE OF PAYMENT

Pursuant to the Resolution and the Act, the Bonds and the interest thereon are general obligations of the City, and all taxable property within the corporate boundaries of the City is subject to the levy of taxes to pay the principal of and interest on the Bonds without constitutional or statutory limitation as to rate or amount. For a description of certain constitutional limits on the issuance of general obligation debt by the City, see "Debt Limitation" herein.

Section 76.2 of the Act provides that when an Iowa political subdivision issues general obligation bonds, the governing authority of such political subdivision shall, by resolution adopted before issuing the bonds, provide for the assessment of an annual levy upon all the taxable property in the political subdivision sufficient to pay the interest and principal of the bonds. A certified copy of this resolution shall be filed with the County Auditor in which the City is located, giving rise to a duty of the County Auditor to annually enter this levy for collection from the taxable property within the boundaries of the city, until funds are realized to pay the bonds in full.

For the purpose of providing for the levy and collection of a direct annual tax sufficient to pay the principal of and interest on the Bonds as the same become due, the Resolution provides for the levy of a tax sufficient for that purpose on all the taxable property in the City in each of the years while the Bonds are outstanding. The City shall file a certified copy of the Resolution with the County Auditor, pursuant to which the County Auditor is instructed to enter for collection and assess the tax authorized. When annually entering such taxes for collection, the County Auditor shall include the same as a part of the tax levy for Debt Service Fund purposes of the City and when collected, the proceeds of the taxes shall be converted into the Debt Service Fund of the City and set aside therein as a special account to be used solely and only for the payment of the principal of and interest on the Bonds and for no other purpose whatsoever.

Nothing in the Resolution prohibits or limits the ability of the City to use legally available moneys other than the proceeds of the general ad valorem property taxes levied as described in the preceding paragraph to pay all or any portion of the principal of or interest on the Bonds. If and to the extent such other legally available moneys are used to pay the principal of or interest on the Bonds, the City may, but shall not be required to, (a) reduce the amount of taxes levied for such purpose, as described in the preceding paragraph; or (b) use proceeds of taxes levied, as described in the preceding paragraph, to reimburse the fund or account from which such other legally available moneys are withdrawn for the amount withdrawn from such fund or account to pay the principal of or interest on the Bonds.

CERTAIN BONDHOLDERS' RISKS

An investment in the Bonds is subject to certain risks. No person should purchase the Bonds unless such person understands the risks described below and is willing to bear those risks. There may be other risks not listed below which may adversely affect the value of the Bonds. In order to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement (including the Appendices hereto) in order to make a judgement as to whether the Bonds are an appropriate investment.

Potential Impact of The Coronavirus

Beginning in early 2020, a strain of coronavirus commonly known as COVID-19 began to spread globally, negatively affecting global, state, and local economies and possibly sparking a recession. The State of Iowa may suffer material adverse consequences from the continued spread of COVID-19, which could affect the amount of State revenues appropriated to municipalities, including the City. The spread of the virus could reduce sales tax and other revenue collections, property valuations and other revenue sources dependent on local business activity.

The City did not experience material reductions in revenue or material increases in expenses in fiscal years 2020, 2021 and 2022 due to material COVID-19-related financial impacts and currently expects that any material COVID-19-related financial impacts are expected to be covered by federal funding. In fiscal year 2021, the City received over $200,000 in CARES Act funding from the federal government to offset unexpected overtime in emergency services. The City received an additional $1,524,835 in Recovery Act funds, in fiscal years 2022 and 2023. The City has applied $574,168 of ARPA funds to a sewer treatment plant project and plans on applying the remaining $950,667 to it as well.

The City cannot predict whether continued spread of the virus will materially impact its financial condition, in fiscal year 2023 or beyond. The spread of the virus could negatively affect the City's financial condition, including, among others, lower property values, a delay in property tax collections, and other unpredicted unforeseen consequences, or a reduction in LOSST Revenues collected and distributed by the State, the later of which may affect the City's ability to pay principal of and interest on the Bonds. The Bonds are general obligations of the City. See **"SECURITY AND SOURCE OF PAYMENT**" herein.

This information is based on current information available to the City that may be incomplete and unknown. This information was derived using certain assumptions and methodologies and includes unaudited financial information and projections. Some of this information is forward-looking and subject to change.

Secondary Market

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history of economic prospects connected with a particular issue, secondary marketing practices in connection with a particular bond or note issue are suspended or terminated. Additionally, prices of bond or note issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price of the Bonds.

EACH PROSPECTIVE PURCHASER IS RESPONSIBLE FOR ASSESSING THE MERITS AND RISKS OF AN INVESTMENT IN THE BONDS AND MUST BE ABLE TO BEAR THE ECONOMIC RISK OF SUCH INVESTMENT. THE SECONDARY MARKET FOR THE BONDS, IF ANY, COULD BE LIMITED.

Ratings Loss

Moody's Investors Service, Inc. ("Moody's") has assigned a rating of "___" to the Bonds. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that the rating will continue for any given period of time, or that such rating will not be revised, suspended or withdrawn, if, in the judgment of Moody's, circumstances so warrant. A revision, suspension or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

Various factors, including additional regulation of rating agencies could materially alter the methodology, rating levels, and types of ratings available, for example, and these changes, if ever, could materially affect the market value of the Bonds.

Redemption Prior to Maturity

In considering whether to make an investment in the Bonds, it should be noted the Bonds are subject to optional redemption, as outlined herein, without Bondholder discretion or consent. See "**OPTIONAL REDEMPTION**" herein.

Forward-Looking Statements

This Official Statement contains statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimate," "forecast," "intend," "expect" and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty. Accordingly, such statements are subject to risks that could cause actual results to differ, possibly materially, from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not be realized or unanticipated events and circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward-looking statements and the actual results. These differences could be material and could impact the availability of funds of the City to pay debt service when due on the Bonds.

Tax Matters, Bank Qualification and Loss of Tax Exemption

As discussed under the heading "**TAX MATTERS**" herein, the interest on the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date of delivery of the Bonds, as a result of acts or omissions of the City in violation of its covenants in the Resolution. Should such an event of taxability occur, the Bonds would not be subject to a special prepayment and would remain outstanding until maturity or until prepaid under the prepayment provisions contained in the Bonds, and there is no provision for an adjustment of the interest rate on the Bonds.

The City intends to designate the Bonds as "qualified tax-exempt obligations" under the exception provided in Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The City has further covenanted to comply with certain other requirements, which affords banks and certain other financial institutions more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code. Actions, or inactions, by the City in violation of its covenants could affect the designation, which could also affect the pricing and marketability of the Bonds.

It is possible that legislation will be proposed or introduced that could result in changes in the way that tax exemption is calculated, or whether interest on certain securities are exempt from taxation at all. Prospective purchasers should consult with their own tax advisors regarding any pending or proposed federal income tax legislation. The likelihood of any pending or future legislation being enacted or whether the currently proposed terms of any pending legislation will be altered or removed during the legislative process cannot be reliably predicted.

It is also possible that actions of the City after the closing of the Bonds will alter the tax status of the Bonds, and, in the extreme, remove the tax exempt status from the Bonds. In that instance, the Bonds are not subject to mandatory prepayment, and the interest rate on the Bonds does not increase or otherwise reset. A determination of taxability on the Bonds, after closing of the Bonds, could materially adversely affect the value and marketability of the Bonds.

DTC-Beneficial Owners

Beneficial Owners of the Bonds may experience some delay in the receipt of distributions of principal of and interest on the Bonds since such distributions will be forwarded by the Paying Agent to DTC and DTC will credit such distributions to the accounts of the Participants which will thereafter credit them to the accounts of the Beneficial Owner either directly or indirectly through Indirect Participants. Neither the City nor the Paying Agent will have any responsibility or obligation to assure that any such notice or payment is forwarded by DTC to any Participants or by any Participant to any Beneficial Owner.

In addition, since transactions in the Bonds can be effected only through DTC Participants, Indirect Participants and certain banks, the ability of a Beneficial Owner to pledge the Bonds to persons or entities that do not participate in the DTC system, or otherwise to take actions in respect of such Bonds, may be limited due to lack of a physical certificate. Beneficial Owners will be permitted to exercise the rights of registered Owners only indirectly through DTC and the Participants. See **APPENDIX B – Describing Book-Entry Only Issuance**.

Pension and OPEB Benefits

The City participates in two public pension systems, Iowa Public Employee's Retirement System (IPERS) and Municipal Fire and Police Retirement System of Iowa (MFPRSI). Summary descriptions of each Plan follows, for more detail as to each available plans, including amongst other things pension benefits, Issuer's deferred outflows and inflows on resources related to pensions, actuarial assumptions, discount rate sensitivity, and expenses, see **APPENDIX A – ANNUAL COMPREHENSIVE FINANCIAL REPORT, Note 11**.

In fiscal year 2022, pursuant to the IPERS' required rate, the City's Regular employees (members) contributed 6.29% of covered payroll and the City contributed 9.44% of covered payroll, for a total rate of 15.73%. Protective occupation members contributed 6.24% of covered payroll and the City contributed 9.31% of covered payroll for a total rate of 15.55%. The City's contributions to IPERS for the year ended June 30, 2022 were $409,930. The City's share of the contributions, payable from the applicable funds of the City, is provided by a statutorily authorized annual levy of taxes without limit or restriction as to rate or amount. The City has always made its full required contributions to IPERS.

At June 30, 2022, the City reported a liability (asset) of $53,954 for its proportionate share of the IPERS net pension liability. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The discount rate used to measure the total pension liability was 7%. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. While the City's contributions to IPERS are controlled by state law, there can be no assurance the City will not be required by changes in State law to increase its contribution requirement in the future, which may have the effect of negatively impacting the finances of the City. See "**APPENDIX A – ANNUAL COMPREHENSIVE FINANCIAL REPORT"** for additional information on pension and liabilities of the City.

In fiscal year 2022, pursuant to the MFPRSI's required rate, the City's employees (members) contributed 9.40% of earnable compensation and the City contributed 26.18% of covered payroll. The City's contributions to MFPRSI for the year ended June 30, 2022 were $323,590. The City's share of the contributions, payable from the applicable funds of the City, is provided by a statutorily authorized annual levy of taxes without limit or restriction as to rate or amount. The City has always made its full required contributions to MFPRSI.

At June 30, 2022, the City reported a liability of $765,111 for its proportionate share of the MFPRSI net pension liability. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The discount rate used to measure the total pension liability was 7.5%. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all MFPRSI participating employers. While the City's contributions to MFPRSI are controlled by state law, there can be no assurance the City will not be required by changes in State law to increase its contribution requirement in the future, which may have the effect of negatively impacting the finances of the City. See "**APPENDIX A – ANNUAL COMPREHENSIVE FINANCIAL REPORT**" hereto for additional information on pension and liabilities of the City.

The City administers a single-employer benefit plan which provides medical and prescription drug benefits for employees, retirees and their spouses. Group insurance benefits are established under Iowa Code Chapter 509A.13. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

The following table shows the City's changes to the total OPEB liability:

Total OPEB Liability beginning of year	$ 948,620
Changes for the year:	
Service Cost	58,208
Interest	21,656
Differences between expected and actual experiences	(259,087)
Changes in assumptions	(75,674)
Benefit Payments	(53,837)
Net Changes	(308,734)
Total OPEB Liability end of year	$ 639,886

See **APPENDIX A – Notes (11**) and **(14)** herein for further discussion of the City's employee retirement benefit obligations.

Bond Counsel, Disclosure Counsel, the Municipal Advisor, and the City undertake no responsibility for and make no representations as to the accuracy or completeness of the information available from IPERS or MFPRSI discussed above or included on the IPERS or MFPRSI websites, including, but not limited to, updates of such information on the State Auditor's website or links to other Internet sites accessed through the IPERS or MFPRSI websites.

Continuing Disclosure

A failure by the City to comply with continuing disclosure obligations (see **"CONTINUING DISCLOSURE"** herein) will not constitute an event of default on the Bonds. Any such failure must be disclosed in accordance with Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission (the "Commission") under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and may adversely affect the transferability and liquidity of the Bonds and their market price.

The City will covenant in a Continuing Disclosure Certificate for the benefit of the Owners and Beneficial Owners of the Bonds to provide annually certain financial information and operating data relating to the City (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events. The Annual Report is to be filed by the City no later than two hundred seventy (270) days after the close of each fiscal year, commencing with the fiscal year ending June 30, 2023, with the Municipal Securities Rulemaking Board, at its internet repository named "Electronic Municipal Market Access" ("EMMA"). The notices of events, if any, are also to be filed with EMMA. See "**APPENDIX D – FORM OF CONTINUING DISCLOSURE CERTIFICATE**." The specific nature of the information to be contained in the Annual Report or the notices of events, and the manner in which such materials are to be filed, are summarized in "**APPENDIX D – FORM OF CONTINUING DISCLOSURE CERTIFICATE**." These covenants have been made in order to assist the Underwriter in complying with SEC Rule 15c2-12(b)(5) (the "Rule").

Cybersecurity

The City, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurances that any security and operational control measures implemented by the City will be completely successful to guard against and prevent cyber threats and attacks. Failure to properly maintain functionality, control, security, and integrity of the City's information systems could impact business operations and/or digital networks and systems and the costs of remedying any such damage could be significant. Along with significant liability claims or regulatory penalties, any security breach could have a material adverse impact on the City's operations and financial condition. The City cannot predict whether its cyber liability policy will be sufficient in the event of a cyberattack. However, the Bonds are secured by an unlimited ad valorem property tax as described herein. See **"SECURITY AND SOURCE OF PAYMENT"** herein.

Suitability of Investment

The interest rate borne by the Bonds is intended to compensate the investor for assuming the risk of investing in the Bonds. Each prospective investor should carefully examine this Official Statement and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment for such investor.

Bankruptcy and Insolvency

The rights and remedies provided in the Resolution may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations in legal remedies against exercise of judicial discretion in appropriate cases and to limitations on legal remedies against municipal corporations in the State of Iowa. The various opinions of counsel to be delivered with respect to the Bonds and the Resolution, including the opinion of Bond Counsel, will be similarly qualified. If the City were to file a petition under Chapter Nine of the Federal Bankruptcy Code, the owners of the Bonds could be prohibited from taking any steps to enforce their rights under the Resolution. In the event the City fails to comply with its covenants under the Resolution or fails to make payments on the Bonds, there can be no assurance of the availability of remedies adequate to protect the interests of the holders of the Bonds.

Under sections 76.16 and 76.16A of the Code of Iowa, as amended, a city, county, or other political subdivision may become a debtor under Chapter Nine of the Federal Bankruptcy Code, if it is rendered insolvent, as defined in 11 U.S.C. §101(32)(c), as a result of a debt involuntarily incurred. As used therein, "debt" means an obligation to pay money, other than pursuant to a valid and binding collective bargaining agreement or previously authorized bond issue, as to which the governing body of the city, county, or other political subdivision has made a specific finding set forth in a duly adopted resolution of each of the following: (1) that all or a portion of such obligation will not be paid from available insurance proceeds and must be paid from an increase in general tax levy; (2) that such increase in the general tax levy will result in a severe, adverse impact on the ability of the city, county, or political subdivision to exercise the powers granted to it under applicable law, including without limitation providing necessary services and promoting economic development; (3) that as a result of such obligation, the city, county, or other political subdivision is unable to pay its debts as they become due; and (4) that the debt is not an obligation to pay money to a city, county, entity organized pursuant to Chapter 28E of the Code of Iowa, or other political subdivision.

Matters Relating to Enforceability of Agreements

There is no bond trustee or similar person to monitor or enforce the provisions of the Resolution. The owners of the Bonds should, therefore, be prepared to enforce such provisions themselves if the need to do so arises. In the event of a default in the payment of principal of or interest on the Bonds, there is no provision for acceleration of maturity of the principal of the Bonds. Consequently, the remedies of the owners of the Bonds (consisting primarily of an action in the nature of mandamus requiring the City and certain other public officials to perform the terms of the Resolution) may have to be enforced from year to year.

Holders of the Bonds shall have and possess all the rights of action and remedies afforded by the common law, the Constitution and statutes of the State of Iowa and of the United States of America for the enforcement of payment of the Bonds, including, but not limited to, the right to a proceeding in law or in equity by suit, action or mandamus to enforce and compel performance of the duties required by Iowa law and the Resolution.

The practical realization of any rights upon any default will depend upon the exercise of various remedies specified in the Resolution. The remedies available to the owners of the Bonds upon an event of default under the Resolution, in certain respects, may require judicial action, which is often subject to discretion and delay. Under existing law, including specifically the Federal Bankruptcy Code, certain of the remedies specified in the Resolution may not be readily available or may be limited. A court may decide not to order the specific performance of the covenants contained in these documents. The legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by general principles of equity and public policy and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

No representation is made, and no assurance is given, that the enforcement of any remedies with respect to such assets will result in sufficient funds to pay all amounts due under the Resolution, including principal of and interest on the Bonds.

Legislation

From time to time, there are proposals pending in Congress and in the Iowa General Assembly that could, if enacted, alter or amend one or more of the matters described herein in certain respects or would adversely affect the market value of the Bonds, or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further such proposals may impact the marketability or market value of the Bonds simply by being proposed. It cannot be predicted whether or in what forms any of such proposals, either pending or that may be introduced, may be enacted and there can be no assurance that such proposals will not apply to the Bonds. In addition regulatory actions are from time to time announced or proposed, and litigation threatened or commenced, which if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

Changes in Property Taxation:

From time to time the Iowa General Assembly has altered the method of property taxation and could do so again. Such alterations could adversely affect the City's financial condition. Historically, changes to property tax calculations and impositions are imposed on a prospective basis. However, there is no assurance future changes to property taxation by the Iowa General Assembly will not be applied retroactively. See "**Property Tax Legislation**" herein for a discussion on recent changes to the property tax process. It is impossible to predict the outcome of future property taxation changes by the Iowa General Assembly or resulting impacts on the City's financial condition. However, the Bonds are secured by an unlimited ad valorem property tax as described more fully in the "**SECURITY AND SOURCE OF PAYMENT**" herein.

Tax Levy Procedures

The Bonds are general obligations of the City, payable from and secured by a continuing ad valorem tax levied against all of the taxable real property within the corporate limits of the City. See **"PROPERTY ASSESSMENT AND TAX INFORMATION"** herein for more details. As part of the budgetary process each fiscal year, the City will have an obligation to request a debt service levy to be applied against all of the taxable real property within the corporate limits of the City. A failure on the part of the City to make a timely levy request or a levy request by the City that is inaccurate or is insufficient to make full payments of the debt service of the Bonds for a particular fiscal year may cause Bondholders to experience delay in the receipt of distributions of principal of and/or interest on the Bonds. In the event of a default in the payment of principal of or interest on the Bonds, there is no provision for acceleration of maturity of the principal of the Bonds. Consequently, the remedies of the owners of the Bonds (consisting primarily of an action in the nature of mandamus requiring the City and certain other public officials to perform the terms of the Resolution) may have to be enforced from year to year.

Loss of Tax Base

Economic and other factors beyond the City's control, such as economic recession, deflation of property values, or financial difficulty or bankruptcy by one or more major property taxpayers, or the complete or partial destruction of taxable property caused by, among other eventualities, earthquake, flood, fire or other natural disaster, could cause a reduction in the assessed value within the corporate boundaries of the City. In addition, the State of Iowa has been susceptible to tornados, flooding and other extreme weather wherein winds and flooding have from time to time caused significant damage, which if such events were to occur, may have an adverse impact on the City's financial position.

Risk of Audit

The Internal Revenue Service has an ongoing program to audit tax-exempt obligations to determine the legitimacy of the tax status of such obligations. No assurance can be given as to whether the Internal Revenue Service will commence an audit of the Bonds. Public awareness of any audit could adversely affect the market value and liquidity of the Bonds during the pendency of the audit, regardless of the ultimate outcome of the audit.

Federal Funds Orders and State Funds Legislation

Various federal executive orders, and Iowa Code Chapter 27A (collectively "ICE Enforcement Initiatives"), impose requirements intended to ensure compliance with the federal immigration detainment processes. The ICE Enforcement Initiatives impose various penalties for non-compliance, including the loss of state and/or federal funding under certain circumstances. The loss of state and/or federal funds in any significant amount could negatively impact the City's overall financial position and may affect its rating and could slow down completion of certain of the Projects. However, the Bonds are secured by an unlimited ad valorem property tax and are not secured by state or federal funds. See **"SECURITY AND SOURCE OF PAYMENT"** herein.

Other Factors

An investment in the Bonds involves an element of risk. The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Bonds. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should become thoroughly familiar with this entire Official Statement and the Appendices hereto.

THE CITY

The City was incorporated in 1859 under the laws of the state of Iowa (the "State). The City is approximately 11.1 square miles with a 2020 Census population of 10,394. The City is the largest city in Bremer County (the "County").

City Organization and Services

The City operates under a Mayor-Council form of government with an appointed administrator. One Council Member is elected from each of the City's five wards and two are elected at-large. The City's Administrator is responsible for the day-to-day management of the City. The City has a seven-member Planning Commission. The City also has a five-member Utility Board of Trustees, which was established by City referendum in 1977. The Utility Board of Trustees, which serves six-year terms, determines policy and oversees management of the municipal electric utility, and is appointed by the Mayor, subject to approval of the City Council. The City owned Waverly Health Center operates under the management of a five-member elected Board of Trustees.

The City provides residents with the following services: public safety, public works, health and social services, culture and recreation, community and economic development, general government, capital projects and debt service. The City also has municipal water, sewer and solid waste utility systems which are governed by the City Council.

The City has 77 full-time employees and 69 part-time and/or seasonal. Of the 77 full-time employees, 16 are police officers. In addition, the City has 29 volunteer fire fighters. The City Unit and Police Unit union both have contracts through fiscal year 2024.

Community Life

The City has 12 miles of trails and paths, over 350 acres of land in park facilities, two public 18-hole golf courses, a new public library, the new City owned Waverly Health Center, the Wartburg-Waverly Sports & Wellness complex and abundant cultural opportunities.

Education

Public education is provided the City residents by the Waverly-Shell Rock Community School District (the "District"), with certified enrollment of 2,168 for Fiscal Year 2021-22. There are approximately 435 full and part-time employees of the District. Seven schools make up the District: four elementary schools, one middle schools, one senior high schools, and one alternative school for ninth through twelfth graders. Private Education is also provided through the St. Paul's Lutheran School for grades Pre-K through grade 6, with certified enrollment of 115 for Fiscal Year 2021-22. Four-year college programs and vocational training are available throughout the area including the Wartburg College, University of Northern Iowa and Hawkeye Community College.

Transportation

The City is located in northeastern Iowa about 15 miles north of the Waterloo-Cedar Falls metropolitan area. Highways serving the area include State Highway No. 3 and U.S. Highways Nos. 63 and 218. Interstate Highway No. 380 is located approximately 15 miles to the south. In addition to rail service and motor carrier transportation, charter air service is available at the Waverly Municipal Airport and commercial air service is available in Waterloo, 15 miles south.

SOCIOECONOMIC INFORMATION

The following demographic information is for the City. Additional comparisons are made with the County and the State.

Population

The following table reflects population trends for the City, the County and the State.

Population Comparison*(1)*

Year	The City	Percent Change	The County	Percent Change	The State	Percent Change
1970	7,205	n/a	22,737	n/a	2,824,376	n/a
1980	8,444	17.20%	24,820	9.16%	2,913,808	3.17%
1990	8,539	1.13%	22,813	(8.09%)	2,776,755	(4.70%)
2000	8,968	5.02%	23,325	2.24%	2,926,324	5.39%
2010	9,874	10.10%	24,276	4.08%	3,046,355	4.10%
2020	10,394	5.27%	24,988	2.93%	3,190,369	4.73%

Note: (1) Source: U.S. Bureau of the Census.

Employment

Following are lists of large employers located in the City.

Major City Employers*(1)*

Name	Product/Service	Approximate Employment(2)
CUNA Mutual Life Insurance Company	Insurance	545
Wartburg College	Higher Education	500
Waverly Health Center	Hospital/Healthcare	480
Waverly-Shell Rock Community Schools	Education	435
GMT Corporation	Manufacturing	350
Bartels Lutheran Retirement Community	Long-term Health Care	220
Walmart	Retail Store	210
Nestle' USA, Inc., Beverage Division	Powdered Beverages	195
Bremer County	Government	175
Life Line Emergency Vehicles	Manufacturing	180
Doerfer Companies	Automation Equipment	150
United Equipment Accessories, Inc.	Engine Electrical Equipment	150
TDS Automation, Inc.	Manufacturing	125
City of Waverly	Government	105

Note: (1) Source: Waverly Economic Development and the 2022 Iowa Manufacturers Database.

The following tables show employment by industry and by occupation for the City, the County and the State as reported by the U.S. Census Bureau 2017 - 2021 American Community Survey 5-year estimated values.

Employment By Industry*(1)*

	The City		The County		The State	
Classification	Number	Percent	Number	Percent	Number	Percent
Agriculture, forestry, fishing and hunting, and mining	85	1.6%	570	4.4%	59,850	3.7%
Construction	272	5.1%	768	5.9%	108,302	6.7%
Manufacturing	634	11.8%	2,250	17.4%	240,629	14.8%
Wholesale trade	100	1.9%	276	2.1%	44,676	2.8%
Retail trade	456	8.5%	1,137	8.8%	189,043	11.7%
Transportation and warehousing, and utilities	212	3.9%	623	4.8%	81,066	5.0%
Information	28	0.5%	224	1.7%	23,698	1.5%
Finance and insurance, and real estate and rental and leasing	417	7.8%	1,021	7.9%	124,930	7.7%
Professional, scientific, and management, and administrative and waste management services	448	8.3%	841	6.5%	121,124	7.5%
Educational services, and health care and social assistance	1,893	35.3$	3,766	29.1%	392,076	24.2%
Arts, entertainment, and recreation, and accommodation and food services	482	9.0%	646	5.0%	115,503	7.1%
Other services, except public administration	232	4.3%	558	4.3%	68,951	4.3%
Public administration	110	2.0%	283	2.2%	50,948	3.1%
Total	5,369	100.0%	12,963	100.0%	1,620,796	100.0%

Note: (1) Source: U. S. Bureau of the Census, American Community Survey 5-Year Estimates from 2017 - 2021.

Employment By Occupation*(1)*

	The City		The County		The State	
Classification	Number	Percent	Number	Percent	Number	Percent
Management, business, science, and arts occupations	2,255	42.0%	5,132	39.6%	609,180	37.6%
Service occupations	1,058	19.7%	1,943	15.0%	253,347	15.6%
Sales and office occupations	966	18.0%	2,428	18.7%	326,164	20.1%
Natural resources, construction, and maintenance occupations	330	6.1%	1,220	9.4%	155,994	9.6%
Production, transportation, and material moving occupations	760	14.2%	2,240	17.3%	276,111	17.1%
Total	5,369	100.0%	12,963	100.0%	1,620,796	100.0%

Note: (1) Source: U. S. Bureau of the Census, American Community Survey 5-Year Estimates from 2017 - 2021.

The annual average unemployment rates for the City are not available. Following shows the annual average unemployment rates for the County, the State and the United States.

Annual Average Unemployment Rates*(1)(2)*

Calendar Year	The County	The State	United States
2014	3.7%	4.2%	6.2%
2015	3.5%	3.7%	5.3%
2016	3.5%	3.6%	4.9%
2017	2.8%	3.1%	4.4%
2018	2.1%	2.6%	3.9%
2019	2.3%	2.8%	3.7%
2020	3.9%	5.3%	8.1%
2021	2.9%	3.8%	5.4%
2022	2.3%	2.7%	3.6%
2023(3)	2.5%	3.0%	3.6%

Notes: (1) Source: Iowa Workforce Development and U.S. Bureau of Labor Statistics.
(2) Not seasonally adjusted.
(3) Preliminary rates for the month of March 2023.

Building Permits

Single Family building permits have averaged $4,617,931 over the last five years in the City, excluding the value of land.

City Building Permits*(1)*
(Excludes the Value of Land)

Calendar	Single-Family		Home Remodeling Improvements		Multi-Family		Commercial Industrial		Commercial/Industrial Improvements		Total	
Year	Number	Value	Number	Value	Number	Value	Number	Value	Number	Value	Permits	Value
2017	27	4,816,342	321	3,769,589	23	6,476,201	0	0	35	5,996,762	406	21,058,894
2018	10	3,549,000	271	7,659,286	10	5,170,000	3	1,125,000	45	4,480,485	339	21,983,771
2019	19	5,751,387	260	2,884,296	14	4,201,410	1	2,200,000	48	8,739,515	342	23,776,608
2020	11	3,382,958	249	2,614,416	4	1,200,000	1	450,000	37	26,890,207	302	34,537,581
2021	14	5,196,975	272	3,630,654	0	0	4	2,710,900	41	4,636,726	331	16,175,255
2022	14	5,209,333	239	3,003,539	8	2,400,000	2	20,064,406	40	32,235,248	303	62,912,526
2023(2)	8	3,694,825	167	2,222,885	0	0	6	3,185,700	24	2,328,277	205	11,431,687

Notes: (1) Source: the City.
(2) Through March 2023.

Housing

The U.S. Census Bureau 5-year estimated values reported that the median value of the City's owner-occupied homes was $187,200. This compares to $173,600 for the County and $160,700 for the State. The following table represents the five year average market value of specified owner-occupied units for the City, the County and the State at the time of the 2017 - 2021 American Community Survey.

Home Values*(1)*

Value	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Less than $50,000	110	3.9%	296	3.7%	73,899	8.1%
$50,000 to $99,999	178	6.3%	1,092	13.6%	163,749	17.9%
$100,000 to $149,999	729	25.8%	1,686	21.0%	178,001	19.5%
$150,000 to $199,999	503	17.8%	1,531	19.1%	158,080	17.3%
$200,000 to $299,999	823	29.1%	2,105	26.3%	184,443	20.2%
$300,000 to $499,999	433	15.3%	1,077	13.4%	118,803	13.0%
$500,000 to $999,999	41	1.4%	199	2.5%	30,661	3.4%
$1,000,000 or more	12	0.4%	33	0.4%	5,333	0.6%
Total	2,829	100.0%	8,019	100.0%	912,969	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2017 - 2021.

Mortgage Status*(1)*

	The City		The County		The State	
Mortgage Status	Number	Percent	Number	Percent	Number	Percent
Housing units with a mortgage	1,705	60.3%	4,910	61.2%	551,824	60.4%
Housing units without a mortgage	1,124	39.7%	3,109	38.8%	361,145	39.6%
Total	2,829	100.0%	8,019	100.0%	912,969	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2017 - 2021.

Income and Benefits

The U.S. Census Bureau 5-year estimated values reported that the City had a median family income of $83,398. This compares to $87,896 for the County and $83,979 for the State. The following table represents the distribution of family incomes for the City, the County and the State at the time of the 2017 - 2021 American Community Survey.

Family Income*(1)*

	The City		The County		The State	
Income	Number	Percent	Number	Percent	Number	Percent
Less than $10,000	119	4.8%	178	2.7%	20,680	2.6%
$10,000 to $14,999	25	1.0%	82	1.2%	12,781	1.6%
$15,000 to $24,999	63	2.5%	220	3.3%	35,959	4.5%
$25,000 to $34,999	134	5.4%	230	3.4%	48,267	6.0%
$35,000 to $49,999	149	6.0%	507	7.6%	83,603	10.5%
$50,000 to $74,999	537	21.6%	1,356	20.2%	149,593	18.7%
$75,000 to $99,999	401	16.1%	1,255	18.7%	134,689	16.8%
$100,000 to $149,999	707	28.5%	1,892	28.2%	177,047	22.1%
$150,000 to $199,999	236	9.5%	589	8.8%	72,140	9.0%
$200,000 or more	114	4.6%	395	5.9%	65,143	8.1%
Total	2,485	100.0%	6,704	100.0%	799,902	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2017 to 2021.

The U.S. Census Bureau 5-year estimated values reported that the City had a median household income of $70,688. This compares to $76,782 for the County and $65,429 for the State. The following table represents the distribution of household incomes for the City, the County and the State at the time of the 2017 - 2021 American Community Survey.

Household Income*(1)*

	The City		The County		The State	
Income	Number	Percent	Number	Percent	Number	Percent
Less than $10,000	197	5.3%	342	3.5%	59,741	4.7%
$10,000 to $14,999	86	2.3%	235	2.4%	48,339	3.8%
$15,000 to $24,999	292	7.9%	584	6.1%	104,101	8.2%
$25,000 to $34,999	280	7.6%	629	6.5%	110,075	8.6%
$35,000 to $49,999	349	9.5%	1,100	11.4%	160,679	12.6%
$50,000 to $74,999	754	20.4%	1,805	18.7%	240,122	18.8%
$75,000 to $99,999	548	14.9%	1,620	16.8%	181,264	14.2%
$100,000 to $149,999	792	21.5%	2,233	23.2%	216,340	17.0%
$150,000 to $199,999	277	7.5%	662	6.9%	81,830	6.4%
$200,000 or more	114	3.1%	428	4.4%	73,023	5.8%
Total	3,689	100.01$	9,638	100.0%	1,275,893	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2017 - 2021.

Agriculture

Shown below is information on the agricultural value of the County and the statewide average.

Average Value Per Acre*(1)*

	2018	2019	2020	2021	2022
Average Value Per Acre:					
The County	$8,501	$8,376	$8,559	$11,251	$13,069
State of Iowa	7,264	7,432	7,559	9,751	11,411

Note: (1) Source: Iowa State University Extension and Outreach.

Local Option Sales and Services Tax

On November 8, 2016, a referendum was held for imposition of a one percent (1%) local option sales and services tax ("LOSST") to be collected within Bremer County for a 20-year period which will expire on June 30, 2039. The City's LOSST receipts are designated 100% for streets and bridges; trail, river or park-related improvements and infrastructure; and public safety vehicles and related equipment.

The State of Iowa Director of Revenue (the "Director") administers collection and disbursement of all local option sales and services taxes in conjunction with administration of the State-wide sales, services and use tax. The Director credits the LOSST receipts to the City's account in the local option sales and services tax fund. Historically, by August 15 of each fiscal year, the Director was required to send the City an estimate of the amount of local option sales and services taxes it received for the year and by month. By August 31, the Director was required to remit 95% of the estimated tax receipts for the City to the City's account and by the last day of each following month. By November 10 of the next fiscal year, the Director was required to make the final payment, which could include needed adjustments for over- or under-payments when comparing actual tax receipts against the payments made based upon estimates. Beginning with the October 2022 LOSST payment, the administration of local government LOSST distribution payments changed per legislation passed during the 2021-22 legislative session (Senate File 2367). The Iowa Department of Revenue moved away from the old "annual estimated payments" process, and began making distributions based on actual LOSST receipts in the preceding month. July, August, and September 2022 were the final months that used estimated payments; any adjustments or reconciliations to Fiscal Year 2022 payments were made by September 30, 2022.

LOSST Revenues are based on the same sales currently taxed by the state-wide 6% sales and services tax, with the present statutory exceptions of (i) certain sales of motor fuel or special fuel as defined in Chapter 452A, (ii) the sale of natural gas or electric energy in a city or county where the gross receipts are subject to a franchise fee or user fee during the period the franchise or user fee is imposed, (iii) the sales price from a pay television service consisting of a direct-to- home satellite service, or (iv) the sale of equipment by the State Department of Transportation.

Once approved, LOSST can only be repealed through a public referendum at which a majority voting approves the repeal or tax rate change (or upon motion of the governing body), provided no obligations secured by LOSST are outstanding. If LOSST is not imposed county-wide, then the question of repeal is voted upon only by voters in such areas of a county where the tax has been imposed. LOSST may not be repealed within one year of the effective date.

Local Option Sales and Services Tax Receipts*(1)*

Fiscal Year Ending June 30	Local Option Sales Tax Receipts(2)	Percent Change +(-)
2014	$ 939,840	n/a
2015	949,194	1.00%
2016	953,289	0.43%
2017	926,534	(2.81%)
2018	958,861	3.49%
2019	1,046,953	9.19%
2020	1,209,014	15.48%
2021	1,309,904	8.34%
2022	1,298,005	(0.91%)
2023	1,145,443(3)	(11.75%)

Notes: (1) Source: Iowa Department of Revenue.
(2) Includes a reconciliation payment attributable to the previous fiscal year through fiscal year 2022.
(3) Collections received or expected to be received.

On March 9, 2023, Senate File 550 ("SF550", former Senate Study Bill 1125) was introduced in the Iowa Senate. This bill proposes to replace existing 1% local option sales and services taxes imposed under Iowa Code chapter 423B with an increased statewide sales tax imposed under Iowa Code chapter 423 (state-wide rate moves from 6% to 7%), effective January 1, 2025. In addition, the bill allocates a proportionate amount of the state-wide sales tax revenues to local option tax funds administered under chapter 423B, for use by cities and counties in accordance with prescribed uses including debt retirement. To become law, SF550 must be approved by both the Senate and House chambers, and be signed into law by the Governor. It cannot be predicted with any certainty as of the date of this Official Statement whether SF550 in its current form, or some evolution of this proposed legislation will ultimately become law. Furthermore, if ultimately adopted, this legislation could materially alter the allocation formula of state-wide sales tax and local option sales and services tax revenues and/or the amounts actually received by the Issuer. However, the Bonds are secured by an unlimited ad valorem property tax as described more fully in the "**PAYMENT OF AND SECURITY FOR THE BONDS**" herein.

Retail Sales

The Department of Revenue of the State of Iowa provides retail sales figures based on sales tax reports for years ending June 30. The Department of Revenue figures provide recent data to confirm trends in retail sales activity in the City. The following amounts exclude the City's Local Option Tax.

Retail Taxable Sales*(1)*

Fiscal Year Ending June 30	Taxable Sales	Annual Percent Change + (-)
2013	$128,799,113	n/a
2014	131,901,218	2.41%
2015	137,844,754	4.51%
2016	139,984,602	1.55%
2017	142,895,867	2.08%
2018	150,513,170	5.33%
2019	158,479,989	5.29%
2020	149,978,873	(5.36%)
2021	161,620,482	1.98%
2022	167,563,759	3.68%
Growth from 2013 to 2022		30.10%

Note: (1) Source: the Iowa Department of Revenue.

THE PROJECT

The proceeds of the Bonds are expected to be used to: (i) finance the cost of various essential corporate purpose capital improvements, and (ii) pay the costs of issuance of the Bonds.

More specifically, the proceeds of the Bonds will be used to pay costs of: acquisition, construction, reconstruction, and improvement of all waterways, and real and personal property, useful for the protection or reclamation of property situated within the corporate limits of cities from floods or high waters, and for the protection of property in cities from the effects of flood waters, including the deepening, widening, alteration, change, diversion, or other improvement of watercourses, within or without the city limits, the construction of levees, embankments, structures, impounding reservoirs, or conduits, as well as the development and beautification of the banks and other areas adjacent to flood control improvements; acquisition, installation, and repairs of traffic control devices and street lighting fixtures and facilities; rehabilitation and improvement of parks already owned, including facilities, equipment and improvements commonly found in city parks; reconstruction, extension, and improvement of an airport owned or operated by the city, including construction of taxi-lane improvements; and acquisition, construction, reconstruction, improvement, repair, and equipping of waterworks, water mains, and extensions, and real and personal property, useful for providing potable water to residents of the city; construction, reconstruction, enlargement, improvement and equipping of the City Library expansion project; construction, reconstruction, enlargement, improvement and equipping of the Parks Department Headquarters; and construction, reconstruction, enlargement, improvement and equipping of city recreational grounds, including trail bridge replacement; and acquisition, construction, reconstruction, enlargement, improvement and equipping of the public works department, including constructing a storage building and acquiring generator(s).

DEFAULT RECORD

The City has no record of default and has met its debt repayment obligations promptly.

SHORT-TERM BORROWING

The City has not issued tax anticipation warrants or revenue anticipation notes during the last five years to meet its short-term current year cash flow requirements.

DEBT INFORMATION

After issuance of the Bonds, the City will have outstanding $30,350,000* principal amount of general obligation debt. In addition, the City has outstanding approximately $1,500,000 principal amount of Local Option Sales and Services Tax Revenue Bonds debt; approximately $800,000 principal amount of sewer revenue debt and $1,600,000 water revenue.

Debt Limitation

The amount of general obligation debt a political subdivision of the State of Iowa can incur is controlled by the constitutional debt limit, which is an amount equal to 5% of the actual value of taxable property within the corporate limits, taken from the last County Tax list. According to and based upon the January 1, 2021 property valuations, for taxes payable in September 2022 and March 2023, the City's debt limit, based upon said valuation, amounts to the following:

2021 100% Actual Valuation of Property	$862,623,446
Constitutional Debt Limit	$ 43,131,172
Outstanding Bonds/Notes Applicable to Debt Limit:	
Total G.O. Debt Subject to Debt Limit	$ 30,350,000*
LOSST Revenue Debt	1,500,000
Urban Renewal Obligations (TIF Rebates)(1)	2,631(2)
Total Applicable Debt	$ 31,852,631*
Remaining Debt Capacity	$ 11,278,541*

Notes: (1) As reported by the City pursuant to development agreements for urban renewal projects under the authority of Iowa Code Chapter 403 or other intergovernmental agreements (under chapter 28E, etc.). The Iowa Supreme Court has not formally ruled on the question of whether contracts to rebate the tax increment generated by a particular development constitutes indebtedness of a City for constitutional debt limit purposes. The amount reported above includes amounts payable under rebate agreements that may not be debt. Some development agreements are subject to the right of annual appropriation by the City, thereby limiting the extent of possible debt to only amounts currently due and appropriated in the current fiscal year. Amounts payable under a particular development agreement may not constitute legal indebtedness, but are memorialized in the table above to conservatively state the City's possible financial exposure. Payment of future installments may be dependent upon undertakings by the developers, which may have not yet occurred. The City actively pursues opportunities consistent with the development goals of its various urban renewal plans, which may be amended from time to time, and the City may enter into additional development agreements committing to additional rebate incentive in calendar year 2023 or after. See "**OTHER DEBT – TIF-backed Agreements**" table herein for more information.

(2) Rebates payable based on property valuations as of January 1, 2021.

Source: Iowa Department of Management, and the City.

The City does not expect to issue any additional general obligation debt in calendar year 2023.

Summary of Outstanding General Obligation Bonded Debt*(1)*
(Principal Only)

Series 2014A	$ 3,410,000
Series 2015B	3,910,000
Series 2017A	700,000
Series 2017B	290,000
Series 2018A	7,610,000
Series 2019	2,530,000
Series 2020A	4,360,000
Taxable Series 2020B	570,000
Series 2021	2,295,000
Series 2022	175,000
The Bonds(2)	4,500,000
Total(2)	$30,350,000

Notes: (1) Source: the City.
(2) Subject to change.

**Subject to change.*

The remainder of this page was left blank intentionally.

General Obligation Debt*(1)*
(Principal Only)

Fiscal Year Ending June 30	Series 2014A	Series 2015B	Series 2017A	Series 2017B	Series 2018A	Series 2019	Series 2020A	Series 2020B	Series 2021	Series 2022
2023	$ 705,000	$ 870,000	$170,000	$ 70,000	$1,030,000	$ 330,000	$ 515,000	$ 65,000	$ 240,000	$ 55,000
2024	725,000	905,000	170,000	70,000	1,050,000	340,000	525,000	70,000	240,000	60,000
2025	370,000	940,000	175,000	70,000	1,080,000	350,000	530,000	70,000	245,000	60,000
2026	385,000	875,000	185,000	80,000	1,110,000	365,000	540,000	70,000	250,000	0
2027	395,000	320,000	0	0	1,155,000	375,000	545,000	70,000	255,000	0
2028	410,000	0	0	0	1,190,000	390,000	555,000	75,000	260,000	0
2029	420,000	0	0	0	995,000	380,000	570,000	75,000	265,000	0
2030	0	0	0	0	0	0	580,000	75,000	265,000	0
2031	0	0	0	0	0	0	0	0	275,000	0
Total	$3,410,000	$3,910,000	$700,000	$290,000	$7,610,000	$2,530,000	$4,360,000	$570,000	$2,295,000	$175,000

Fiscal Year Ending June 30	Total Outstanding GO Debt	The Bonds(2)	Total General Obligation Debt(2)	Cumulative Principal Retired(2) Amount	Cumulative Principal Retired(2) Percent
2023	$ 4,050,000	$ 0	$ 4,050,000	$ 4,050,000	13.34%
2024	4,155,000	0	4,155,000	8,205,000	27.03%
2025	3,890,000	375,000	4,265,000	12,470,000	41.09%
2026	3,860,000	390,000	4,250,000	16,720,000	55.09%
2027	3,115,000	405,000	3,520,000	20,240,000	66.69%
2028	2,880,000	420,000	3,300,000	23,540,000	77.56%
2029	2,705,000	435,000	3,140,000	26,680,000	87.91%
2030	920,000	455,000	1,375,000	28,055,000	92.44%
2031	275,000	475,000	750,000	28,805,000	94.91%
2032	0	495,000	495,000	29,300,000	96.54%
2033	0	515,000	515,000	29,815,000	98.24%
2034	0	535,000	535,000	30,350,000	100.00%
Total	$25,850,000	$4,500,000	$30,350,000		

Notes: (1) Source: the City. For term bonds, mandatory redemption amounts are shown.
(2) Subject to change.

The remainder of this page was left blank intentionally.

Statement of Bonded Indebtedness*(1)(2)*

City Actual Value, January 1, 2021 ..... $862,623,446
City Taxable Value, January 1, 2021 ..... $527,923,673

	Total	Applicable Percent	Applicable Amount	Ratio to City Actual Value	Ratio to City Taxable Value	Per Capita (2020 Pop. 10,394)
Direct Bonded Debt(3)	$30,350,000	100.00%	$30,350,000	3.52%	5.75%	$2,919.95
Overlapping Debt:						
Waverly-Shell Rock CS District	$31,873,000	57.65%	$18,374,785	2.13%	3.48%	$1,767.83
Hawkeye Community College(4)	6,780,000	4.54%	307,812	0.04%	0.06%	29.61
Bremer County	304,934	35.31%	107,672	0.01%	0.02%	10.36
Total Overlapping Bonded Debt	$38,957,934		$18,790,269	2.18%	3.56%	$1,807.80
Total Direct and Overlapping Bonded Debt(3)			$49,140,269	5.70%	9.31%	$4,727.75

Per Capita Actual Value $82,992.44
Per Capita Taxable Value $50,791.19

Notes: (1) Source: the City, Audited Financial Statements and Treasurer of the State of Iowa - Outstanding Obligations Report, debt as of June 30, 2021 for the School District, Community College and County.
(2) As of the date of issuance for the Direct Bonded Debt and June 30, 2022 for Overlapping Debt.
(3) Subject to change.
(4) Excludes $18,355,000 in Industrial New Jobs Training Certificates, which are expected to be paid by proceeds from anticipated job credits from withholding taxes.

Other Debt – TIF backed Agreements

From time to time the City, pursuant to Chapter 403 of the Code of Iowa and the City's urban renewal plans, has entered into Development Agreements which contain payment obligations from the City to a third party. The City's payment requirements under these contracts are not structured as general liabilities of the City, but rather are exclusively secured by and payable from a pledge of the City's incremental property tax revenues (TIF) to be derived from the taxable properties (or some subset thereof) contained within an urban renewal area of the City pursuant to Section 403.19 of the Code of Iowa. The City's payment obligations under these contracts are routinely contingent upon development or redevelopment performance requirements of the developer and at times are made subject to annual appropriation rights by the City Council.

A summary of the City's current Development Agreements is listed in the following table:

Party	Approved by City Council	Date Agreement Ends	Amounts Paid in Current Fiscal Year	Anticipated Total Value of Agreement	Balance Remaining to be Paid as of 4/17/23
104 East Bremer	12/15/2014	05/01/2023	$104.90	$ 1,300.30	$ 104.90
118 East Bremer	12/15/2014	05/01/2023	361.33	5,915.53	361.33
98 East Bremer	12/15/2014	05/01/2023	453.75	6,905.68	453.75
112-114 East Bremer	12/15/2014	05/01/2023	781.02	11,871.20	781.02
106 West Bremer	12/15/2014	05/01/2023	929.73	14,790.77	929.73
1859 Ventures, LLC	11/16/2020				
Amended:	06/06/2022	06/01/2029	0.00	500,000.00	500,000.00
Movie Guys LLC	04/15/2019				
Amended	12/06/2021	06/01/2040	0.00	300,000.00	300,000.00

Note: Source: the City.

The remainder of this page was left blank intentionally.

PROPERTY ASSESSMENT AND TAX INFORMATION

Property Tax Assessment

In compliance with Section 441.21 of the Code of Iowa, as amended, the State Director of Revenue annually directs all county auditors to apply prescribed statutory percentages to the assessments of certain categories of real property. The final values, called Actual Valuation, are then adjusted by the County Auditor. Assessed or Taxable Valuation subject to tax levy is then determined by the application of State determined rollback percentages, principally to residential property and commercial property.

Beginning in 1978, the State required a reduction in Actual Valuation to reduce the impact of inflation on its residents. The resulting value is defined as the Assessed or Taxable Valuation. Such rollback percentages may be changed in future years. Certain historical rollback percentages for residential, multi-residential, agricultural and commercial valuations are as follows:

Percentages for Taxable Valuation After Rollbacks*(1)*

Fiscal Year	Residential	Multi-Residential(2)	Ag Land & Buildings	Commercial & Industrial
2014/15	54.4002%	N/A	43.3997%	95.0000%
2015/16	55.7335%	N/A	44.7021%	90.0000%
2016/17	55.6259%	86.2500%	46.1068%	90.0000%
2017/18	56.9391%	82.5000%	47.4996%	90.0000%
2018/19	55.6209%	78.7500%	54.4480%	90.0000%
2019/20	56.9180%	75.0000%	56.1324%	90.0000%
2020/21	55.0743%	71.2500%	81.4832%	90.0000%
2021/22	56.4094%	67.5000%	84.0305%	90.0000%
2022/23	54.1302%	63.7500%	89.0412%	90.0000%
2023/24(3)	54.6501%	N/A	91.6430%	90.0000%

Notes:
(1) Source: the Iowa Department of Revenue.
(2) New category beginning with fiscal year 2017, to be phased into residential category with valuations beginning January 1, 2022.
(3) For assessment year 2022 (applicable to fiscal year 2023/24 valuations), the taxable value rollback rate is 54.6501% of actual value for residential property; 91.6430% of actual value for agricultural property and 100.0000% of the actual value of utility property. The residential taxable rollback rate of 54.6501% applies to the value of each property unit of commercial, industrial and railroad property that exceeds zero dollars ($0), but does not exceed on hundred fifty thousand dollars ($150,000), with a taxable value rollback rate of 90.0000% to the value that exceeds on hundred fifty thousand dollars ($150,000).

Property is assessed on a calendar year basis. The assessments finalized as of January 1 of each year are applied to the following fiscal year. For example, the assessments finalized on January 1, 2021, are used to calculate tax liability for the tax year starting July 1, 2022 through June 30, 2023.

Property Tax Collection

Each county is required by State law to collect all tax levies within its jurisdiction and remit, before the fifteenth of each month, the amount collected through the last day of the preceding month to underlying units of government, including the City. Property tax payments are made at the office of each county treasurer in full or one-half by September 30 and March 31, pursuant to the Code of Iowa, Sections 445.36 and 445.37. Where the first half of any property tax has not been paid by October 1, such installment becomes delinquent. If the second installment is not paid, it becomes delinquent on April 1. Delinquent taxes and special assessments are subject to a penalty at the rate of one and one-half percent per month, to a maximum of eighteen percent per annum.

If taxes are not paid when due, the property may be offered at the regular tax sale on the third Tuesday of June following the delinquency date. Purchasers at the tax sale must pay an amount equal to the taxes, special assessments, interest and penalties due on the property, and funds so received are applied to the payment of taxes. A property owner may redeem from the regular tax sale, but failing redemption within two years, the tax sale purchaser is entitled to a deed which in general conveys the title free and clear of all liens except future installments of taxes.

Actual (100%) Valuations for the City*(1)(2)*

Property Class	Fiscal Year: / Levy Year:	2019/20 2018	2020/21 2019	2021/22 2020	2022/23 2021	Preliminary 2023/24 2022
Residential		$583,577,990	$612,385,130	$624,610,630	$673,002,340	$706,614,704
Agricultural		4,399,430	2,863,260	2,868,020	2,939,100	3,089,220
Commercial		114,191,792	117,989,146	122,230,376	126,902,153	127,869,356
Industrial		33,973,610	34,337,990	33,369,800	34,020,480	34,020,480
Multi-residential(3)		18,739,198	18,856,014	18,857,404	19,982,287	0
Railroads		945,859	973,267	1,094,642	1,316,934	1,379,365
Utilities without Gas and Electric(4)		1,330,951	1,063,868	728,596	440,330	0
Gas and Electric Utility(4)		4,566,808	4,619,064	4,578,884	4,819,886	4,946,883
Less: Military Exemption		(898,220)	(872,292)	(824,140)	(800,064)	(759,320)
Total		$760,827,418	$792,215,447	$807,514,212	$862,623,446	$877,160,688
Percent Change +(-)		1.88%(5)	4.13%	1.93%	6.82%	1.69%

Notes: (1) Source: Iowa Department of Management.
(2) Includes tax increment finance (TIF) valuations used in the following amounts:

January 1:	2018	2019	2020	2021	2022
TIF Valuation	$54,537,096	$57,694,329	$52,252,976	$49,906,610	$47,441,676

(3) Included in Residential Property Class starting with January 1, 2022 valuations.
(4) See **"PROPERTY ASSESSMENT AND TAX INFORMATION - Utility Property Tax Replacement"** herein.
(5) Based on 2017 Actual Valuation of $746,794,883.

For the January 1, 2022 levy year, the City's Taxable Valuation was comprised of approximately 74% residential, 20% commercial, 6% industrial, 1% utilities and less than 1% railroad, agriculture and military exemption.

Taxable ("Rollback") Valuations for the City*(1)(2)*

Property Class	Fiscal Year: / Levy Year:	2019/20 2018	2020/21 2019	2021/22 2020	2022/23 2021	Preliminary 2023/24 2022
Residential		$332,160,972	$337,266,812	$352,339,093	$364,297,475	$386,165,560
Agricultural		2,455,205	2,326,558	2,398,692	2,602,884	2,817,649
Commercial		102,772,621	106,190,238	110,007,345	114,211,943	102,930,624
Industrial		30,576,249	30,904,191	30,032,820	30,618,432	29,590,296
Multi-residential		14,054,428	13,434,919	12,728,761	12,738,715	0
Railroads		851,273	875,940	985,178	1,185,241	1,231,761
Utilities without Gas and Electric		1,330,951	1,063,868	718,024	440,330	0
Gas and Electric Utility		2,604,893	2,542,384	2,332,531	2,631,717	2,656,139
Less: Military Exemption		(898,220)	(872,292)	(824,140)	(824,140)	(759,320)
Total		$485,908,372	$493,732,618	$510,718,304	$527,926,673	$524,632,709
Percent Change +(-)		3.10%(5)	1.61%	3.44%	3.37%	(0.62%)

Notes: (1) Source: Iowa Department of Management.
(2) Includes tax increment finance (TIF) valuations used in the following amounts:

January 1:	2018	2019	2020	2021	2022
TIF Valuation	$54,537,096	$57,694,329	$52,252,976	$49,906,610	$47,441,676

(3) Included in Residential Property Class starting with January 1, 2022 valuations.
(4) See **"PROPERTY ASSESSMENT AND TAX INFORMATION - Utility Property Tax Replacement"** herein.
(5) Based on 2017 Taxable Valuation of $471,293,019.

The following shows the trend in the City's tax extensions and collections.

Tax Extensions and Collections*(1)*

Levy Year	Fiscal Year	Amount Levied	Amount Collected(2)	Percent Collected
2012	2013-14	$4,952,345	$5,007,343	101.11%
2013	2014-15	5,329,955	5,362,269	100.61%
2014	2015-16	5,264,349	5,257,108	99.86%
2015	2016-17	5,529,788	5,748,010	103.95%
2016	2017-18	6,061,652	6,088,658	100.45%
2017	2018-19	6,095,525	6,144,867	100.81%
2018	2019-20	6,287,382	6,189,238	98.44%
2019	2020-21	7,017,280	7,153,240	101.94%
2020	2021-22	7,657,798	7,692,171	100.45%
2021	2022-23	7,955,015	- -In Collection - -	

Notes: (1) Source: the State of Iowa Department of Management and the City. Does not include Levies or Collections for Utility Replacement. Does not include levies and collections for the City's tax increment finance district.
(2) Includes delinquent taxes.

Principal Taxpayers*(1)*

Taxpayer Name	Business/Service	Levy Year 2021 Taxable Valuation(2)
Walmart	Retail Store	$ 8,307,999
CUNA Mutual Life Insurance Company	Life Insurance	8,028,000
Pinnacle Apartments Special LLC	Apartments	6,613,047
First Bank	Financial Institution	5,316,606
Nestle Beverage Company	Food Production	4,374,621
Birdworks LLC	Student Housing	4,345,264
GMT LLC	Manufacturing	4,286,026
Graening-Knights II, LC	Housing	3,417,579
Waverly Hotel Group	Hotel	3,255,948
Village Square Plaza LTD Partners	Retail Stores	3,169,368
Total		$51,114,458
Ten Largest Taxpayers as Percent of City's 2021 Taxable Valuation ($527,926,673)		9.68%

Notes: (1) Source: the County.
(2) Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers listed contain multiple parcels and it is possible that some parcels and their valuations have been overlooked.

Levy Limits

Normal municipal operations and maintenance costs are generally funded through the corporate property tax levy. Iowa State Code does not allow the municipal general fund to be taxed above $8.10 per thousand dollars of taxable value in any one year. In addition to the General Fund, there are several other tax funds that the City can create and use for specific purposes.

The remainder of this page was left blank intentionally.

The property tax rates for the City from levy year 2017 through levy year 2021 are shown below:

Property Tax Rates*(1)(2)*
(Per $1,000 Actual Valuation)

Fiscal Year:	2018/19	2019/20	2020/21	2021/22	2022/23
Levy Year:	2017	2018	2019	2020	2021
City:					
General Fund	$ 8.10000	$ 8.10000	$ 8.10000	$ 8.10000	$ 8.10000
Emergency Levy	0.00000	0.00000	0.00000	0.00000	0.00000
Debt Service Fund	2.75517	2.94180	4.28379	4.60490	4.49579
Employee Benefits	3.24127	2.98071	2.94775	3.27215	3.31999
Capital Improvement	0.00000	0.00000	0.00000	0.00000	0.00000
Other	0.35264	0.34949	0.35404	0.35404	0.41896
Total City	$14.44908	$14.37200	$15.68558	$16.33109	$16.33474
Bremer County	$ 4.30000	$ 4.30151	$ 4.99187	$ 4.68833	$ 4.30000
Waverly Shell Rock Community Schools	12.77766	12.69403	12.60096	12.55409	12.33590
Hawkeye Community College	1.01703	1.11803	1.15802	1.17640	1.18571
Other	0.69896	0.67216	0.73402	0.80776	0.50676
Total Tax Rate	$33.24273	$33.15773	$35.17045	$35.55767	$34.66311

Notes: (1) Source: Iowa Department of Management.
(2) Does not include the tax rate for agriculture.

Tax Levy Procedures

The Bonds are general obligations of the City, payable from and secured by a continuing ad valorem tax levied against all of the taxable real property within the corporate limits of the City. As part of the budgetary process each fiscal year, the City will have an obligation to request a debt service levy to be applied against all of the taxable real property within the corporate limits of the City. A failure on the part of the City to make a timely levy request or a levy request by the City that is inaccurate or is insufficient to make full payments of the debt service of the Bonds for a particular fiscal year may cause Bond holders to experience delay in the receipt of distributions of principal of and/or interest on the Bonds. In the event of a default in the payment of principal of or interest on the Bonds, there is no provision for acceleration of maturity of the principal of the Bonds. Consequently, the remedies of the owners of the Bonds (consisting primarily of an action in the nature of mandamus requiring the City and certain other public officials to perform the terms of the resolution for the Bonds) may have to be enforced from year to year.

Notwithstanding the foregoing, Iowa Code section 76.2 provides when an Iowa political subdivision issues general obligation bonds, "the governing authority of these political subdivisions before issuing bonds shall, by resolution, provide for the assessment of an annual levy upon all the taxable property in the political subdivision sufficient to pay the interest and principal of the bonds within a period named not exceeding twenty years. A certified copy of this resolution shall be filed with the county auditor or auditors of the counties in which the political subdivision is located; and the filing shall make it a duty of the auditor(s) to enter annually this levy for collection from the taxable property within the boundaries of the political subdivision until funds are realized to pay the bonds in full."

Utility Property Tax Replacement

Property owned by entities involved primarily in the production, delivery, service and sale of electricity, natural gas and rate-regulated water utilities ("Utilities") pay a replacement tax based upon the delivery of energy by Utilities in lieu of property taxes. All replacement taxes are allocated among local taxing bodies by the State Department of Revenue and the Department of Management. This allocation is made in accordance with a general allocation formula developed by the Department of Management on the basis of general property tax equivalents. Utility properties paying the replacement tax are exempt from the levy of property tax by political subdivisions. In addition to the replacement tax, Utility property will continue to be valued by a special method as provided in the statute and taxed at the rate of three cents per one thousand dollars for the general fund of the State.

By statute, the replacement tax collected by the State and allocated among local taxing bodies (including the City) shall be treated as property tax when received and shall be disposed of by the county treasurer as taxes on real estate. It is possible that the general obligation debt capacity of the City could be adjudicated to be proportionately reduced in future years if Utility property were determined to be other than "taxable property" for purposes of computing the City's debt limit under Article XI of the Constitution of the State of Iowa. There can be no assurance that future legislation will not (i) operate to reduce the amount of debt the City can issue or (ii) adversely affect the City's ability to levy taxes in the future for the payment of the principal of and interest on its outstanding debt obligations, including the Bonds. Approximately .5% of the City's levy year 2022 taxable valuation currently is utility property.

Tax Increment Financing

The Code of Iowa currently authorizes the use of two types of tax increment financing by local taxing districts in the State of Iowa. The first type allows local governments to establish TIF districts for the purposes of financing designated urban renewal projects which contribute to the urban redevelopment and economic development of the immediate area. The taxable valuation used for this type of TIF district in the City for levy year 2022 is $47,441,676.

The second type of tax increment financing was authorized by state legislative action in the mid-1980's. The area community colleges can establish TIF districts by contract with specific local businesses and industries to provide jobs training programming for new employees of existing expanding businesses or employees of new businesses. The revenues from these job training TIF districts then retires the debt incurred from the issuance of jobs training certificates which finance the cost of jobs training programming over a maximum of ten years. Upon payment of all jobs training certificates, the district dissolves and the incremental value from the new or expanded business reverts to the general tax base. There is no current valuation for this second type of TIF district.

Property Tax Legislation

Over time, the Iowa Legislature has modified the process and calculation of taxable valuations for various classifications of property. For example, in 2013 maximum annual taxable value growth due to revaluation of residential and agricultural property was reduced from 4% to 3%, rollback calculations were modified, a new multi-residential classification was created, and an appropriation made to replace some lost tax revenue due to rollbacks. In 2019, the process for hearings on total maximum property tax dollars under certain levies in the City's budget was modified and a super-majority vote required to raise taxes above a prescribed formula. In 2021, the multi-residential classification was removed, and a phase out of the appropriation for rollback initiated. In 2023, SF 181 was signed into law by the Governor on February 20, 2023, effective upon enactment. SF 181 reduces the residential rollback for the 2022 assessment year (affecting Fiscal Year 2023/24) from 56.4919% to 54.6501%. This will result in a reduction in taxable valuation in the residential, commercial, industrial and railroad property classes upon which the City levies property taxes. Due to the impact on the City's budgetary process, the SF181 extended the budget certification deadline for the City from March 31 to April 30, 2023 (for Fiscal Year 2023/24 only).

From time to time, legislative proposals are pending in Congress and the Iowa General Assembly that would, if enacted, alter or amend one or more of the property tax matters described herein. It cannot be predicted whether or in what forms any of such proposals, either pending or that may be introduced, may be enacted, and there can be no assurance that such proposals will not apply to valuation, assessment or levy procedures for taxes levied by the City or have an adverse impact on the future tax collections of the City. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed federal or state tax legislation. The opinions expressed by Bond Counsel are based upon existing legislation as of the date of issuance and delivery of the Bonds and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending federal or state tax legislation.

Notwithstanding any modifications to property tax revenues that may result from prior or any pending or future legislation, the Bonds are secured by an unlimited ad valorem property tax as described more fully in the **"SECURITY AND SOURCE OF PAYMENT"** herein.

FINANCIAL INFORMATION

Financial Reports

The City's financial statements are audited annually by certified public accountants. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governments. See **APPENDIX A – ANNUAL COMPREHENSIVE FINANCIAL REPORT** for more detail.

No Consent or Updated Information Requested of the Auditor

The tables and excerpts (collectively, the "Excerpted Financial Information") contained in this "**FINANCIAL INFORMATION**" section are from the audited financial statements of the City, including the audited financial statements for the fiscal year ended June 30, 2022 (the "2022 ACFR"). The 2022 ACFR has been prepared by Williams & Company, P.C., Certified Public Accountants, Le Mars, Iowa, (the "Auditor"), and received by the City Council. The City has not requested the Auditor to update information contained in the Excerpted Financial Information and the 2022 ACFR; nor has the City requested that the Auditor consent to the use of the Excerpted Financial Information and the 2022 ACFR in this Official Statement. The inclusion of the Excerpted Financial Information and the 2022 ACFR in this Official Statement in and of itself is not intended to demonstrate the fiscal condition of the City since the date of the 2022 Audit. Questions or inquiries relating to financial information of the City since the date of the 2022 ACFR should be directed to the City.

Summary Financial Information

The following tables are summaries and do not purport to be the complete audits, copies of which are available upon request. See **APPENDIX A** for the City's 2022 Audit. The City's expects its General Fund balance for the fiscal year ending June 30, 2023 to decrease by approximately $807,990. The City has approved a budget for fiscal year 2024 with an anticipated decrease to the General Fund balance of approximately $1,314,191.

The remainder of this page was left blank intentionally.

Statement of Net Position
Governmental Activities*(1)*

	Audited as of June 30				
	2018	2019	2020	2021	2022
ASSETS:					
Cash and Cash Equivalents	$ 5,965,664	$13,682,846	$ 15,273,041	$ 11,697,295	$ 8,735,893
Certificates of Deposit	0	291,993	492,639	493,386	493,500
Investments	867,569	922,027	952,646	1,757,928	1,310,391
Receivables (Net where applicable)					
Accounts	5,504	27,473	87,408	19,977	33,719
Taxes	27,209	42,436	177,321	23,874	34,311
Subsequent Year Taxes	7,148,945	7,635,993	8,515,789	8,831,860	9,240,754
Accrued Interest	0	1,332	0	0	40
Notes Receivable	90,000	90,000	0	0	0
Lease Receivable	0	0	0	0	29,681
Special Assessments	67,265	47,327	31,056	53,926	36,736
Due from Other Governmental Agencies	389,084	321,894	1,036,076	744,812	380,339
Inventories	87,795	104,014	92,658	100,690	111,622
Prepaid Assets	0	129,769	0	0	107,911
Noncurrent Assets:					
Lease Receivable	0	0	0	0	9,975
Investments in Joint Venture	29,489	23,909	29,555	42,295	47,115
Land	15,322,725	15,350,436	16,333,760	16,333,760	14,768,825
Construction in Progress	3,824,681	13,011,317	6,152,797	13,332,974	7,493,139
Capital Assets (Net)	46,816,994	44,447,223	53,379,484	53,204,826	62,056,401
Total Assets	$80,642,924	$96,129,989	$102,554,230	$106,637,603	$104,890,352
DEFERRED OUTFLOWS OF RESOURCES:					
Deferred Charge on Refunding	$ 3,109	$ 0	$ 0	$ 0	$ 0
Pension Related Deferred Outflows	1,304,790	1,287,979	1,147,660	1,448,853	868,383
Total Deferred Outflows of Resources	$ 1,307,899	$ 1,287,979	$ 1,147,660	$ 1,448,853	$ 868,383
LIABILITIES:					
Accounts Payable	$ 1,779,279	$ 2,167,002	$ 1,439,865	$ 2,172,316	$ 1,325,726
Accrued Wages	207,569	211,517	297,848	357,962	103,570
Accrued Claims	46,426	41,064	36,216	14,083	30,761
Unearned Revenue	0	0	0	0	762,418
Accrued Interest Payable	39,737	61,579	63,898	63,890	58,935
Deferred Good Faith Bond Deposit	220,000	0	0	0	0
Noncurrent Liabilities:					
Due Within One Year:					
General Obligation Bonds	2,594,002	3,325,000	3,760,000	3,880,000	3,995,000
Notes Payable	0	0	44,720	46,946	0
Lease Agreements	0	0	0	0	74,142
Compensated Absences and Benefits	264,843	271,581	300,647	300,704	321,748
Due in More Than One Year:					
General Obligation Bonds	14,684,411	25,688,793	28,072,952	26,741,328	22,607,314
Notes Payable	0	0	46,980	0	0
Lease Agreements	0	0	0	0	113,795
Total OPEB Liability	796,232	777,602	930,135	948,620	639,886
Net Pension Liability	4,366,147	4,374,447	4,477,033	5,307,240	802,945
Compensated Absences and Benefits	176,562	181,054	200,431	200,469	214,498
Total Liabilities	$25,175,208	$37,099,819	$ 39,670,725	$ 40,033,558	$ 31,050,738
DEFERRED INFLOWS OF RESOURCES:					
Subsequent Year Taxes	$ 7,148,945	$ 7,635,993	$ 8,615,789	$ 8,831,860	$ 9,240,754
Pension Related Deferred Inflows	125,663	196,748	272,967	169,673	3,311,401
Lease Related Deferred Inflows	0	0	0	0	39,456
Total Deferred Inflows of Resources	$ 7,274,608	$ 7,832,741	$ 8,888,756	$ 9,001,533	$ 12,591,611

(continued next page)

Statement of Net Position
Governmental Activities*(1)*
(continued)

	Audited as of June 30				
	2018	2019	2020	2021	2022
NET POSITION:					
Net Investment in Capital Assets	$48,702,502	$47,543,076	$ 51,146,367	$ 55,333,374	$ 57,750,000
Restricted for:					
Debt Service	88,528	113,572	0	0	0
Tax Increment Financing	319,335	255,909	218,071	349,101	517,081
Employee Benefits	0	276,764	124,520	214,143	285,083
Road Purposes	836,613	760,127	725,633	953,336	1,197,814
Local Option Sales Tax	829,167	802,415	892,450	1,346,762	1,561,674
Airport Expansion	261,550	265,691	154,031	153,550	0
Library	0	0	0	1,215,116	829,372
FEMA Flood Projects	6,248	6,248	6,248	6,248	6,248
Cable TV	38,910	67,118	85,501	101,059	109,903
Capital Expansion	0	0	283,178	1,059,000	1,049,535
Nonexpendable Permanent Fund	513,603	516,978	519,488	526,149	532,957
Unrestricted	(2,095,449)	1,877,510	986,922	(2,206,473)	(1,723,291)
Total Net Position	$49,501,007	$52,485,408	$ 55,142,409	$ 59,051,365	$ 62,116,386

Note: (1) Source: Audited financial statements of the City for the fiscal years ended June 30, 2018 through 2022.

Statement of Activities
Governmental Activities*(1)*

	Audited for Year Ended June 30				
	2018	2019	2020	2021	2022
Functions/Programs:					
Primary Government:					
Governmental Activities:					
Public Safety	$ (2,630,846)	$ (2,567,632)	$ (2,694,697)	$ (2,710,700)	$ (2,103,211)
Public Works	(2,512,655)	(2,519,418)	(1,191,032)	(1,703,534)	(2,174,057)
Health and Social Services	(9,874)	(9,874)	(9,874)	(9,874)	(9,874)
Culture and Recreation	(1,907,195)	(1,951,750)	(1,319,875)	(1,107,357)	(1,735,678)
Community and Economic Development	(514,855)	(559,360)	(755,653)	(623,575)	(502,184)
General Government	(896,660)	(540,867)	(825,183)	(764,404)	(597,632)
Debt Service	(445,257)	(761,646)	(743,123)	(747,278)	(655,515)
Total Governmental Activities	$ (8,917,342)	$ (8,910,547)	$ (7,539,437)	$ (7,666,722)	$ (7,778,151)
General Revenues:					
Property Taxes	$ 7,287,523	$ 7,487,736	$ 7,613,429	$ 8,600,766	$ 9,008,053
Local Option Sales Tax	1,222,010	1,560,866	1,714,891	1,931,044	2,023,559
Hotel/Motel Taxes	188,106	179,842	151,341	105,368	251,080
Interest (Loss on Investments)	45,347	103,701	113,639	122,172	(77,670)
Unrestricted General Intergovernmental Revenues	399,892	191,646	190,890	187,644	181,085
Commercial/Industrial Tax Replacement	0	193,412	185,738	194,209	203,521
Gain on Sale of Property	0	12,230	4,302	2,949	437,049
Miscellaneous	224,921	129,650	201,509	102,693	118,757
Interfund Transfers	(108,102)	1,837,271	52,974	329,187	(687,432)
Total General Revenues and Transfers	$ 9,259,697	$11,696,354	$10,228,713	$11,576,032	$11,458,002
Change In Net Position	$ 342,355	$ 2,785,807	$ 2,689,276	$ 3,909,310	$ 3,679,851
Net Position, Beginning (as restated)	$49,158,652	$49,699,601	$52,453,133	$55,142,055	$58,436,535
Net Position, Ending	$49,501,007	$52,485,408	$55,142,403	$59,051,365	$62,116,386

Note: (1) Source: Audited financial statements of the City for the fiscal years ended June 30, 2018 through 2022.

Balance Sheet
General Fund*(1)*

	Audited as of June 30				
	2018	2019	2020	2021	2022
Assets:					
Cash and Cash Equivalents	$1,105,472	$1,662,316	$2,373,075	$1,124,066	$1,126,376
Certificates of Deposit	0	26,993	27,639	28,386	28,500
Investments	867,569	922,027	952,646	1,757,928	1,310,391
Receivables (Net, where applicable):					
Accounts	5,504	14,364	12,891	13,729	18,106
Taxes	15,577	6,897	68,146	8,537	11,953
Subsequent Year Taxes	3,502,698	3,624,124	3,673,604	3,694,140	4,057,878
Accrued Interest	0	1,332	0	0	40
Lease Receivable	0	0	0	0	39,656
Due from Other Funds	1,336,171	558,939	447,295	2,012,806	622,407
Due from Other Governmental Agencies	82,636	77,298	315,392	105,425	68,172
Inventories	87,795	104,014	92,658	100,690	111,622
Prepaid Assets	0	129,769	0	0	107,911
Total Assets	$7,003,422	$7,128,073	$7,963,346	$8,845,707	$7,503,012
Liabilities:					
Accounts Payable	$ 69,657	$ 176,664	$ 174,996	$ 159,349	$ 157,893
Accrued Wages	192,960	193,933	192,343	231,558	70,537
Total Liabilities	$ 262,617	$ 370,597	$ 367,309	$ 390,907	$ 228,430
Deferred Inflows Of Resources:					
Unavailable Revenue- Subsequent Year Taxes	$3,502,698	$3,624,124	$3,673,604	$3,694,140	$4,057,878
Lease Related Deferred Inflows	0	0	0	0	39,456
Unavailable Revenue -Delinquent Property Taxes	0	0	38,040	0	0
Total Deferred Inflows of Resources	$3,502,698	$3,624,124	$3,711,644	$3,694,140	$4,097,334
Fund Balance:					
Nonspendable:					
Inventory	$ 87,795	$ 104,014	$ 92,658	$ 100,690	$ 111,622
Prepaid Assets	0	129,769	0	0	107,911
Restricted for:					
Library	0	0	0	1,215,116	829,372
Assigned for:					
Trees Forever	22,703	26,506	25,158	19,592	17,974
Municipal Band	846	0	365	1,177	1,544
Unassigned	3,126,763	2,873,063	3,766,212	3,424,085	2,108,825
Total Fund Balance	$3,238,107	$3,133,352	$3,884,393	$4,760,660	$3,177,248
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$7,003,422	$7,128,073	$7,963,346	$8,845,707	$7,503,012

Note: (1) Source: Audited financial statements of the City for the fiscal years ended June 30, 2018 through 2022.

The remainder of this page was left blank intentionally.

Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund*(1)*

	Audited Fiscal Year Ended June 30				
	2018	2019	2020	2021	2021
REVENUE:					
Taxes	$3,560,129	$3,506,608	$3,572,689	$3,702,955	$ 3,864,803
Licenses and Permits	55,831	89,540	88,595	49,909	94,514
Intergovernmental Revenue	1,059,106	1,069,210	1,260,050	1,081,632	1,054,748
Charges for Services	758,549	587,526	603,064	810,735	779,350
Fines and Forfeits	54,876	43,750	41,041	29,590	39,665
Contributions	31,666	106,245	894,552	898,175	89,547
Revenue from Use of Property	76,897	75,206	68,471	58,106	76,788
Interest on Investments	38,394	58,372	47,260	101,718	(98,320)
Miscellaneous	170,937	107,890	212,970	81,096	119,705
Total Revenue	$5,806,385	$5,644,347	$6,788,692	$6,813,916	$ 6,020,800
EXPENDITURES:					
Current:					
Public Safety	$1,627,351	$1,943,584	$2,178,593	$1,767,384	$2,595,245
Public Works	523,824	486,702	506,166	505,545	543,412
Health and Social Services	9,874	9,874	9,874	9,874	9,874
Culture and Recreation	2,022,963	2,188,243	2,344,208	2,299,544	2,739,397
Community and Economic Development	502,553	524,018	595,812	583,333	660,804
General Government	747,520	569,228	689,927	714,393	695,090
Total Expenditures	$ 5,434,085	$5,721,919	$6,324,580	$5,880,073	$ 7,243,822
Excess (Deficiency) of Revenues Over Expenditures	$ 372,300	$ (77,572)	$ 464,112	$ 933,843	$(1,223,022)
OTHER FINANCING SOURCES (USES):					
Issuance of Debt	$ 0	$ 0	$ 140,700	$ 0	$ 308,932
Proceeds from Sale of Capital Assets	0	12,230	4,302	450	7,090
Transfers In	185,950	258,439	193,815	237,584	326,617
Transfers Out	(150,000)	(297,852)	(80,000)	(295,256)	(25,000)
Total Other Financing Sources (Uses)	$ 35,950	$ (27,183)	$ 258,817	$ (57,222)	$ 617,639
Net Change in Fund Balance	$ 408,250	$ (104,755)	$ 722,929	$ 876,621	$ (605,383)
Fund Balance Beginning of Year	$ 2,829,857	$3,238,107	$3,161,464(2)	$3,884,039(2)	$ 3,782,631(2)
Fund Balance End of Year	$ 3,238,107	$3,133,352	$3,884,393	$4,760,660	$ 3,177,248

Notes: (1) Source: Audited financial statements of the City for the fiscal years ended June 30, 2018 through 2022.
(2) Restated.

REGISTRATION, TRANSFER AND EXCHANGE

See also **APPENDIX B - BOOK-ENTRY SYSTEM** for information on registration, transfer and exchange of book-entry bonds. The Bonds will be initially issued as book-entry bonds.

The City shall cause books for the registration and for the transfer of the Bonds to be kept at the principal office maintained for the purpose by UMB Bank, n.a., West Des Moines, Iowa (the "Bond Registrar"). The City will authorize to be prepared, and the Bond Registrar shall keep custody of, multiple bond blanks executed by the City for use in the transfer and exchange of Bonds.

Any Bond may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in the Resolution. Upon surrender for transfer or exchange of any Bond at the principal office maintained for the purpose by the Bond Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Bond Registrar and duly executed by the registered owner or such owner's attorney duly authorized in writing, the City shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the registered owner, transferee or transferees (as the case may be) a new fully registered Bond or Bonds of the same maturity and interest rate of authorized denominations, for a like aggregate principal amount.

The execution by the City of any fully registered Bond shall constitute full and due authorization of such Bond, and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond, provided, however, the principal amount of outstanding Bonds of each maturity authenticated by the Bond Registrar shall not exceed the authorized principal amount of Bonds for such maturity less Bonds previously paid.

The Bond Registrar shall not be required to transfer or exchange any Bond following the close of business on the fifteenth day of the month next preceding an interest payment date on such bond (known as the record date), nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen days next preceding mailing of a notice of redemption of any Bonds.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of or interest on any Bonds shall be made only to or upon the order of the registered owner thereof or such owner's legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

No service charge shall be made for any transfer or exchange of Bonds, but the City or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a bond surrendered for redemption.

TAX MATTERS

Tax Exemption

Federal tax law contains a number of requirements and restrictions that apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of Bond proceeds and facilities financed with Bond proceeds, and certain other matters. The City has covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Subject to the City's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Bonds is excludable from gross income for federal income tax purposes. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022.

Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations Bond Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the Bonds should consult their tax advisors as to collateral federal income tax consequences.

The interest on the Bonds is not exempt from present Iowa income taxes. Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

Qualified Tax Exemption Obligations

The Issuer intends to designate the Bonds as "qualified tax-exempt obligations" under the exception provided in Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended (the "Code"). Actions, or inactions, by the Issuer in the future could affect the designation, which could also affect the pricing and marketability of the Bonds. Purchasers should consult with their own tax advisors with respect to the implications of this designation.

Discount and Premium Bonds

The initial public offering price of certain Bonds may be less than the amount payable on such Bonds at maturity ("Discount Bonds"). Purchasers of Discount Bonds should consult with their own tax advisors with respect to the determination of accrued original issue discount on Discount Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Discount Bonds. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The initial public offering price of certain Bonds may be greater than the amount of such Bonds at maturity ("Premium Bonds"). Purchasers of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable premium on Premium Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

Other Tax Advice

In addition to the income tax consequences described above, potential investors should consider the additional tax consequences of the acquisition, ownership, and disposition of the Bonds. For instance, state income tax law may differ substantially from state to state, and the foregoing is not intended to describe any aspect of the income tax laws of any state. Therefore, potential investors should consult their own tax advisors with respect to federal tax issues and with respect to the various state tax consequences of an investment in Bonds.

Audits

The Internal Revenue Service (the "Service") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. To the best of the City's knowledge, no obligations of the City are currently under examination by the Service. It cannot be predicted whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service may treat the City as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Reporting and Withholding

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

Tax Legislation

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may be considered by the Iowa General Assembly. Court proceedings may also be filed, the outcome of which could modify the tax treatment. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Bonds will not have an adverse effect on the tax status of interest or other income on the Bonds or the market value or marketability of the Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

Enforcement

There is no trustee or similar person to monitor or enforce the terms of the Resolution. In the event of a default in the payment of principal of or interest on the Bonds, there is no provision for acceleration of maturity of the principal of the Bonds. Consequently, the remedies of the owners of the Bonds (consisting primarily of an action in the nature of mandamus requiring the City and certain other public officials to perform the terms of the Resolution) may have to be enforced from year to year.

The owners of the Bonds cannot foreclose on property within the boundaries of the City or sell such property in order to pay the debt service on the Bonds. In addition, the enforceability of the rights and remedies of owners of the Bonds may be subject to limitation as set forth in Bond Counsel's opinion. The opinion will state, in part, that the obligations of the City with respect to the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, to the exercise of judicial discretion in appropriate cases and to the exercise by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of America of the powers delegated to it by the Constitution of the United States of America.

The Opinion

The **FORM OF LEGAL OPINION**, in substantially the form set out in **APPENDIX C** to this Preliminary Official Statement, will be delivered at closing.

Bond Counsel's opinion is not a guarantee of a result, or of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the City described in this section. No ruling has been sought from the Service with respect to the matters addressed in the opinion of Bond Counsel and Bond Counsel's opinion is not binding on the Service, nor does the rendering of the opinion guarantee the outcome of any legal dispute that may arise out of the transaction. Bond Counsel assumes no obligation to update its opinion after the issue date to reflect any further action, fact or circumstance, or change in law or interpretation, or otherwise.

Bond Counsel Review

Bond Counsel has approved the language describing the Iowa and Federal law pertinent to the validity of and the tax-exempt status of interest on the Bonds which can be found generally in this **"TAX MATTERS"** Section but has not otherwise participated in the preparation of this Preliminary Official Statement and will not pass upon its accuracy, completeness or sufficiency. Bond Counsel has not examined, nor attempted to examine or verify, any of the financial or statistical statements or data contained in this Preliminary Official Statement, and will express no opinion with respect thereto.

ALL POTENTIAL PURCHASERS OF THE BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS WITH RESPECT TO FEDERAL, STATE AND LOCAL TAX CONSEQUENCES OF OWNERSHIP OF THE BONDS (INCLUDING BUT NOT LIMITED TO THOSE LISTED ABOVE).

CONTINUING DISCLOSURE

For the purpose of complying with paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"), the City will covenant and agree, for the benefit of the registered holders or beneficial owners from time to time of the outstanding Bonds to provide reports of specified information and notice of the occurrence of certain events, as hereinafter described (the "Disclosure Covenants"). The information to be provided on an annual basis, and the events as to which notice is to be given, is set forth in **"APPENDIX E – Form of Continuing Disclosure Certificate"**. This covenant is being made by the City to assist the Underwriter(s) in complying with the Rule.

Breach of the Disclosure Covenants will not constitute a default or an "Event of Default" under the Bonds or Resolution, respectively. A broker or dealer is to consider a known breach of the Disclosure Covenants, however, before recommending the purchase or sale of the Bonds in the secondary market. Thus, a failure on the part of the City to observe the Disclosure Covenants may adversely affect the transferability and liquidity of the Bonds and their market price.

In the past 5 years the City has complied with its previous Undertakings in all material respects except as follows: Data for annual financial and operating table filings is found in the City's annual Audit Reports, and annual financial and operating filings beginning in 2019 reference the Audits. Some filings did not include all sub-tables as a result of being reported in formats different from original Final Official Statement(s). Some tables were supplemented after the filing deadlines. With regard to electric revenue obligations of Waverly Utilities (a discrete component unit of the City, governed by a separate Board of Trustees), certain annual financial and operating tables filings have been presented differently in the annual Audit Reports, or supplemented after the filing deadlines. The City did not timely file notices of its failure to provide the aforementioned information on or before the dates specified in its prior Undertakings. The City changed paying agents on its outstanding Series 2012C, 2014A, 2014B, 2015A and 2015B issues, effective May 1, 2021. Notice of this agent change (along with a failure to file notice) was posted to EMMA on May 20, 2021.

Bond Counsel expresses no opinion as to whether the Disclosure Covenants comply with the requirements of Section (b)(5) of the Rule.

OPTIONAL REDEMPTION

Bonds due June 1, 2025 - 2030 inclusive, are not subject to optional redemption. Bonds due June 1, 2031 - 2034, inclusive, are callable in whole or in part on any date on or after June 1, 2030, at a price of par and accrued interest. If selection by lot within a maturity is required, the Registrar shall designate the Bonds to be redeemed by random selection of the names of the registered owners of the entire annual maturity until the total amount of Bonds to be called has been reached.

If less than all of the maturity is called for redemption, the City will notify DTC of the particular amount of such maturity to be redeemed prior to maturity. DTC will determine by lot the amount of each Participant's interest in such maturity to be redeemed and each Participant will then select by lot the beneficial ownership interests in such maturity to be redeemed.

Thirty days' written notice of redemption shall be given to the registered owner of the Bond. Failure to give written notice to any registered owner of the Bonds or any defect therein shall not affect the validity of any proceedings for the redemption of the Bonds. All Bonds or portions thereof called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment. Written notice will be deemed completed upon transmission to the owner of record.

LITIGATION

There is no litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the City taken with respect to the issuance or sale thereof. There is no litigation now pending, or to the knowledge of the City, threatened against the City that is expected to materially impact the financial condition of the City.

LEGAL MATTERS

The Bonds are subject to approval as to certain legal matters by Ahlers & Cooney, P.C., Des Moines, Iowa, as Bond Counsel. Bond Counsel has not participated in the preparation of this Official Statement except for guidance concerning the tax status of interest on the Bonds discussed in the **"TAX MATTERS**" section, and will not pass upon its accuracy, completeness, or sufficiency. Bond Counsel has not examined nor attempted to examine or verify any of the financial or statistical statements, or data contained in this Official Statement, and will express no opinion with respect thereto. A legal opinion in substantially the form set forth in **APPENDIX C** to this Official Statement will be delivered at closing. Ahlers & Cooney, P.C. is also serving as Disclosure Counsel for the City in connection with the issuance of the Bonds.

The legal opinion to be delivered concurrently with the delivery of the Bonds expresses the professional judgment of the attorneys rendering the opinion as to legal issues expressly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of the result indicated by that expression of professional judgment, or of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

In addition, the enforceability of the rights and remedies of owners of the Bonds may be subject to limitation as set forth in the Bond Counsel's opinion. The opinion will state, in part, that the obligation of the City with respect to the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, and to the exercise of judicial discretion in appropriate cases.

OFFICIAL STATEMENT AUTHORIZATION

This Official Statement has been authorized for distribution to prospective purchasers of the Bonds. All statements, information, and statistics herein are believed to be correct but are not guaranteed by the consultants or by the City, and all expressions of opinion, whether or not so stated, are intended only as such.

This Official Statement is not to be construed as a contract or agreement amongst the City, the Underwriter, or the holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinions contained herein are subject to change without notice and neither the delivery of this Official Statement or the sale of the Bonds made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. The information contained in this Official Statement is not guaranteed.

INVESTMENT RATING

The City has supplied certain information and material concerning the Bonds and the City to the rating service shown on the cover page, including certain information and materials which may not have been included in this Official Statement, as part of its application for an investment rating on the Bonds. A rating reflects only the views of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from such rating agency. Generally, such rating service bases its rating on such information and material, and also on such investigations, studies and assumptions that it may undertake independently. There is no assurance that such rating will continue for any given period of time or that it may not be lowered or withdrawn entirely by such rating service if, in its judgment, circumstances so warrant. Any such downward change in or withdrawal of such rating may have an adverse effect on the secondary market price of the Bonds. An explanation of the significance of the investment rating may be obtained from the rating agency: Moody's Investors Service, 7 World Trade Center at 250 Greenwich Street, New York, New York 10007, telephone 212-553-1658.

UNDERWRITING

The Bonds were offered for sale by the City at a public, competitive sale on May 15, 2023. The best bid submitted at the sale was submitted by _____ (the "Underwriter"). The City awarded the contract for sale of the Bonds to the Underwriter at a price of $_____ (reflecting the par amount of $_____, plus a reoffering premium of $_____, and less an Underwriter's discount of $_____). The Underwriter has represented to the City that the Bonds have been subsequently re-offered to the public initially at the yields or prices set forth in the Final Official Statement.

MUNICIPAL ADVISOR

The City has engaged Speer Financial, Inc. as municipal advisor (the "Municipal Advisor") in connection with the issuance and sale of the Bonds. The Municipal Advisor is a Registered Municipal Advisor in accordance with the rules of the MSRB. The Municipal Advisor will not participate in the underwriting of the Bonds. The financial information included in the Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. The Municipal Advisor is not a firm of certified public accountants and does not serve in that capacity or provide accounting services in connection with the Bonds. The Municipal Advisor is not obligated to undertake any independent verification of or to assume any responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement, nor is the Municipal Advisor obligated by the City's continuing disclosure undertaking.

The remainder of this page was left blank intentionally.

MISCELLANEOUS

Brief descriptions or summaries of the City, the Bonds, the Resolution and other documents, agreements and statutes are included in this Official Statement. The summaries or references herein to the Bonds, the Resolution and other documents, agreements and statutes referred to herein, and the description of the Bonds included herein, do not purport to be comprehensive or definitive, and such summaries, references and descriptions are qualified in their entireties by reference to such documents, and the description herein of the Bonds is qualified in its entirety by reference to the form thereof and the information with respect thereto included in the aforesaid documents. Copies of such documents may be obtained from the City.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact, and no representation is made that any of the estimates will be realized. This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or Owners of any of the Bonds.

The attached **APPENDICES A, B, C**, and **D** are integral parts of this Official Statement and must be read together with all of the foregoing statements.

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bonds nor any error in the printing of such numbers shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for any Bonds.

The City has reviewed the information contained herein which relates to it and has approved all such information for use within this Official Statement. The execution and delivery of this Official Statement has been duly authorized by the City.

/s/ **VALORIE NORTHRUP**
Finance Manager
CITY OF WAVERLY
Bremer County, Iowa

/s/ **JAMES W. BRONNER**
City Administrator
CITY OF WAVERLY
Bremer County, Iowa

APPENDIX A

CITY OF WAVERLY
BREMER COUNTY, IOWA

FISCAL YEAR 2022 ANNUAL COMPREHENSIVE FINANCIAL REPORT

ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY OF WAVERLY, IOWA FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Prepared by the
Finance Department
Valorie Northrup, Finance Manager

CITY OF WAVERLY, IOWA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2022
TABLE OF CONTENTS

INTRODUCTORY SECTION

	Page
Letter of Transmittal	1 – 3
Organization Chart	4
List of Principal Officials	5
Certificate of Achievement	6 – 7

FINANCIAL SECTION

Independent Auditors' Report	8 – 10
Management's Discussion and Analysis	11 – 20
Basic Financial Statements:	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
Statement of Net Position	21
Statement of Activities	22 – 23
FUND FINANCIAL STATEMENTS	
Governmental Funds Financial Statements	
Balance Sheet	24 – 25
Reconciliation of the Balance Sheet to the Statement of Net Position	26
Statement of Revenues, Expenditures and Changes in Fund Balances	27 – 28
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities	29
Proprietary Funds Financial Statements	
Combining Statement of Net Position	30
Combining Statement of Revenues, Expenses and Changes in Net Position	31 – 32
Combining Statement of Cash Flows	33 – 36
Fiduciary Funds Financial Statements	
Statement of Fiduciary Net Position – Custodial Funds	37
Statement of Changes in Fiduciary Net Position – Custodial Funds	38
NOTES TO FINANCIAL STATEMENTS	39 – 80
Required Supplementary Information	
Budgetary Comparison Schedules	81 – 84
Schedule of Changes in the City's Total OPEB Liability Related Ratios and Notes	85 - 86
Schedule of the City's Proportionate Share of Net Pension Liability (Asset) – IPERS	87 - 88
Schedule of City's Proportionate Share of Net Pension Liability – MFPRSI	89
Schedule of City's Contribution – IPERS	90
Schedule of City's Contribution – MFPRSI	91
Notes to RSI – Pension Liability (Asset)	92 – 93

CITY OF WAVERLY, IOWA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2022
TABLE OF CONTENTS

FINANCIAL SECTION – (CONTINUED)

	Page
Supplementary Information	
Governmental Non-Major Funds Combining Financial Statements	
Balance Sheet	94 – 102
Schedule of Revenues, Expenditures and Changes in Fund Balances	103 – 111
STATISTICAL SECTION	
Government-Wide Net Position by Component	112 – 113
Changes in Net Position	114 – 117
Tax Revenue by Source	118TO
Fund Balances of Governmental Funds	119 – 120
Changes in Fund Balances of Governmental Funds	121 – 122
Assessed and Taxable Value of Taxable Property	123
Property Tax Rates-Direct and Overlapping Governments	124
Principal Taxpayers and Their Assessed Valuations	125
Property Tax Levies and Collections	126
Ratios of Outstanding Debt by Type	127
Ratios of General Bonds Debt Outstanding	128
Computation of Direct and Overlapping Debt	129
Legal Debt Margin Information	130 – 131
Water Revenue Bond Coverage	132 – 133
Sewer Revenue Bond Coverage	134 – 135
Demographic and Economic Statistics	136
Principal Employers	137
Full-Time Equivalent City Government Employees by Function	138
Operating Indicators by Function	139 – 140
Capital Asset Statistics by Function	141 – 142
COMPLIANCE SECTION	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*	143 - 144
Schedule of Findings	145 - 146

CITY OF WAVERLY

200 First Street NE - PO Box 616 - Waverly IA 50677
Main Office 319 352 4252 – Fax 319 352 5772 Web Site: www.waverlyia.com

January 24, 2023

Honorable Mayor and City Council
City of Waverly
Waverly, Iowa

We are pleased to provide you with the Annual Comprehensive Financial Report (ACFR) of the City of Waverly. This report is for the fiscal year ended June 30, 2022. The report is submitted each year as required by State Law, Chapter 11.6. The report is prepared according to U.S. generally accepted accounting principles (GAAP) for government as established by the Governmental Accounting Standards Board (GASB). It is audited by Williams & Company, P.C.

The City's Department of Finance prepared our report. Management of the city is responsible for the accuracy of the presented data and the completeness and fairness of presentation, including all disclosures. To the best of our knowledge and belief, the enclosed information is accurate in all material aspects and is presented in a manner designed to fairly present the financial position and results of operations of the city as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain a complete understanding of the City of Waverly's financial activities have been included. Management of the city has established a comprehensive internal control framework that is designed both to protect the city's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Since the cost of internal controls should not outweigh their benefits, the City of Waverly's internal controls have been designed to provide reasonable, rather than absolute assurance that the financial statements will be free from material misstatement.

GAAP require that management provide an introduction, overview and analysis to accompany the basic financial statement, in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is intended to complement the MD&A, found immediately following the report of the City's independent auditors, and should be read in conjunction therewith. State statutes and the City Code require an annual audit by independent certified public accountants to provide reasonable assurance that the information in the Annual Comprehensive Financial Report can be relied upon. The auditors' report is included in the financial section of the report.

PROFILE OF THE CITY OF WAVERLY

The City of Waverly was incorporated in 1859 under the provisions of the Iowa State Legislature. It is located in Bremer County along the Cedar River in northeast Iowa, about 15 miles north of the Waterloo-Cedar Falls metropolitan area. Highways serving the area include State Highway 3 and U.S. Highway 218 that is connected to Interstate Highway 380, Avenue of the Saints. The U.S. Census Bureau reported 9,874 residents in 2010 which is a growth of 10% over the last ten years. The 2020 census showed continued growth for the city of another 4.40% for a total population of 10,308.

Policy-making and legislative authority in the City of Waverly are vested in a governing council. The City of Waverly operates under a Mayor-council form of government. One council member is elected from each of the City's five wards, and two are elected at-large. For continuity purposes, the council members serve four-year staggered

terms with elections held every two years. The Mayor is elected every two years. The City Council makes policy decisions for the City through the enactment of ordinances, resolutions, and motions. The Council is also responsible for adopting the budget, appointing committees, and hiring the city administrator. The City Administrator is responsible for implementing policy decisions of the City Council, overseeing the day-to-day management of the City, and hiring department directors. All departments and department directors report to the City Administrator, with the exception of the Library Director who is supervised by an appointed Board of Trustees.

The City of Waverly provides many municipal services including police and fire protection, library, streets, garbage collection, recycling, parks, recreation, planning, zoning, general administration, and water and sewer services.

FINANCIAL INFORMATION

The City of Waverly maintains an internal control structure designed to provide reasonable, but not absolute assurance that the assets of the city are protected from loss, theft, or fraud and that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The requirement for 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.

In addition, the City recognizes the importance of leadership from management in these controls. The City Council has adopted a personnel policy that provides guidance as to certain elements of the internal control structure. The employees are updated on changes to these ethics and personnel policies to stress that internal control is an important element of the public's trust. The City has incorporated the personnel policy manual in the training of all employees and elected officials.

The foundation of the City's financial planning and control is the annual budget. The budget process includes sessions with staff, management, and the City Council. To ensure compliance with legal budgetary controls, the City Council and management receive monthly reports comparing budgeted amounts to actual expenditures. The City Council may make additional appropriations during the year for unanticipated revenues or capital projects which were not completed in the prior year. Budget-to-actual comparisons by nine major functions are provided in the Required Supplementary Information section of this report.

Project length budgets are prepared for the various capital project funds. A "Five Year Capital Improvement Plan" is prepared and reviewed annually with the City Council. This plan defines the long-term capital plan of the City while each specific capital project is appropriated through different revenue streams. The budget document presents function disbursements by fund. However, the formal and legal level of budgetary control is at the aggregated function level, not by fund. After adoption, budget adjustments in these functions are authorized by the City Council.

State laws require audits for cities such as Waverly to be conducted by the auditor of the state or by certified public accountants. In addition to meeting state requirements, the audit must meet the requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principals, and Audit Requirements of Federal Awards* (Uniform Guidance). An audit is conducted annually in accordance with generally accepted auditing standards and the standards set forth in the Government Accountability Office's Government Auditing Standards. It must examine, among other things, the financial condition and resources of the City, and accuracy of the City's accounts and reports. The audit report is contained in the Financial Section which follows.

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy. The City of Waverly is the largest city in Bremer County, and also the County Seat. Waverly offers a convenient small-town atmosphere while being only a twenty-five-minute drive to a large metropolitan area. The last census showed Waverly's growth at 4.40% compared to the state's increase of 4.7%. The steady sale of building permits is a good sign for Waverly. The total number of building permits decreased approximately 6% from FY21, however, the total value of permits increased from $16,481,831 to $63,964,233 during the same time period. Fiscal year 2022 was still strong in development with numerous projects being constructed as well as significant remodels and expansions. Some of the more significant projects included the development of Anna Estates by Bartels Lutheran Retirement Community as well as the addition and renovation of Centennial Dorm at Wartburg College and Waverly Child Care & Preschool's remodel and building addition. At times, it is more important to add to the culture and livability in a community, compared to increasing valuations. Some of the continued growth is due to the number of students in the Waverly-Shell Rock Schools District and the high marks received for the quality of education. This growth has also spurred the construction of two new elementary schools in Waverly. All of these developments and factors will allow the City to continue receiving increased intergovernmental revenues.

The City benefits from a prosperous downtown retail area plus other shopping areas, both on the south and north side of the City. The retail economy is very important to Waverly and has gone through a period of expansion.

Waverly is the home of Wartburg College, a private four-year college. Wartburg continues to expand the college with major additions throughout the campus. The Wartburg Waverly Wellness Facility continues to have a strong impact on the Waverly economy by hosting a variety of sporting events and camps.

The City of Waverly is a growing manufacturing, retailing, educational, and health services center in northeast Iowa. Major employers range from CUNA Mutual Life Insurance with 550 employees, Wartburg College with 500 employees, Waverly Health Center with 487 employees, Waverly Shell-Rock Schools with 433 employees, GMT Corporation with 283 employees and Walmart with 240 employees.

In July 2003, the City of Waverly started collecting local option sales tax which will allow the city to fund specific projects related to safety and infrastructure, while controlling property taxes. This revenue will continue to pay for safety, project debt, along with drainage and street improvements. The revenue stream has been consistent over the years with total receipts of $1,430,713 in fiscal year 2022. Future projects for these funds include additional bond payments and various street improvements. After a vote by the citizens in 2016, the collection of the local option sales tax will continue through June 30, 2037.

The City's economic outlook continues to be positive, with industry and commercial business showing continued growth in product lines and employment. Bremer County's fiscal year 2022 average unemployment rate of 2.52% compares favorably to the State's fiscal year 2022 average rate of 3.51 % for the same period. The tax base for the City is showing favorable increases. Growth of the City's taxable valuation has been steady compared to other cities of similar size. Assessed valuations for the same period increased, but the state's residential rollback continues to affect the taxing ability of cities. A new property class was established for multi-residential property in fiscal year 2017 and will be eliminated in FY24. Those properties will be reclassified as residential property.

Long-term Financial Planning. The City of Waverly operates with a cash and investment pool concept, whereby funds not individually invested to the credit of a particular fund are invested to the credit of the General Fund. This is consistent with state law, which provides that with the exception of bond covenants and local ordinances that require investments by fund, investments can be pooled and invested to the credit of the General Fund.

It is the policy of the City to invest public funds in a manner which will provide the maximum security, meet daily cash flow demands, and provide the highest investment return while conforming to all state and local statutes governing the investment of public funds.

The City may invest in any of the securities identified as eligible investments defined in the City of Waverly Investment Policy. In general, these consist of interest-bearing savings accounts, certificates of deposits, United States Treasury Notes and Bonds, Iowa Public Agency Investment Trust, and government sponsored securities.

Awards and Acknowledgments. The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Waverly for its annual comprehensive financial report (ACFR) for the year ended June 30, 2021. In order to receive this award, the city must publish an easily readable and efficiently organized ACFR. The report must also satisfy both generally accepted accounting principles and applicable legal requirements. The award is valid for one year only. The City is submitting the 2022 annual financial report to GFOA for review to determine its eligibility for an award.

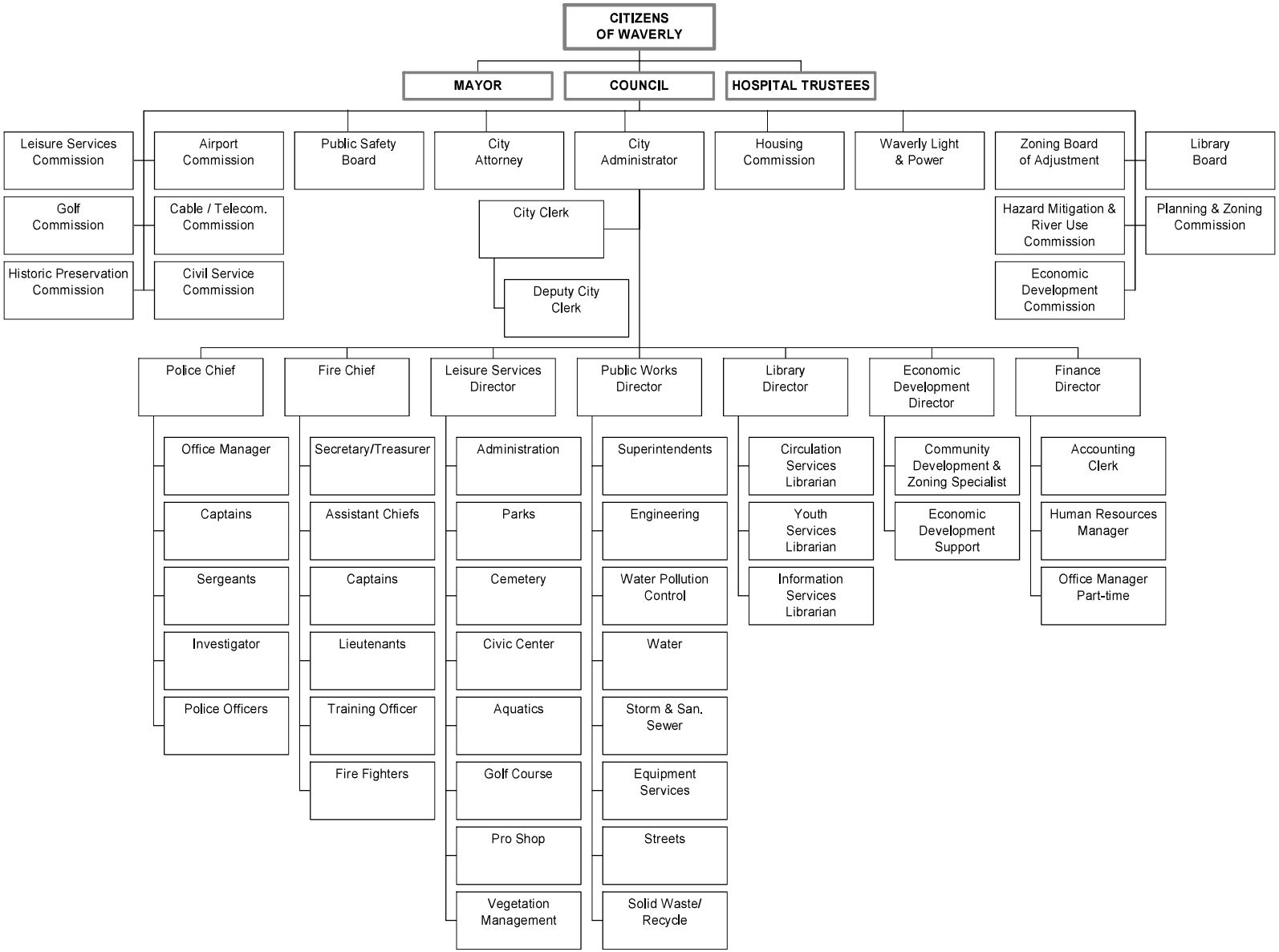
The preparation of this report could not have been accomplished without the support and dedication of the entire staff of the finance and administrative departments. Appreciation is also expressed to the Mayor and City Council for their support and interest in the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

James W. Bronner
City Administrator

Valorie Northrup
Finance Manager

Organizational Flow Chart
The City Of Waverly, Iowa



CITY OF WAVERLY, IOWA

List of Principal Officials
June 30, 2022

ELECTED OFFICIALS

Mayor	Adam Hoffman
Council Member – Ward 1	Brian Birgen
Council Member – Ward 2	Julie Meyers
Council Member – Ward 3	Rodney Drenkow
Council Member – Ward 4	Heather Beaufore
Council Member – Ward 5	Tim Kangas
Council Member – At Large	Ann Rathe
Council Member – At Large	Matthew Schneider

APPOINTED OFFICIALS

City Administrator	James W. Bronner
City Clerk	Carla Guyer
Community Development Director/City Attorney	William D. Werger
Finance Manager	Valorie Northrup
City Engineer/Director of Public Works	Michael Cherry
Police Chief	Richard Pursell
Leisure Services Director	Garret Riordan
Fire Chief	Bryce McKenzie
Library Director	Sarah Meyer-Reyerson
Community Development and Zoning Manager	William D. Werger
Public Services Superintendent	Brian Sullivan

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Waverly
Iowa

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Waverly, Iowa for its annual comprehensive financial report for the fiscal year ended June 30, 2021. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

WILLIAMS & COMPANY P.C.
CERTIFIED PUBLIC ACCOUNTANTS

21 1st Avenue NW
P.O. Box 1010
Le Mars, IA 51031
Phone (712) 546-7801
Fax (712) 546-6543
www.williamscpas.com

INDEPENDENT AUDITORS' REPORT

The Mayor and Members of the
City Council
City of Waverly, Iowa

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Waverly, Iowa, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Waverly, Iowa as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Waverly Health Center and Waverly Utilities (discretely presented component units), which statements reflect total assets of $86,625,694 and $59,408,221 and total program revenues of $68,232,181 and $23,075,420 as of June 30, 2022 and December 31, 2021, respectively, and the respective changes in financial position for the years then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Waverly Health Center and Waverly Utilities, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Waverly, Iowa and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matters

As discussed in Note 23 to the financial statements the City adopted new accounting guidance related to Governmental Accounting Standards Board Statement No. 87, Leases. Our opinions are not modified with respect to this matter.

As described in Note 24 to the financial statements, investments and accounts receivable were overstated and understated, respectively. These amounts are corrected on the accompanying financial statements. Our opinions are not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards* we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Waverly, Iowa's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Waverly, Iowa's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information, the Schedule of Changes in the City's Total OPEB Liability, Related Ratios and Notes, Schedule of the City's Proportionate Share of Net Pension Liability (Asset), and Schedule of the City's Contributions on pages 11 through 20 and 81 through 93 be presented to supplement the basic financial statements.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining nonmajor fund financial statements, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements are fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 24, 2023, on our consideration of the City of Waverly's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Waverly's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Waverly's internal control over financial reporting and compliance.

Williams & Company P.C.

Certified Public Accountants
Le Mars, Iowa
January 24, 2023

Management's Discussion and Analysis

The discussion and analysis of the City of Waverly's financial statements for the year ended June 30, 2022 provides a narrative overview of its financial activities. Readers are encouraged to consider the information presented here in conjunction with additional information we have furnished in our letter of transmittal, which starts on page 1, of this report.

Financial Highlights

- The assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at June 30, 2022, by $79,705,031.
- The City's net position increased by $5,442,018 during the year. Of this amount the net position of our Governmental Activities increased by $3,679,851 and the net position of our Business Activities increased $1,762,167.
- The City's long-term debt increased $1,899,153. The debt limit is $40.4M. Outstanding general obligation debt totals $25,675,000 and other note payables total $7,381,035, revenue bonds total $2,400,000, and lease agreements total $187,937.
- The unassigned fund balance for the general fund, at the end of the current fiscal year was $2,108,825.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Waverly's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements. Fund financial statements tell how these services were financed in the short term, as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee agent for the benefit of those outside of the government. An additional part of the basic financial statements are the Notes to the Financial Statements. Required Supplementary Information further explains and supports the financial statements with a comparison of the City's budget for the year, the City's proportionate share of the net pension liability (asset) and related contributions, as well as presenting the Schedule of changes in the City's Total OPEB Liability, Related Ratios, and Notes. Supplementary Information provides detailed information about the nonmajor governmental funds.

Reporting the City as a Whole

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Waverly's finances, in a manner similar to a private-sector business. The *statement of net position* is essentially a balance sheet that combines all funds on a government-wide basis. Changes in net position over time may be an indicator of whether the City's financial position is improving or worsening.

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

Both of the government-wide financial statements distinguish functions of the City of Waverly that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Waverly include general government, public safety, public works, health and social services, economic development, and culture and recreation. The business-type activities of the City include a water, sewer, and solid waste utility.

The government-wide financial statement includes not only the City of Waverly itself (*the primary government*), but also the legally separate Waverly Health Center and Waverly Utilities (*discretely presented component units*), for which the City has some degree of financial accountability. Financial information for these discreetly presented component units are reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 21-23 of this report.

Reporting the City's Most Significant Funds

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Waverly, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The City of Waverly maintains 44 individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, which is considered a major fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* and individual fund statements in the City's full report.

The basic governmental fund financial statements can be found on pages 24-29 of this report.

Proprietary funds. The City of Waverly maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Water, Sewer, and Solid Waste Utility. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for the partially self–funded insurance program.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate

information for the Water, Sewer, and Solid Waste Utility as all are considered, or have been designated to be major funds of the City. The internal service fund is a single, aggregated presentation in the proprietary fund financial statements. Individual fund data is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 30-36 of this report.

Reporting the City's Fiduciary Responsibilities

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties external to the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Waverly's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary funds financial statements are reported in a separate *statement of fiduciary net position* and a *statement of changes in fiduciary net position*.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 39-80 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The largest part of the City's net position reflects its investment in capital assets (land, buildings and improvements, and equipment). Less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following comparative chart shows the changes in net position for the years ended June 30, 2022 and 2021.

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets						
Current & Other Assets	$20,571,987	$ 23,766,043	$ 5,530,767	$ 4,812,252	$26,102,754	$28,578,295
Capital Assets	84,318,365	82,871,560	22,927,942	15,934,623	107,246,307	98,806,183
Total Assets	104,890,352	106,637,603	28,458,709	20,746,875	133,349,061	127,384,478
Deferred Outflows	868,383	1,448,853	150,317	190,956	1,018,700	1,639,809
Liabilities						
Other Liabilities	2,281,410	2,608,251	1,015,275	146,010	3,296,685	2,754,261
Noncurrent Liabilities	28,769,328	37,425,307	9,026,757	4,943,911	37,796,085	42,369,218
Total Liabilities	31,050,738	40,033,558	10,042,032	5,089,921	41,092,770	45,123,479
Deferred Inflows	12,591,611	9,001,533	978,349	21,432	13,569,960	9,022,965
Net Position						
Net Investment in Capital Assets	57,750,010	55,333,374	20,483,473	12,645,950	78,233,483	67,979,324
Restricted	6,089,667	5,924,464	676,460	685,954	6,766,127	6,610,418
Unrestricted	(1,723,291)	(2,206,473)	(3,571,288)	2,494,574	(5,294,579)	288,101
Total Net Position	$62,116,386	$ 59,051,365	$17,588,645	$ 15,826,478	$79,705,031	$74,877,843

This summary reflects an increase in the governmental and business-type net positions.

By far the largest portion of the City's net position reflects its investment in capital assets (e.g. land, building, machinery and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, $6,874,038, represents resources that are subject to external restriction on how they may be used. Restricted net position include the amounts restricted for library of $829,372, FEMA flood projects of $6,248, cemetery perpetual care of $532,957, Tax Increment Financing allowable purposes of $517,081, Local Option Sales Tax allowable purposes of $1,561,674, Road Purposes of $1,197,814, Debt Service of $676,460, other specific revenue restrictions of $394,986, and capital expansion restrictions of $1,049,535. The remaining balance of unrestricted net position is ($5,294,579).

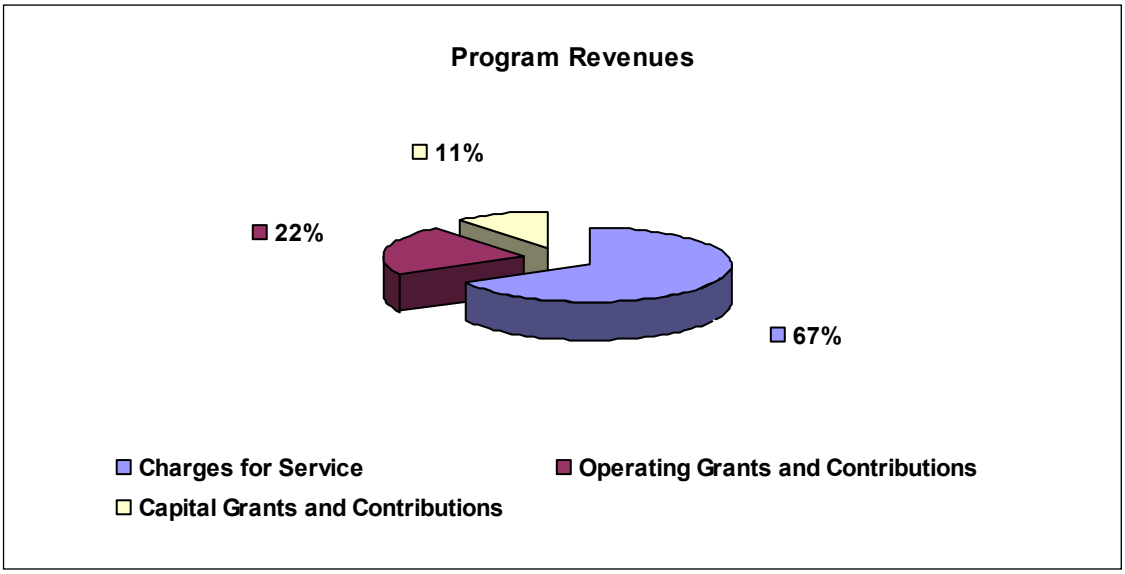
At the end of the current fiscal year, the City of Waverly is able to report positive balances in the categories of all net positions, except that of unrestricted where both the government as a whole and business-type activities ended the year with negative balances.

Total revenue reported in Fiscal year 2022 was $22,938,495. The following table breaks down revenues collected for General Governmental Activities and Business-Type Activities for Fiscal Year 2022 and 2021.

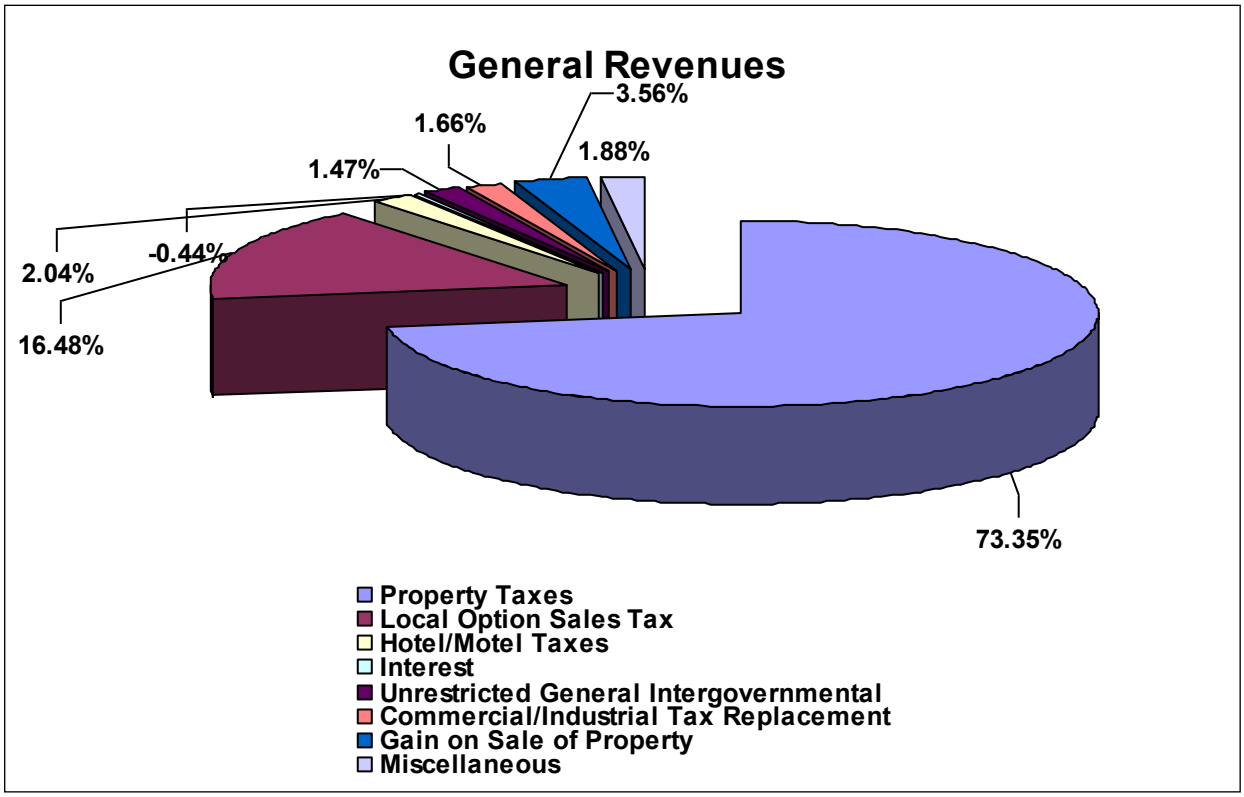
	Governmental Activities		Business-Type Activities		Total	
Revenue Source	2022	2021	2022	2021	2022	2021
Program Revenues:						
Charges for services	$ 1,540,627	$ 1,151,530	$5,667,581	$ 5,399,183	$ 7,208,208	$ 6,550,713
Operating grants & contributions	2,296,820	3,346,721	-	-	2,296,820	3,346,721
Capital grants & contributions	1,148,221	1,891,675	3,729	5,498	1,151,950	1,897,173
Total Program Revenues	4,985,668	6,389,926	5,671,310	5,404,681	10,656,978	11,794,607
General Revenues and Transfers:						
Property Taxes	9,008,053	8,600,766	-	-	9,008,053	8,600,766
Local Option Sales Tax	2,023,559	1,931,044	-	-	2,023,559	1,931,044
Hotel/Motel Tax	251,080	105,368	-	-	251,080	105,368
Interest	(77,670)	122,172	23,729	24,848	(53,941)	147,020
Unrestricted General Intergovernmental Revenues	181,085	187,644	-	-	181,085	187,644
Commercial/Industrial Tax Replacement	203,521	194,209	-	-	203,521	194,209
Gain on Sale of Property	437,049	2,949	-	-	437,049	2,949
Miscellaneous	118,757	102,693	112,354	101,833	231,111	204,526
Total General Revenues	12,145,434	11,246,845	136,083	126,681	12,281,517	11,373,526
Interfund Transfers	(687,432)	329,187	687,432	(329,187)	-	-
Total Revenues and Interfund Transfers	$ 16,443,670	$ 17,965,958	$6,494,825	$ 5,202,175	$22,938,495	$ 23,168,133

Program revenues totaled $10,656,978 for fiscal year 2022. Governmental Activities provided $4,985,668 and Business-Type Activities provided $5,671,310.

The city continues to develop projects to move the city forward. Property tax revenue was up slightly in fiscal year 2022. The following chart breaks down program revenues by source:



General Revenues for fiscal year 2022 totaled $12,281,517. Governmental Activities provided $12,145,434 and Business-Type Activities provided $136,083. Property Tax Revenues for fiscal year 2022 totaled $9,008,053, accounting for 73.35% of General Revenues. The following chart breaks down General Revenues by source:



Expenses for fiscal year 2022 totaled $17,496,477. Expenses for General Governmental Activities totaled $12,763,819 accounting for 72.95% of the total expenses. Business-Type Activity expenses totaled $4,732,658 for 27.05% of the total. This is a decrease of $953,179, or 5.17% from the prior year. The breakdown of expenses by activity and program are as follows:

	General Governmental Activities		Business-Type Activities		Total	
Program Level	2022	2021	2022	2021	2022	2021
Public Safety	$ 2,333,262	$ 2,907,703	$ -	$ -	$ 2,333,262	$ 2,907,703
Public Works	5,068,309	5,627,091	-	-	5,068,309	5,627,091
Health & Social Services	9,874	9,874	-	-	9,874	9,874
Culture and Recreation	3,189,567	3,039,296	-	-	3,189,567	3,039,296
Community and Economic Development	756,854	834,488	-	-	756,854	834,488
General Government	750,438	890,918	-	-	750,438	890,918
Debt Service	655,515	747,278	-	-	655,515	747,278
Water System	-	-	1,400,442	1,253,842	1,400,442	1,253,842
Sewer System	-	-	1,969,126	1,748,680	1,969,126	1,748,680
Solid Waste	-	-	1,363,090	1,390,486	1,363,090	1,390,486
Total Expenses	$ 12,763,819	$ 14,056,648	$4,732,658	$ 4,393,008	$17,496,477	$ 18,449,656

For the most part, expenses closely paralleled inflation and the constant demand for services. Water and sewer business-type activities were close to last year. Other programs are in line with last year.

The following table shows the activities included within each program level:

Public Safety	Individual & Community Protection, Physical
Health & Social Services	Essential Human Services
Public Works	Roadway Construction, Airport Operations, General Streets, Transportation Services
Culture and Recreation	Education & Culture, Leisure Time Opportunities
Community and Economic Development	Economic Development & Community Beautification
General government	Administration, Accounting, Support Services
Debt Service	Payment of Interest
Capital Projects	Construction of Capital Facilities
Water System	Operation of Water Supply Distribution System
Sewer System	Operation of Waste Water Treatment Plant/Collection System
Solid Waste System	Operation of Garbage and Recycling Collection and Disposal System

Governmental Activities

The Statement of Activities requires some additional explanation. The format is significantly different than a typical Statement of Revenues, Expenses, and Changes in Fund Balance. The expenses are listed in the first column, with revenues from that particular program reported to the right. The result is a Net (Expense) Revenue calculation. This format highlights the respective financial burden each of the functions place on the taxpayers. For example, for Public Safety, the City spent $2,333,262 and received $230,051 in charges for services and grants, leaving a cost to the taxpayer of $2,103,211 to be funded by various methods including property taxes. The format also identifies how much each function draws from general revenues or is self-financing through fees or grants. Some of the individual line item revenues reported for each function are:

Public Safety	Fines, Fees
Public Works	Road Use Tax, State Agreements
Culture and Recreation	Fees, State Aid
General Government	Licenses, Permits, Utility Reimbursement
Capital Projects	Donations, State & Federal Grants

The net cost of governmental activities this year was $7,778,151. The Statement of Activities in the financial statements provides further detail. The Net (Expense) Revenue by Governmental Activity is shown in the following table:

Functions/Programs	Net (Expense) Revenue	
	2022	2021
Governmental Activities:		
Public Safety	$ (2,103,211)	$ (2,710,700)
Public Works	(2,174,057)	(1,703,534)
Health & Social Services	(9,874)	(9,874)
Culture and Recreation	(1,735,678)	(1,107,357)
Community and Economic Development	(502,184)	(623,575)
General Government	(597,632)	(764,404)
Debt Service	(655,515)	(747,278)
Total Net (Expense) Governmental Activities	(7,778,151)	(7,666,722)
General Revenues	12,145,434	11,246,845
Excess of Revenues Over Expenses	4,367,283	3,580,123
Interfund Transfers	(687,432)	329,187
Change in Net Position	$ 3,679,851	$ 3,909,310

The cost of all Proprietary Activities this year was $4,732,658. As shown in the Statement of Activities, the amount paid by users of the systems was $5,667,581, and capital grants and contributions paid for $3,729 resulting in a total Net Revenue increase for Business-Type Activities of $938,652. The Net (Expense) Revenue by Business-type Activity is shown in the following table:

Business-Type Activities	Net (Expense) Revenue	
	2022	2021
Water System	$ 154,637	$ 323,403
Sewer System	288,406	372,435
Solid Waste System	495,609	315,835
Total Net (Expense) Business Type Activities	938,652	1,011,673
General Revenues	136,083	126,681
Excess of Revenues Over Expenditures	1,074,735	1,138,354
Interfund Transfers	687,432	(329,187)
Change in Net Position	$ 1,762,167	$ 809,167

Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing financing requirements. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year. The City's Governmental Funds reported combined ending fund balances of $8,263,160. The

combined Governmental Funds fund balance decreased $2,888,481 mostly as a result of capital projects purchases and construction.

The General Fund is the primary operating fund of the City. During the year, expenditures exceeded revenues and other financing sources in the General Fund by $605,383 due to increase of capital expenditures. The total unassigned fund balance of $2,108,825 is 29% of expenditures, exceeds the goal set by the city council that is listed in the financial policies of the City. The Employee Benefit fund balance increased due to renewal rates being better than expected along with an increase in property taxes. The Tax Increment Financing Fund increased due to receipts being higher than anticipated. The Debt Service fund increased in fiscal year 2022 due to estimated debt payments having less principal and interest than originally anticipated. The WPC Improvements fund balance decreased during the year due to the timing of construction as well as expenditures.

Budgetary Highlights

The following table shows the overall budget variances by program structure:

Expenditures	Actual	Amended Budget	Variance
Public Safety	$ 3,341,771	$ 3,400,025	$ 58,254
Public Works	1,824,257	1,841,673	17,416
Health & Social Services	9,874	9,874	-
Culture and Recreation	3,476,226	3,479,869	3,643
Community and Economic Development	798,583	821,160	22,577
General Government	827,600	1,181,732	354,132
Capital Projects	14,847,339	20,431,415	5,584,076
Debt Service	5,000,564	5,000,964	400
Business Type/Enterprise	4,597,923	4,903,050	305,127
Total Disbursements	$ 34,724,137	$ 41,069,762	$ 6,345,625

Below is a brief recap of budget activity for the year:

- The budget is prepared on the cash basis.
- The total original revenue budget of $38,499,293, including issuance of debt and transfers was amended to $43,348,326 (an increase of $4,849,033). The increase was mainly due to an increase in intergovernmental revenue. This was due to additional anticipated federal grant revenues.
- The total original disbursement budget, including transfers of $40,851,844 was amended to $49,622,343 (an increase of $8,770,499).
- The above amendments to budgets were mainly related to the timing of capital projects and purchases. The largest change came with the approval of the increase in budget related to the Capital Projects function in the amount of $5,565,498. This change is the main reason for the large variance between actual and final budgeted amounts. Total actual expenditures came in below budget projections by $6,345,625. The City did very well this year controlling disbursements based on original budget projections.

Capital Assets

The City's investment in capital assets, including land, buildings and improvements, equipment, streets, sewer systems, and other infrastructure represents the value of the resources utilized to provide services to our citizens.

Additional information on the City of Waverly's capital assets can be found in Note 7 of the financial statements.

Debt Administration

On June 30, 2022 the City had $25,675,000 of GO Bond debt outstanding.

Debt administration is an important aspect of the City's financial obligation to its citizens. Any new debt is amortized over no more than twelve years. This rapid repayment, when combined with the use of TIF and Local Option Sales Tax Revenue, has aided in the City maintaining an Aa3 rating from Moody's.

The City continues to operate well under the State of Iowa debt capacity limitations. The state limits the total outstanding General Obligation Debt to 5% of the assessed value of all taxable property in the corporate limits. This formula set the debt capacity to $40,375,145 for the 2022 fiscal year. The outstanding General Obligation Debt applicable to this limit is $25,631,280 for the City. More detailed information on debt administration is provided in Note 9 of the financial statements.

Economic Factors

The City of Waverly reports an average of 43.4 residential units per year in the past five years. The units are a combination of single-family units, duplex units and multi-family units. In fiscal year 2022 the City had 14 new single-family house permits. New commercial building permits have averaged three per year over the past five years. Property tax is a major source of revenue and Waverly is fortunate it has seen small, but consistent increases in assessed and taxable valuation.

This financial report is designed to provide a general overview of the City of Waverly's financial position for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Waverly, Accounting Department, 200 First Street NE, P.O. Box 616, Waverly, Iowa 50677.

CITY OF WAVERLY, IOWA
STATEMENT OF NET POSITION
JUNE 30, 2022

	Primary Government			Component Unit	
	Governmental Activities	Business-Type Activities	Total	Waverly Health Center	Waverly Utilities
ASSETS					
Cash and Cash Equivalents	$ 8,735,893	$ 2,651,592	$ 11,387,485	$ 3,166,802	$ 12,393,651
Certificates of Deposit	493,500	400,000	893,500	-	-
Investments	1,310,391	449,847	1,760,238	2,643,758	-
Receivables (Net, where applicable, of allowance for uncollectibles)					
Accounts	33,719	508,345	542,064	7,860,892	2,266,876
Taxes	34,311	-	34,311	-	-
Subsequent Year Taxes	9,240,754	-	9,240,754	-	-
Accrued Interest	40	431	471	-	-
Lease Receivable	29,681	110,430	140,111	-	-
Other	-	-	-	38,012	-
Estimated Unbilled Usage	-	203,218	203,218	-	-
Special Assessments	36,736	87,945	124,681	-	-
Due from Other Governmental Agencies	380,339	-	380,339	-	-
Inventories	111,622	149,043	260,665	1,711,168	1,668,283
Prepaid Assets	107,911	-	107,911	947,506	223,719
Other	-	-	-	449,813	226,180
Net Pension Asset	-	-	-	444,975	-
Restricted Assets:					
Cash and Cash Equivalents	-	443,630	443,630	25,900,601	1,873,873
Certificates of Deposit	-	250,000	250,000	-	-
Noncurrent Assets:					
Lease Receivable	9,975	276,286	286,261	-	-
Investment in Joint Venture	47,115	-	47,115	-	-
Land	14,768,825	117,723	14,886,548	2,206,302	351,624
Construction in Progress	7,493,139	8,420,857	15,913,996	9,809,569	41,282
Capital Assets, Net of Accumulated Depreciation/Amortization	62,056,401	14,389,362	76,445,763	31,446,296	40,362,733
Total Assets	104,890,352	28,458,709	133,349,061	86,625,694	59,408,221
DEFERRED OUTFLOWS OF RESOURCES					
Pension Related Deferred Outflows	868,383	150,317	1,018,700	3,558,542	200,938
Total Deferred Outflows of Resources	868,383	150,317	1,018,700	3,558,542	200,938
LIABILITIES					
Accounts Payable	1,325,726	74,183	1,399,909	4,895,991	1,271,727
Accrued Wages	103,570	34,694	138,264	3,282,020	844,958
Cash Advance	-	-	-	742,187	-
Other Accrued Expenses	-	-	-	949,241	135,736
Medicare Advance Payments	-	-	-	1,061,316	-
Accrued Claims	30,761	-	30,761	-	-
Unearned Revenue	762,418	-	762,418	-	156,830
Accrued Interest Payable	58,935	17,170	76,105	338,288	35,066
Noncurrent Liabilities:					
Due within one year:					
Revenue Bonds Payable	-	530,000	530,000	131,612	1,707,687
General Obligation Bonds	3,995,000	-	3,995,000	-	-
Revenue Bond Anticipation Note	-	-	-	249,964	-
Notes Payable	-	314,611	314,611	533,885	-
Lease Agreements	74,142	-	74,142	679,253	-
Compensated Absences and Benefits	321,748	44,617	366,365	-	-
Due in more than one year:					
Revenue Bonds Payable	-	1,914,469	1,914,469	3,368,388	12,910,021
General Obligation Bonds	22,607,314	-	22,607,314	-	-
Revenue Bond Anticipation Note	-	-	-	26,813,036	-
Notes Payable	-	7,066,424	7,066,424	222,767	-
Lease Agreements	113,795	-	113,795	2,085,722	-
Total OPEB Liability	639,886	-	639,886	-	595,215
Net Pension Liability	802,945	16,120	819,065	-	45,376
Compensated Absences and Benefits	214,498	29,744	244,242	-	-
Total Liabilities	31,050,738	10,042,032	41,092,770	45,353,670	17,702,616
DEFERRED INFLOWS OF RESOURCES					
Subsequent Year Taxes	9,240,754	-	9,240,754	-	-
Pension Related Deferred Inflows	3,311,401	596,832	3,908,233	17,278,963	1,746,448
Lease Related Deferred Inflows	39,456	381,517	420,973	-	-
Regulator credits - Rate Stabilization	-	-	-	-	1,175,294
Total Deferred Inflows of Resources	12,591,611	978,349	13,569,960	17,278,963	2,921,742
NET POSITION					
Net Investment in Capital Assets	57,750,010	20,483,473	78,233,483	12,694,575	27,584,431
Restricted for:					
Debt Service	-	676,460	676,460	-	405,669
Tax Increment Financing	517,081	-	517,081	-	-
Employee Benefits	285,083	-	285,083	-	-
Road Purposes	1,197,814	-	1,197,814	-	-
Local Option Sales Tax	1,561,674	-	1,561,674	-	-
Library	829,372	-	829,372	-	-
FEMA Flood Projects	6,248	-	6,248	-	-
Cable TV	109,903	-	109,903	-	-
Capital Expansion	1,049,535	-	1,049,535	449,813	-
Nonexpendable:					
Permanent Fund	532,957	-	532,957	-	-
Unrestricted	(1,723,291)	(3,571,288)	(5,294,579)	14,407,215	10,994,701
Total Net Position	$ 62,116,386	$ 17,588,645	$ 79,705,031	$ 27,551,603	$ 38,984,801

See Accompanying Notes to Financial Statements

CITY OF WAVERLY, IOWA

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
Public Safety	$ 2,333,262	$ 197,207	$ 32,844	$ -
Public Works	5,068,309	158,949	1,887,537	847,766
Health and Social Services	9,874	-	-	-
Culture and Recreation	3,189,567	986,188	169,746	297,955
Community and Economic Development	756,854	45,477	206,693	2,500
General Government	750,438	152,806	-	-
Debt Service	655,515	-	-	-
Total governmental activities	12,763,819	1,540,627	2,296,820	1,148,221
Business-Type Activities:				
Water System	1,400,442	1,555,079	-	-
Sewer System	1,969,126	2,257,532	-	-
Solid Waste System	1,363,090	1,854,970	-	3,729
Total Business-Type Activities:	4,732,658	5,667,581	-	3,729
Total Primary Government	$ 17,496,477	$ 7,208,208	$ 2,296,820	$ 1,151,950
Component Unit:				
Waverly Health Center	$ 65,715,611	$ 66,288,086	$ 1,597,894	$ 346,201
Waverly Utilities	$ 22,100,859	$ 22,971,793	$ -	$ 103,627

General Revenues:
- Property Taxes
- Local Option Sales Tax
- Hotel/Motel Taxes
- Interest (Loss on Investments)
- Unrestricted General Intergovernmental Revenues
- Commercial/Industrial Tax replacement
- Gain on Sale of Property
- Miscellaneous

Interfund Transfers

Total general revenues and transfers

Change in net position

Net Position - beginning

Prior Period Adjustment

Net Position - beginning, as restated

Net Position - ending

See Accompanying Notes to Financial Statements

Net (Expense) Revenue and Changes in Net Position				
			Component Unit	
Governmental Activities	Business-Type Activities	Total	Waverly Health Center	Waverly Utilities
$ (2,103,211)		$ (2,103,211)		
(2,174,057)		(2,174,057)		
(9,874)		(9,874)		
(1,735,678)		(1,735,678)		
(502,184)		(502,184)		
(597,632)		(597,632)		
(655,515)		(655,515)		
(7,778,151)		(7,778,151)		
	$ 154,637	154,637		
	288,406	288,406		
	495,609	495,609		
	938,652	938,652		
(7,778,151)	938,652	(6,839,499)		
			$ 2,516,570	
				$ 974,561
9,008,053	-	9,008,053	-	-
2,023,559	-	2,023,559	-	-
251,080	-	251,080	-	-
(77,670)	23,729	(53,941)	(113,502)	132,523
181,085	-	181,085	-	-
203,521	-	203,521	-	-
437,049	-	437,049	-	-
118,757	112,354	231,111	-	1,176
(687,432)	687,432	-	-	-
11,458,002	823,515	12,281,517	(113,502)	133,699
3,679,851	1,762,167	5,442,018	2,403,068	1,108,260
59,051,365	15,826,478	74,877,843	25,148,535	37,876,541
(614,830)	-	(614,830)	-	-
58,436,535	15,826,478	74,263,013	25,148,535	37,876,541
$ 62,116,386	$ 17,588,645	$ 79,705,031	$ 27,551,603	$ 38,984,801

See Accompanying Notes to Financial Statements

CITY OF WAVERLY, IOWA
BALANCE SHEET
Governmental Funds
JUNE 30, 2022

	General	Special Revenue: Tax Increment Financing	Special Revenue: Employee Benefit
Assets			
Cash and Cash Equivalents	$ 1,126,376	$ 507,332	$ 303,577
Certificates of Deposit	28,500	-	-
Investments	1,310,391	-	-
Receivables (Net, where applicable, of allowance for uncollectibles)			
Accounts	18,106	-	-
Taxes	11,953	9,749	4,558
Subsequent Year Taxes	4,057,878	1,242,749	1,578,380
Accrued Interest	40	-	-
Lease Receivable	39,656	-	-
Special Assessments	-	-	-
Due from Other Funds	622,407	-	-
Due from Other Governmental Agencies	68,172	-	-
Inventories	111,622	-	-
Prepaid Assets	107,911	-	-
Total Assets	7,503,012	1,759,830	1,886,515
Liabilities			
Accounts Payable	157,893	-	-
Accrued Wages	70,537	-	23,052
Due to Other Funds	-	-	-
Deferred Revenue	-	-	-
Total Liabilities	228,430	-	23,052
Deferred Inflows of Resources			
Unavailable Revenue - subsequent year taxes	4,057,878	1,242,749	1,578,380
Unavailable Revenue - special assessments	-	-	-
Lease Related Deferred Inflows	39,456	-	-
Total Deferred Inflows of Resources	4,097,334	1,242,749	1,578,380
Fund Balances (Deficits)			
Nonspendable:			
Inventory	111,622	-	-
Prepaid Asset	107,911	-	-
Perpetual Care	-	-	-
Restricted for:			
Debt Service	-	-	-
Tax Increment Financing	-	517,081	-
Employee Benefits	-	-	285,083
Road Purposes	-	-	-
Local Option Sales Tax	-	-	-
Library	829,372	-	-
Capital Expenditures	-	-	-
Cable TV	-	-	-
Assigned for:			
Trees Forever	17,974	-	-
Municipal Band	1,544	-	-
Capital Improvement	-	-	-
Unassigned	2,108,825	-	-
Total Fund Balances (Deficits)	3,177,248	517,081	285,083
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	$ 7,503,012	$ 1,759,830	$ 1,886,515

See Accompanying Notes to Financial Statements

Debt Service	Capital Projects WPC Improvements	Other Governmental Funds	Total Governmental Funds
$ 38,567	$ 237,582	$ 5,669,305	$ 7,882,739
-	-	465,000	493,500
-	-	-	1,310,391
-	-	13,787	31,893
8,051	-	-	34,311
2,361,747	-	-	9,240,754
-	-	-	40
-	-	-	39,656
-	-	36,736	36,736
-	-	-	622,407
-	-	312,167	380,339
-	-	-	111,622
-	-	-	107,911
2,408,365	237,582	6,496,995	20,292,299
-	546,228	527,426	1,231,547
-	-	9,981	103,570
-	-	622,407	622,407
-	762,418	-	762,418
-	1,308,646	1,159,814	2,719,942
2,361,747	-	-	9,240,754
-	-	28,987	28,987
-	-	-	39,456
2,361,747	-	28,987	9,309,197
-	-	-	111,622
-	-	-	107,911
-	-	532,957	532,957
46,618	-	-	46,618
-	-	-	517,081
-	-	-	285,083
-	-	1,197,814	1,197,814
-	-	1,561,674	1,561,674
-	-	-	829,372
-	-	993,586	993,586
-	-	109,903	109,903
-	-	-	17,974
-	-	-	1,544
-	-	1,649,050	1,649,050
-	(1,071,064)	(736,790)	300,971
46,618	(1,071,064)	5,308,194	8,263,160
$ 2,408,365	$ 237,582	$ 6,496,995	$ 20,292,299

See Accompanying Notes to Financial Statements

CITY OF WAVERLY, IOWA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Total Fund Balance - Governmental Funds (page 25)		$ 8,263,160
Infrastructure, property, and equipment used in governmental activities are not financial resources and, therefore, are not reported in the funds.		84,318,365
The investment in joint venture recorded in the governmental activities is not a financial resource and, therefore, is not reported in the fund.		47,115
Internal service funds are used by management to fund and maintain the City's health insurance provided to user departments and are included in the statement of net position.		90,154
Other long-term assets are not available to pay current period expenditures and, therefore, are deferred in the governmental funds.		28,987
Accrued interest expense from the balance sheet that require current financial resources from governmental activities.		(58,935)
Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:		
Deferred outflows of resources	$ 868,383	
Deferred inflows of resources	(3,311,401)	(2,443,018)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds (net of unamortized premium)	$ (26,602,314)	
Lease Agreements	(187,937)	
Net Pension Liability	(802,945)	
Compensated Absences	(536,246)	(28,129,442)
Total Net Position - Governmental Activities (page 21)		$62,116,386

See Accompanying Notes to Financial Statements

CITY OF WAVERLY, IOWA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Governmental Funds
For the Year Ended June 30, 2022

	General	Special Revenue: Tax Increment Financing	Special Revenue: Employee Benefit
Revenue:			
Taxes	$ 3,864,803	$ 1,308,186	$ 1,493,143
Special Assessments	-	-	-
Licenses and Permits	94,514	-	-
Intergovernmental Revenue	1,054,748	-	40,778
Charges for Services	779,350	-	-
Fines and Forfeits	39,665	-	-
Contributions	89,547	-	-
Revenue from Use of Property	76,788	-	-
Interest on Investments	(98,320)	3,737	-
Miscellaneous	119,705	-	-
Total Revenue	6,020,800	1,311,923	1,533,921
Expenditures:			
Current:			
Public Safety	2,595,245	-	664,809
Public Works	543,412	-	126,698
Health and Social Services	9,874	-	-
Culture and Recreation	2,739,397	-	503,928
Community and Economic Development	660,804	19,998	108,859
General Government	695,090	-	83,687
Capital Projects	-	-	-
Debt Service	-	-	-
Total Expenditures	7,243,822	19,998	1,487,981
Excess (deficiency) of revenues over expenditures	(1,223,022)	1,291,925	45,940
Other financing sources (uses):			
Issuance of Debt	308,932	-	-
Proceeds from Sale of Capital Assets	7,090	-	-
Transfers In	326,617	-	25,000
Transfers Out	(25,000)	(1,123,945)	-
Total other financing sources (uses)	617,639	(1,123,945)	25,000
Net Change in Fund Balance	(605,383)	167,980	70,940
Fund balances (deficits) - beginning of year	4,760,660	349,101	214,143
Prior Period Adjustment	(978,029)	-	-
Fund balances (deficits)- beginning of year, as restated	3,782,631	349,101	214,143
Fund balances (deficits) - end of year	$ 3,177,248	$ 517,081	$ 285,083

See Accompanying Notes to Financial Statements

Debt Service	Capital Projects: WPC Improvements	Other Governmental Funds	Total Governmental Funds
$ 2,341,921	$ -	$ 2,023,559	$ 11,031,612
-	-	19,327	19,327
-	-	46,205	140,719
57,387	-	2,178,896	3,331,809
-	-	-	779,350
-	-	-	39,665
-	-	620,695	710,242
-	-	17,400	94,188
3,362	-	13,551	(77,670)
-	-	18,401	138,106
2,402,670	-	4,938,034	16,207,348
-	-	-	3,260,054
-	-	1,043,380	1,713,490
-	-	-	9,874
-	-	37,361	3,280,686
-	-	-	789,661
-	-	-	778,777
-	6,785,301	7,282,858	14,068,159
4,679,227	-	257	4,679,484
4,679,227	6,785,301	8,363,856	28,580,185
(2,276,557)	(6,785,301)	(3,425,822)	(12,372,837)
-	-	-	308,932
-	-	1,994,894	2,001,984
2,332,595	6,561,298	3,355,746	12,601,256
-	-	(4,278,871)	(5,427,816)
2,332,595	6,561,298	1,071,769	9,484,356
56,038	(224,003)	(2,354,053)	(2,888,481)
(9,420)	(847,061)	7,299,048	11,766,471
-	-	363,199	(614,830)
(9,420)	(847,061)	7,662,247	11,151,641
$ 46,618	$ (1,071,064)	$ 5,308,194	$ 8,263,160

See Accompanying Notes to Financial Statements

CITY OF WAVERLY, IOWA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds (page 28)		$ (2,888,481)
Governmental funds report capital outlays, including infrastructure, as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. Capital outlays exceeded depreciation expense in the current year as follows:		
Expenditures for capital assets	$ 7,580,597	
Depreciation/Amortization expense	(3,523,251)	4,057,346
Governmental capital assets are not recorded in governmental funds. In the current year an asset was transferred from governmental activities to business type activites. The net book value of the asset was recorded as a transfer out on the Statement of Activities.		(1,055,731)
Gain on investment in joint venture not recorded at the fund level.		4,820
Governmental funds report the proceeds from the sale of capital assets as revenue whereas the statement of activities reports the gain on the sale of capital assets. This is the effect on the change in net position on the statement of activities.		(1,571,228)
Governmental funds report special assessments and delinquent property taxes as revenue when it becomes available, but the statement of activities includes as revenue when levied.		(13,232)
Accrued interest expense reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds.		4,955
Governmental funds do not reflect the change in accrued compensated absences as it does not consume current financial resources. The Statement of Activities reflects the change in accrued compensated absences through expenditures.		(35,073)
Internal service funds are used by management to fund and maintain the City's insurance policies provided to user departments and are included in the statement of net position. The net revenue of the internal service funds is reported with governmental activities.		499,937
The current year City IPERS and MFPRSI contributions are reported as expenditures in the governmental funds but are reported as deferred outflows of resources in the Statement of Net Position		733,520
Pension expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		48,577
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The amount by which repayments exceeded proceeds in the current year is as follows:		
Repayments of long-term debt	$ 4,064,359	
Proceeds from issuance of long-term debt	(308,932)	3,755,427
The governmental funds report the effect of premiums, discounts, and deferred charges on refudings when new debt is issued, whereas, these amounts are deferred and amortized in the Statement of Activities.		139,014
Change in net position of governmental activities (page 23)		$ 3,679,851

CITY OF WAVERLY, IOWA
STATEMENT OF NET POSITION
Proprietary Funds
JUNE 30, 2022

	Business Type Activities				Governmental Activities
	Water System	Sewer System	Solid Waste	Total	Internal Service
ASSETS					
Current Assets					
Cash and Cash Equivalents	$ 137,734	$ 1,606,858	$ 907,000	$ 2,651,592	$ 853,154
Certificates of Deposit	-	400,000	-	400,000	-
Investments	449,847	-	-	449,847	-
Receivables (Net, where applicable, of allowance for uncollectibles)					
Accounts	140,545	213,072	154,728	508,345	1,826
Accrued Interest	431	-	-	431	-
Lease Receivable	110,430	-	-	110,430	-
Estimated Unbilled Usage	87,213	116,005	-	203,218	-
Special Assessments	22,632	65,313	-	87,945	-
Inventories	70,057	78,986	-	149,043	-
Restricted Assets:					
Cash and Cash Equivalents	360,630	83,000	-	443,630	-
Certificates of Deposit	-	250,000	-	250,000	-
Total Current Assets	1,379,519	2,813,234	1,061,728	5,254,481	854,980
Noncurrent Assets:					
Lease Receivable	276,286	-	-	276,286	-
Land	-	117,723	-	117,723	-
Construction in Progress	29,689	8,391,168	-	8,420,857	-
Capital Assets, Net of Accumulated Depreciation	5,240,644	7,574,475	1,574,243	14,389,362	-
Total Noncurrent Assets	5,546,619	16,083,366	1,574,243	23,204,228	-
Total Assets	6,926,138	18,896,600	2,635,971	28,458,709	854,980
DEFERRED OUTFLOWS OF RESOURCES					
Pension Related Deferred Outflows	35,579	56,260	58,478	150,317	-
Total Deferred Outflows of Resources	35,579	56,260	58,478	150,317	-
LIABILITIES					
Current Liabilities					
Accounts Payable	15,730	28,868	29,585	74,183	94,179
Accrued Wages	9,221	14,880	10,593	34,694	-
Compensated Absences and Benefits	5,771	24,581	14,265	44,617	-
Accrued Interest Payable	3,763	13,407	-	17,170	-
Accrued Claims	-	-	-	-	30,761
Notes Payable	-	314,611	-	314,611	-
Revenue Bonds	340,000	190,000	-	530,000	-
Total Current Liabilities	374,485	586,347	54,443	1,015,275	124,940
Noncurrent Liabilities:					
Due in more than one year:					
Notes Payable	-	7,066,424	-	7,066,424	-
Revenue Bonds	1,277,595	636,874	-	1,914,469	-
Total OPEB Liability	-	-	-	-	639,886
Net Pension Liability	3,680	5,367	7,073	16,120	-
Compensated Absences and Benefits	3,847	16,387	9,510	29,744	-
Total Noncurrent Liabilities	1,285,122	7,725,052	16,583	9,026,757	639,886
Total Liabilities	1,659,607	8,311,399	71,026	10,042,032	764,826
DEFERRED INFLOWS OF RESOURCES					
Pension Related Deferred Inflows	136,254	198,702	261,876	596,832	-
Lease Related Deferred Inflows	381,517	-	-	381,517	-
Total Deferred Inflows of Resources	517,771	198,702	261,876	978,349	-
NET POSITION					
Net Investment in Capital Assets	3,652,738	15,256,492	1,574,243	20,483,473	-
Restricted for:					
Debt Service	356,867	319,593	-	676,460	-
Unrestricted	774,734	(5,133,326)	787,304	(3,571,288)	90,154
Total Net Position	$ 4,784,339	$ 10,442,759	$ 2,361,547	$ 17,588,645	$ 90,154

See Accompanying Notes to Financial Statements

CITY OF WAVERLY, IOWA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Proprietary Funds
For the Year Ended June 30, 2022

	Business Type Activities	
	Water System	**Sewer System**
Operating Revenues:		
Charges for Services	$ 1,522,298	$ 2,233,846
Miscellaneous	32,781	23,686
Reimbursement from Employees/Insurance	-	-
Total Operating Revenues	1,555,079	2,257,532
Operating Expenses:		
General Government	-	-
Employee Services	348,825	593,911
Contract Services	320,235	423,782
Supplies	104,771	69,631
Repairs and Maintenance	137,100	29,415
Utilities	110,655	118,974
Miscellaneous	6,154	4,993
Depreciation	320,915	553,046
Total Operating Expenses	1,348,655	1,793,752
Operating Income (Loss)	206,424	463,780
Non-Operating Income (Expense):		
Interest Income	9,275	9,413
Revenue from Use of Property	112,354	-
Interest Expense	(51,787)	(175,374)
Total Non-Operating Income (Expenses)	69,842	(165,961)
Income (Loss) before Contributions and Transfers	276,266	297,819
Contributed Capital Revenue	549,465	7,311,407
Transfers In	-	117,858
Transfers (Out)	(190,000)	(6,601,298)
Change in Net Position	635,731	1,125,786
Net Position - Beginning	4,148,608	9,316,973
Net Position - Ending	$ 4,784,339	$ 10,442,759

See Accompanying Notes to Financial Statements

Business Type Activities		Governmental Activities
Solid Waste	Total	Internal Service
$ 1,837,427	$ 5,593,571	$ -
17,543	74,010	-
-	-	1,528,507
1,854,970	5,667,581	1,528,507
-	-	1,028,570
603,149	1,545,885	-
431,156	1,175,173	-
15,654	190,056	-
156,842	323,357	-
29,111	258,740	-
-	11,147	-
127,178	1,001,139	-
1,363,090	4,505,497	1,028,570
491,880	1,162,084	499,937
5,041	23,729	-
-	112,354	-
-	(227,161)	-
5,041	(91,078)	-
496,921	1,071,006	499,937
3,729	7,864,601	-
-	117,858	-
(500,000)	(7,291,298)	-
650	1,762,167	499,937
2,360,897	15,826,478	(409,783)
$ 2,361,547	$ 17,588,645	$ 90,154

See Accompanying Notes to Financial Statements

CITY OF WAVERLY, IOWA
COMBINING STATEMENT OF CASH FLOWS
Proprietary Funds
For the Year Ended June 30, 2022

	Business Type Activities	
	Water System	**Sewer System**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Customers	$ 1,581,826	$ 2,268,531
Cash Paid to Suppliers for Goods and Services	(676,047)	(634,207)
Cash Paid to Employees for Services	(417,575)	(686,013)
Other Nonoperating Revenue	112,354	-
Net Cash Provided by Operating Activities	600,558	948,311
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and Construction of Capital Assets	(47,945)	(85,641)
Proceeds from Grants	-	-
Proceeds from Debt Issuance	-	6,627,798
Principal Paid on Notes and Bonds	(460,345)	(369,655)
Interest Paid on Notes and Bonds	(57,100)	(174,771)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(565,390)	5,997,731
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Transfers to Other Funds	-	117,858
Transfers from Other Funds	(190,000)	(6,601,298)
Net Cash (Used for) Non-Capital Financing Activities	(190,000)	(6,483,440)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and Dividends on Investments	8,350	9,413
Net Cash Provided by Investing Activities	8,350	9,413
Net Increase (Decrease) in Cash and Cash Equivalents	(146,482)	472,015
Cash and Cash Equivalents at Beginning of Year	644,846	1,217,843
Cash and Cash Equivalents at End of Year	$ 498,364	$ 1,689,858

See Accompanying Notes to Financial Statements

Business Type Activities		Governmental Activities
Solid Waste	Total	Internal Service
$ 1,834,818	$ 5,685,175	$ 1,528,506
(634,840)	(1,945,094)	(1,328,731)
(674,864)	(1,778,452)	-
-	112,354	-
525,114	2,073,983	199,775
-	(133,586)	-
3,729	3,729	-
-	6,627,798	-
-	(830,000)	-
-	(231,871)	-
3,729	5,436,070	-
-	117,858	-
(500,000)	(7,291,298)	-
(500,000)	(7,173,440)	-
5,041	22,804	-
5,041	22,804	-
33,884	359,417	199,775
873,116	2,735,805	653,379
$ 907,000	$ 3,095,222	$ 853,154

(Continued)

See Accompanying Notes to Financial Statements

CITY OF WAVERLY, IOWA
COMBINING STATEMENT OF CASH FLOWS (Continued)
Proprietary Funds
For the Year Ended June 30, 2022

	Business Type Activities	
	Water System	**Sewer System**
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income	$ 206,424	$ 463,780
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities:		
Other Nonoperating Income	112,354	-
Depreciation	320,915	553,046
(Increase) Decrease in Assets:		
Accounts Receivable	(2,168)	(19,433)
Lease Receivable	(386,716)	
Special Assessments	3,233	-
Estimated Unbilled Usage	30,881	30,432
Inventories	3,399	2,351
Deferred Outflows of Pension Related Costs	9,265	9,473
Increase (Decrease) in Liabilities		
Accounts Payable	(531)	10,237
Accrued Wages	(8,299)	(9,285)
Accrued Compensated Absences	(10,241)	(2,847)
Net Pension Liability	(190,576)	(280,560)
Deferred Inflows of Pension Related Costs	131,101	191,117
Deferred Inflows of Lease Receivables	381,517	-
Total OPEB Liability	-	-
Claims Payable	-	-
Total Adjustments	394,134	484,531
Net Cash Provided by Operating Activities	$ 600,558	$ 948,311
NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:		
Payment of Planning SRF Note	$ -	$ 753,237
Capital Contributions	549,465	7,311,407
Total Non-Cash Investing, Capital, and Financing Activities	$ 549,465	$ 8,064,644
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:		
Cash and Cash Equivalents	$ 137,734	$ 1,606,858
Restricted Cash and Cash Equivalents	360,630	83,000
	$ 498,364	$ 1,689,858

See Accompanying Notes to Financial Statements

Business Type Activities		Governmental Activities
Solid Waste	Total	Internal Service
$ 491,880	$ 1,162,084	$ 499,937
-	112,354	-
127,178	1,001,139	-
(20,152)	(41,753)	-
	(386,716)	
-	3,233	-
-	61,313	-
-	5,750	-
21,901	40,639	-
(2,077)	7,629	(8,106)
(19,502)	(37,086)	-
(6,645)	(19,733)	-
(320,651)	(791,787)	-
253,182	575,400	-
-	381,517	-
-	-	(308,734)
-	-	16,678
33,234	911,899	(300,162)
$ 525,114	$ 2,073,983	$ 199,775
$ -	$ 753,237	$ -
-	7,860,872	-
$ -	$ 8,614,109	$ -
$ 907,000	$ 2,651,592	$ 853,154
-	443,630	-
$ 907,000	$ 3,095,222	$ 853,154

See Accompanying Notes to Financial Statements

CITY OF WAVERLY, IOWA
STATEMENT OF FIDUCIARY NET POSITION
Fiduciary Funds
JUNE 30, 2022

	Custodial Fund
Assets	
Cash and Cash Equivalents	$ 13,961
Total Assets	13,961
Net Position	
Restricted for Other Governments	13,961
Total Net Position	$ 13,961

See Accompanying Notes to Financial Statements

CITY OF WAVERLY, IOWA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Fiduciary Funds
For the Year Ended June 30, 2022

	Custodial Fund
Additions:	
Charges for Services	$ 890,129
Total Additions	890,129
Deductions:	
Agency Remittances:	
To Other Governments	896,066
Total Deductions	896,066
Change in Net Position	(5,937)
Net Position, beginning of year	19,898
Net Position, end of year	$ 13,961

See Accompanying Notes to Financial Statements

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Waverly, Iowa, is a political subdivision of the State of Iowa located in Bremer County, and was incorporated in 1859, under the laws of the State of Iowa, later amended in 1974 under the Home Rule City Act. The City operates under a Mayor-Council form of government with an appointed administrator elected on a nonpartisan basis and administers the following programs as authorized by its charter: public safety, public works, health and social services, culture and recreation, community and economic development, general government, capital projects and debt service. The City also has municipal water, sewer and solid waste utility systems which are governed by the City Council.

The City's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board.

A. REPORTING ENTITY

For financial reporting purposes, the City of Waverly, Iowa, has included all funds, organizations, agencies, boards, commissions and authorities. The City has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the City.

These financial statements present the City of Waverly, Iowa (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationship with the City. Complete financial statements of the individual component units, which issued separate financial statements as noted below, can be obtained from their respective administrative office.

Discretely Presented Component Units

Waverly Health Center - The City established a municipal hospital, Waverly Health Center, in accordance with paragraph 392.6 of the Code of Iowa. The City provided for the election of a Board of Trustees vested with authority to provide management controls, and the rules for the hospital's economic conduct, which in accordance with criteria set forth by the Governmental Accounting Standards Board, meets the definition of a component unit which should be discretely presented. The hospital's financial data is reported in a separate column to emphasize that it is legally separate from the City. The Hospital is financially accountable to the City and its operating budget is subject to approval of the City Council.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Waverly Utilities – The City established a municipal utility by ordinance on October 3, 1977. The City appoints the governing body which in accordance with criteria set forth by the Governmental Accounting Standards Board meets the definition of a component unit which should be discretely presented. The Utilities financial data is reported in a separate column to emphasize that it is legally separate from the City. Waverly Utilities is financially accountable to the City. During the fiscal year ended June 30, 2022, Waverly Utilities transferred $888,212 to the City of Waverly which is accounted for in the City's financial statements as intergovernmental revenue in the applicable City funds. The utility operates on a calendar year. Therefore financial statements presented herein are reported for the year ended December 31, 2021.

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 or Commissions: Bremer-Waverly Public Safety Board, Bremer County Emergency Management Commission, Bremer County Joint E911 Service Board, and the Tri-County Drug Task Force.

B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS

Government-wide Financial Statements – The Statement of Net Position and the Statement of Activities report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are supported by property tax and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for services. The City's general, special revenue, debt service, capital project, and permanent funds are classified as governmental activities. The City's health insurance internal service fund is classified as a governmental activity.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Statement of Net Position presents the City's nonfiduciary assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Net position is reported in three categories.

Net Investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets.

Restricted net position results when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position consists of net position not meeting the definition of the two preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The City does not allocate indirect costs. Certain expenses of the City are accounted for through the internal service fund on a cost-reimbursement basis.

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year activities.

C. Fund Accounting

The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues or receipts, and expenditures or expenses, as appropriate. Government resources are allocated to, and accounted for, in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. GASB No. 34 sets forth minimum criteria for the determination of major funds. The City can electively add funds, as major funds, which have a specific community focus. The non-major funds are combined into a single column in the fund financial statements.

Governmental Fund Types – The governmental fund financial statements are reported using the current financial resources measurement focus. This means that the focus of the governmental funds' measurement is upon the determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income.

The City reports the following major governmental funds:

1) General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The sources of revenue include property taxes, charges for services, fines and fees, licenses and permits, as well as state and federal grants. The expenditures of the General Fund relate to general administration, police and fire protection, maintenance of public streets, economic development, and culture and recreation.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2) Special Revenue Fund – The TIF Fund (Tax Incremental Financing) is used to account for property taxes received to be expended for public improvements, construction of public infrastructure as well as economic development opportunities, incentives, sites, land, rebates and grant agreements.

3) Special Revenue Fund – The Employee Benefit Fund is used to account for the collection of a property tax levy to be used for employee benefit expenses.

4) Debt Service Fund – Debt Service Fund is used to account for property taxes received to be expended to retire principal and interest on General Obligation Bonds and other debt.

5) Capital Project – The WPC Improvements Fund is used to account for the use of financial resources to be used for the construction of the WPC Improvements project.

Proprietary Fund Types – The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. Operating revenues and expenses are distinguished from non-operating revenues and expenses. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The principal operating revenues of enterprise funds are charges to customers for services. Operating expenses consist of cost of sales and services, administrative expenses and depreciation on capital assets. The U.S. generally accepted accounting principles used are those applicable to similar businesses in the private sector.

1) Enterprise Funds – Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis should be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City maintains several business-type activities. The major enterprise funds are listed as follows:

   The Water Fund is used to account for the operation and maintenance of the City's water system.

   The Sewer Fund is used to account for the operation and maintenance of the City's sewer system.

   The Solid Waste Fund is used to account for the operation and maintenance of the City's garbage disposal system.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2) Internal Service Funds – Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-recovery basis.

The City's internal service fund is presented in the proprietary fund financial statements.

Health Insurance – To account for the funding and maintenance of the City's self-funded health insurance provided to City employees. Since the principal users of this internal service are the City's governmental activities, the financial statements of the health insurance internal service fund are consolidated into the governmental column when presented in the government-wide financial statements. To the extent possible, the cost of these services is reported in the appropriate functional activity.

Fiduciary Fund Types – Fiduciary funds are used to report assets held in a custodial capacity for others and therefore not available to support City programs. Since they are custodial in nature, they do not involve the measurement of results of operations and are not incorporated into the government-wide financial statements. The City's Wartburg-Waverly Wellness Center Custodial Fund is to account for the activity recorded on behalf of the Wartburg-Waverly Wellness Center.

D. Measurement Focus and Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days after year end with the exception of expenditure driven grants for which a one-year availability period is used.

Property tax, local option sales tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the City.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments and compensated absences are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Under terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants and then by general revenues.

E. Budgets

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2022, disbursements did not exceed any amounts budgeted.

F. Cash And Cash Equivalents And Investments

The City is authorized by statute to invest public funds not currently needed for operating expenses in notes, certificates, bonds, prime eligible bankers acceptances, certain high rated commercial paper, perfected repurchase agreements, or other evidences of indebtedness which are obligations of or guaranteed by the United States of America or any of its agencies, or in time deposits or savings accounts in depositories approved by the City Council.

1) Cash and Cash Equivalents

Includes investments with original maturities of three months or less.

2) Investments

The City and its component unit use the following methods in determining the reported amounts.

Type	Method
City	
Nonnegotiable Certificates of Deposit	Amortized Cost
Iowa Public Agency Investment Trust	Amortized Cost
U.S. Treasury Notes, State & Local Government Series	Fair Value Determined Based on Quoted Market Price
Component Unit	
Nonnegotiable Certificates of Deposit	Amortized Cost
U.S. Treasury Notes, State & Local Government Series	Fair Value Determined Based on Quoted Market Price
Iowa Public Agency Investment Trust	Amortized Cost
Debt Securities	
U.S. Government Securities	
Maturity of one year or less when purchased	Amortized Cost
Maturity of more than one year when purchased	Fair Value Based on Quoted Market Price

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Property Tax Receivable

Property tax, including tax increment financing, in governmental funds is accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date that the tax asking is certified by the City to the County Board of Supervisors. Current year property tax receivable represents taxes collected by the County but not remitted to the City at June 30, 2022 and unpaid taxes. The succeeding year property tax receivable represents taxes certified by the City to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the City is required to certify its budget to the County Auditor by March 15 of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds become due and collectible in September and March of the current fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2020 assessed property valuations; is for the tax accrual period July 1, 2021 through June 30, 2022 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in March, 2021. Any county collections on the 2021-2022 tax levy remitted to the City within 60 days subsequent to June 30, 2022, are recorded as property tax revenue.

H. Short-Term Interfund Receivables/Payables

During the course of its operations, the City has numerous transactions between funds to finance operations, provide services, construct assets, and service debt. To the extent that certain transactions between funds have not been paid or received as of June 30, 2022, balances of interfund amounts payable or receivable have been recorded as “due to other funds” and “due from other funds”, respectively. Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as interfund balances.

I. Inventories

All inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

J. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2022 are recorded as prepaid items. The costs of governmental and proprietary fund type prepaid items are recorded as expenditures when consumed rather than when purchased.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Restricted Assets

Revenue bond ordinances require the City to reserve certain cash and investments to provide for payment of bonds and interest, for protection of bondholders, and for extension and improvement of facilities. These balances are separately disclosed in the Enterprise Funds.

L. Property and Equipment

Assets with an initial individual cost of $5,000 or more are considered capital assets. Property and equipment are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Infrastructure has been capitalized using historical or estimated historical cost beginning in 1980 as required by GASB 34. Depreciation on all assets is provided on the straight-line basis over the following estimated lives:

Buildings	20 – 50 Years
Utility Plant	30 – 33 Years
Machinery & Equipment	5 - 20 Years
Infrastructure	20 – 100 Years

M. Leases

City as Lessor: City of Waverly is a lessor for multiple different agreements. The City recognizes lease receivables and deferred inflows of resources in the government-wide, governmental fund, and proprietary fund financial statements.

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

Key estimates and judgments include how the City of Waverly determines the discount rate it uses to discount the expected lease receipts to present value, lease term and lease receipts.

City of Waverly uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

City as Lessee: City of Waverly is the lessee for a noncancellable lease of equipment and building space. The City has recognized a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

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

Key estimates and judgments related to leases include how the City of Waverly determines the discount rate it uses to discount the expected lease payments to present value, lease term and lease payments.

City of Waverly uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included the measurement of the lease liability are composed of fixed payments and a purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

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

N. Deferred Outflows of Resources

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

O. Compensated Absences

City employees accumulate a limited amount of earned but unused vacation hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees that have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2022. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund and Road Use Tax Fund.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Long-Term Obligations

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the government-wide financial statements. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

Q. Fund Equity

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

Nonspendable – Amounts which cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or imposed by law through constitutional provisions or enabling legislation.

Committed – Amounts which can be used only for specific purposes pursuant to constraints formally imposed by the City Council through city ordinance approved prior to year end. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same action it employed to commit those amounts.

Assigned – Amounts the City intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed. The finance officer or City Manager is authorized, based on action of the City Council, to assign amounts to a specific purpose pursuant to authority given by the City Council.

Unassigned – All amounts not included in other spendable classifications. The General Fund is the only fund with a positive unassigned fund balance.

R. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

S. Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

T. Interfund Transactions

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except interfund services provided and used transactions and reimbursements, are reported as transfers.

U. Deferred Inflows of Resources

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

Deferred inflows of resources in the Statement of Net Position consist of succeeding year property tax and tax increment financing receivable that will not be recognized as revenue until the year for which they are levied, unrecognized items not yet charged to pension expense, the unamortized portion of the net difference between projected and actual earnings on pension plan investments, and deferred inflow related to lease receivables.

V. Pensions

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

W. Total OPEB Liability – For purposes of measuring the total OPEB liability and OPEB expense, information has been determined based on the City of Waverly's actuary report. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The total OPEB liability attributable to the City will be paid by the Internal Service Fund.

Note 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS

The City's deposits at June 30, 2022, were entirely covered by federal depository insurance or by the state sinking fund in accordance with Chapter 12C of the Code of Iowa. Chapter 12C provides for additional assessments against the depositories to insure there will be no loss of public funds.

The City is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the City Council; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district. There were no significant differences in investments held during the year from those at June 30, 2022.

At June 30, 2022 the City had the following investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 72.

City Investments	Credit Risk	Fair Value	Maturity	Fair Value Hierarchy
Mutual Funds	Not Rated	$ 663,040	1 year	Level 2
IPAIT	Not Rated	1,097,198	1 year	N/A

Component Unit Investments	Credit Risk	Fair Value	Maturity	Fair Value Hierarchy
Money Market	AAA	$ 67,254	1 year	Level 1
Fixed income securities	AA+	48,483	1 year	Level 2
Fixed income securities	AA	23,242	1 year	Level 2
Fixed income securities	A	24,518	1 year	Level 2
Fixed income securities	BBB+	46,592	1 year	Level 2
Fixed income securities	BBB	98,514	1 year	Level 2
Fixed income securities	BBB-	50,438	1 year	Level 2
Fixed income securities	N/A	974,085	1 year	Level 2
Common Stocks	Not Rated	$ 1,310,632	1 year	Level 1

The City and its component units use fair value hierarchy established by generally accepted accounting principles based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. Level 2 inputs are valued using a matrix pricing model.

In addition, the City had investments in the Iowa Public Agency Investment Trust (IPAIT) which are valued at an amortized cost of $1,097,198. There were no limitations or restrictions on withdrawals for the IPAIT investments. The City's investment in IPAIT is unrated. Investment policies are followed to maintain a constant net position value of $1.00 per unit for the portfolio.

Note 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

The City had no other investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 72.

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

Credit risk – The City's investment policy addresses the issue of credit risk. Investments are limited to certain types of investments and by diversifying the investment portfolio.

Note 3 - RECEIVABLES

Receivables at June 30, 2022 are net of allowance for uncollectibles. The allowance for uncollectibles of the enterprise funds of the primary government was $7,126 at June 30, 2022. The Waverly Health Center component unit had an allowance for uncollectibles of $6,920,000 at June 30, 2022.

Note 4 - DUE FROM OTHER GOVERNMENTS

At June 30, 2022, amounts due from other governments were as follows:

Due from the State of Iowa SWAP funds	$ 22,500
Due from the State of Iowa for Hotel/Motel taxes	56,467
Due from the Iowa Department of Transportation for a maintenance agreement	15,553
Due from Housing and Urban Development for CDBG funding	44,677
Due from Waverly Utilities for Franchise Fees	15,482
Due from the State of Iowa for local option sales taxes	111,711
Due from the Iowa Department of Transportation for road use tax allocations	109,986
Due from other various sources	3,963
Total Due from Other Governments	$ 380,339

Note 5 - INTERFUND RECEIVABLES AND PAYABLES

As of June 30, 2022, short-term interfund borrowings were as follows:

Fund Due To	Fund Due From	Amount
General Fund	Non-major Governmental Fund	$ 622,407
		$ 622,407

This internal balance represents amounts due from/due to other funds to cover deficit cash balances.

Note 6 - LEASE RECEIVABLES

Lease Name	Governmental Activities	Business-Type Activities	Total
Airport Building	$ 39,656	$ -	$ 39,656
Verizon Cell Towers	-	105,722	105,722
US Cellular Cell Tower	-	86,507	86,507
T-Mobile Cell Tower	-	102,632	102,632
AT&T Cell Tower	-	91,855	91,855
Total	$ 39,656	$ 386,716	$ 426,372

On October 1, 2018, the City of Waverly entered into a five year lease as Lessor for use of the airport facilities at the city, with an option to renew one 5 year term by the Lessee. As of June 30, 2022, the value of the lease receivable is $39,656. The lessee is required to make annual fixed payments of $30,000. The lease has an interest rate of 1.22%. The value of the deferred inflow of resources as of June 30, 2022 was $39,456, and the City of Waverly recognized lease revenue of $29,352 and lease interest of $648 during the fiscal year. A summary of the remaining lease receivable principal and interest to maturity is as follows:

Year Ending June 30,	Principal	Interest	Total
2023	$ 29,681	$ 319	$ 30,000
2024	9,975	25	10,000
Total	$ 39,656	$ 344	$ 40,000

On February 15, 2021 the City of Waverly entered into a five year lease as Lessor for use of the water tower as space for antennas. As of June 30, 2022, the value of the lease receivable is $105,722. The lessee is required to make annual fixed payments of $21,929. The lease has an interest rate of 1.22%. The value of the deferred inflow of resources as of June 30, 2022 was $104,273, and the City of Waverly recognized lease revenue of $22,344 and lease interest of $1,464 during the fiscal year. A summary of the remaining lease receivable principal and interest to maturity is as follows:

Year Ending June 30,	Principal	Interest	Total
2023	$ 20,632	$ 1,297	$ 21,929
2024	20,885	1,044	21,929
2025	21,141	788	21,929
2026	21,401	528	21,929
2027	21,663	266	21,929
Total	$ 105,722	$ 3,923	$ 109,645

On February 10, 1997 the City of Waverly entered into a ten year lease as Lessor for use of the water tower as space for antennas. As of June 30, 2022, the value of the lease receivable is $86,507. The lessee is required to make monthly payments of $1,647, adjusted each year by 103% of the prior year's payments. The Lessee had the option to extend up to four additional terms of five years, and are currently exercising the last and final 5 year term in the original lease. The lease has an interest rate of 1.22%. The value of the deferred inflow of resources as of June 30, 2022 was $84,230, and the City of Waverly recognized lease revenue of $18,718 and lease interest of $1,167 during the fiscal year. A summary of the remaining lease receivable principal and interest to maturity is as follows:

Note 6 - LEASE RECEIVABLES (CONTINUED)

Year Ending June 30,	Principal	Interest	Total
2023	$ 18,816	$ 950	$ 19,766
2024	19,046	720	19,766
2025	19,280	486	19,766
2026	19,517	249	19,766
2027	9,848	35	9,883
Total	$ 86,507	$ 2,440	$ 88,947

On July 21, 2019 the City of Waverly entered into a five year lease as Lessor for use of the water tower as space for antennas. As of June 30, 2022, the value of the lease receivable is $102,632. The lessee is required to make monthly payments of $4,331. The lease has an interest rate of 1.22%. The value of the deferred inflow of resources as of June 30, 2022 was $103,390, and the City of Waverly recognized lease revenue of $49,627 and lease interest of $1,586 during the fiscal year. A summary of the remaining lease receivable principal and interest to maturity is as follows:

Year Ending June 30,	Principal	Interest	Total
2023	$ 51,003	$ 968	$ 51,971
2024	51,629	342	51,971
Total	$ 102,632	$ 1,310	$ 103,942

On September 18, 2021 the City of Waverly entered into a five year lease as Lessor for use of the water tower as space for antennas. As of June 30, 2022, the value of the lease receivable is $91,855. The lessee is required to make monthly payments of $1,749. The lease has an interest rate of 1.22%. The value of the deferred inflow of resources as of June 30, 2022 was $89,624, and the City of Waverly recognized lease revenue of $19,917 and lease interest of $1,228 during the fiscal year. A summary of the remaining lease receivable principal and interest to maturity is as follows:

Year Ending June 30,	Principal	Interest	Total
2023	$ 19,979	$ 1,009	$ 20,988
2024	20,224	764	20,988
2025	20,472	516	20,988
2026	20,723	265	20,988
2027	10,457	37	10,494
Total	$ 91,855	$ 2,591	$ 94,446

Note 7 - CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	Restated, Balance July 1, 2021	Additions	Deletions	Transfers	Balance June 30, 2022
Governmental Activities:					
Capital assets not being depreciated/amortized:					
Land	$ 16,333,760	$ -	$ 1,564,935	$ -	$ 14,768,825
Construction in Progress	13,332,974	6,532,423	11,316,527	(1,055,731)	7,493,139
Total capital assets not being depreciated/amortized	29,666,734	6,532,423	12,881,462	(1,055,731)	22,261,964
Capital assets being depreciated:					
Buildings and Improvements	13,292,721	-	-	-	13,292,721
Equipment	8,203,194	739,242	51,331	-	8,891,105
Infrastructure	76,707,763	11,316,527			88,024,290
Total capital assets being depreciated	98,203,678	12,055,769	51,331	-	110,208,116
Less Accumulated Depreciation for:					
Buildings and Improvements	5,729,806	311,241	-	-	6,041,047
Equipment	5,535,223	427,339	45,038	-	5,917,524
Infrastructure	33,733,823	2,709,387	-	-	36,443,210
Total Accumulated Depreciation	44,998,852	3,447,967	45,038	-	48,401,781
Total capital assets being depreciated, net	53,204,826	8,607,802	6,293	-	61,806,335
Lease Assets					
Buildings	16,418	-	-	-	16,418
Equipment	-	308,932	-	-	308,932
Total Lease Assets, being amortized	16,418	308,932	-	-	325,350
Less Accumulated Amortization for:					
Buildings	-	10,945	-	-	10,945
Equipment	-	64,339	-	-	64,339
Total Accumulated amortization	-	75,284	-	-	75,284
Total Lease Assets being amortized, net	16,418	233,648	-	-	250,066
Governmental activities capital assets, net	$ 82,887,978	$ 15,373,873	$ 12,887,755	$ (1,055,731)	$ 84,318,365

Construction in progress at June 30, 2022, for the governmental activities consisted of costs associated with various street projects and airport improvements.

Note 7 - CAPITAL ASSETS (CONTINUED)

	Balance July 1, 2021	Additions	Deletions	Transfers	Balance June 30, 2022
Business-Type Activities:					
Capital assets not being depreciated:					
Land	$ 117,723	$ -	$ -	$ -	$ 117,723
Construction in Progress	1,615,716	6,805,141	1,055,731	1,055,731	8,420,857
Total capital assets not being depreciated	1,733,439	6,805,141	1,055,731	1,055,731	8,538,580
Capital assets being depreciated:					
Buildings and Improvements	11,147,391	-	-	-	11,147,391
Equipment	2,844,749	133,586	-	-	2,978,335
Lines and Structures	21,680,907	1,055,731	-	-	22,736,638
Total capital assets being depreciated	35,673,047	1,189,317	-	-	36,862,364
Less: Accumulated depreciation for:					
Buildings and Improvements	5,531,246	192,727	-	-	5,723,973
Equipment	1,590,712	182,247	-	-	1,772,959
Lines and Structures	14,349,905	626,165	-	-	14,976,070
Total Accumulated Depreciation	21,471,863	1,001,139	-	-	22,473,002
Total capital assets being depreciated, net	14,201,184	188,178	-	-	14,389,362
Business-type activities capital assets, net	$ 15,934,623	$ 6,993,319	$ 1,055,731	$ 1,055,731	$ 22,927,942

Construction in progress at June 30, 2022 for the business type activities consisted of costs associated with various water and sewer infrastructure projects.

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

Governmental Activities:	
Public Safety	$ 229,417
Public Works	2,930,190
Culture and Recreation	284,166
General Government	79,478
Total depreciation/amortization expense - governmental activities	$ 3,523,251
Business-Type Activities:	
Water	$ 320,915
Sewer	553,046
Solid Waste	127,178
Total depreciation expense - business-type activities	$ 1,001,139

Note 7 - CAPITAL ASSETS (CONTINUED)

A summary of changes in capital assets for the discretely presented component units is as follows:

	Balance July 1, 2021	Additions	Deletions	Transfers	Balance June 30, 2022
Waverly Health Center:					
Capital assets not being depreciated/amortized:					
Land	$ 2,206,302	$ -	$ -		$ 2,206,302
Construction in Progress	21,555,705	8,338,389	-	(20,084,525)	9,809,569
Total capital assets not being depreciated/amortized	23,762,007	8,338,389	-	(20,084,525)	12,015,871
Capital assets being depreciated/amortized:					
Land Improvements	2,450,705	-	-	2,729,422	5,180,127
Buildings	6,773,212	35,480	-	16,664,861	23,473,553
Fixed Equipment	19,949,381	372,758	-	383,458	20,705,597
Major Movable Equipment	21,775,475	1,047,798	1,655,395	306,784	21,474,662
Leased, right to use assets - Buildings	2,927,228	-	-		2,927,228
Leased, right to use assets - Major Movable equipment	963,968	54,245	-		1,018,213
Total capital assets being depreciated/amortized	54,839,969	1,510,281	1,655,395	20,084,525	74,779,380
Less: Accumulated Depreciation/Amortization	41,253,079	3,721,598	1,641,593	-	43,333,084
Total capital assets being depreciated/amortized, net	13,586,890	(2,211,317)	13,802	20,084,525	31,446,296
Component unit capital assets, net	$ 37,348,897	$ 6,127,072	$ 13,802	$ -	$ 43,462,167

Construction in progress at June 30, 2022 for the Waverly Health Center consists of costs related to building expansion and renovation.

	Balance January 1, 2021	Additions	Deletions	Balance December 31, 2021
Waverly Utilities:				
Capital assets not being depreciated:				
Land	$ 351,624	$ -	$ -	$ 351,624
Construction in Progress	36,290	1,908,010	1,903,018	41,282
Total capital assets not being depreciated	387,914	1,908,010	1,903,018	392,906
Capital assets being depreciated:				
Improvements	57,175,530	1,446,173	101,951	58,519,752
Buildings	5,849,493	7,894	4,924	5,852,463
Equipment	9,911,326	184,672	80,248	10,015,750
Louisa Plant	11,527,588	348,128	14,926	11,860,790
WS4 Plant	5,491,255	100,823	12,898	5,579,180
Total capital assets being depreciated	89,955,192	2,087,690	214,947	91,827,935
Less: Accumulated Depreciation	48,138,802	3,486,305	159,905	51,465,202
Total capital assets being depreciated, net	41,816,390	(1,398,615)	55,042	40,362,733
Component unit capital assets, net	$ 42,204,304	$ 509,395	$ 1,958,060	$ 40,755,639

Note 7 - CAPITAL ASSETS (CONTINUED)

Reconciliation of Net Investment in Capital Assets:

			Component Units	
	Governmental Activities	Business-Type Activities	Waverly Health Center	Waverly Utilities
Land	$ 14,768,825	$ 117,723	$ 2,206,302	$ 351,624
Construction in Progress	7,493,139	8,420,857	9,809,569	41,282
Capital Assets (net of accumulated depreciation/amortization)	62,056,401	14,389,362	31,446,296	40,362,733
Less: General Obligation Bonds	(26,602,314)	-	-	-
Revenue Bond Anticipation Note	-	-	(27,063,000)	-
Notes Payable	-	-	(756,652)	-
Revenue Bonds	-	(2,444,469)	(3,500,000)	(14,617,708)
Lease Agreements	(187,937)	-	(2,764,975)	-
Accounts Payable associated with CIP	(765,442)	-	(1,535,285)	-
Add: Unspent Bond Proceeds	987,338	-	4,852,320	1,446,500
Net Investment in Capital Assets	$ 57,750,010	$ 20,483,473	$ 12,694,575	$ 27,584,431

Note 8 - CASH ADVANCES

The Health Center has contracted with an accounts receivable management company to collect certain patient accounts on behalf of the Health Center. The Health Center receives cash advances, less a fee, for the accounts to be collected by the management company. The cash advances are secured by the patient receivables. The patient receivables and related cash advance balance is reduced as the management company collects on the accounts. At June 30, 2022, the Health Center had reported $742,187 of cash advances secured by outstanding patient receivables.

Note 9 - LONG-TERM LIABILITIES

The City's computed legal debt limit as of June 30, 2022, is $40,375,145 of which $25,631,281 is committed for outstanding general obligation debt and development agreements.

The following is a summary of long-term liabilities transactions of the City and its component units for the year ended June 30, 2022:

Note 9 - LONG-TERM LIABILITIES (CONTINUED)

	Restated, Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Primary Government:					
Governmental Activities:					
Bonds Payable:					
General Obligation	$ 29,555,000	$ -	$ 3,880,000	$ 25,675,000	$ 3,995,000
Direct Borrowings:					
Notes Payable	46,946	-	46,946	-	-
Lease Agreements	16,418	308,932	137,413	187,937	74,142
Compensated Absences	501,173	335,777	300,704	536,246	321,748
Governmental Activity Long-Term Liabilities	30,119,537	644,709	4,365,063	26,399,183	4,390,890
Business-Type Activities:					
Bonds Payable:					
General Obligation	315,000	-	315,000	-	-
Revenue Bonds	2,915,000	-	515,000	2,400,000	530,000
Direct Borrowings:					
Notes Payable	753,237	7,381,035	753,237	7,381,035	314,611
Compensated Absences	94,094	36,723	56,456	74,361	44,617
Business-Type Activity Long-Term Liabilities	$ 4,077,331	$ 7,417,758	$ 1,639,693	$ 9,855,396	$ 889,228

The City of Waverly's general obligation and revenue bonds are shown gross of the unamortized premium of $927,314 for governmental activities and $44,469 for business-type activities on the Statement of Net Position.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Component Units:					
Waverly Health Center:					
Revenue Bond:					
Bond Anticipation Note	$ 27,063,000	$ -	$ -	$ 27,063,000	$ 249,964
Bond Payable	3,500,000	-	-	3,500,000	131,612
Direct Borrowing:					
Notes Payable	1,450,781	-	694,129	756,652	533,885
Lease Agreements	-	2,764,975	-	2,764,975	679,253
Waverly Health Center Long-Term Liabilities	32,013,781	2,764,975	694,129	34,084,627	1,594,714
Waverly Utilities:					
Bonds Payable:					
Revenue Bonds	16,200,429	-	1,658,622	14,541,807	1,707,687
Waverly Utilities Long-Term Liabilities	$ 16,200,429	$ -	$ 1,658,622	$ 14,541,807	$ 1,707,687

Note 9 - LONG-TERM LIABILITIES (CONTINUED)

The Waverly Utilities' debt is shown gross of unamortized premium of $75,901.

Direct Borrowing and Direct Placements – Notes Payable

On October 24, 2019 the City borrowed funds from a local bank to purchase new golf equipment in the amount of $140,700 accruing interest at 4.875% and due in annual installments of $49,286. This loan includes a provision that in the event of default, the outstanding amounts become immediately due. This note was paid off in the current year.

On November 18, 2019, the City Council approved sewer revenue loans not to exceed $780,000 from the Iowa Finance Authority for the water pollution control project. This agreement is a planning and design loan agreement at zero percent interest rate with a term of up to three years. In the current year, this loan was rolled into the SRF Construction Loan, which was approved not to exceed $13,300,000. The loan includes a provision that in an event of default, the performance requirements relating to this loan will be mandated under Division V of Chapter 384 of the Code of Iowa.

The Health Center has note agreements to finance the purchase of certain equipment. The notes currently require monthly payments of approximately $59,000, including interest ranging from 0% to 4.187%, with their final payment due November 2023. The notes are collateralized by the equipment purchased by the Health Center. At June 30, 2022, the remaining balance on the notes was $756,652.

The annual principal and interest requirements for the City and Component Unit Direct Borrowings and Direct Placement Note Payables are as follows:

	City		Component Unit	
	Business-Type Direct Borrowings		Waverly Health Center - Direct Borrowings	
	SRF Funds		Equipment	
	Principal	Interest	Principal	Interest
2023	$ 314,611	$ 136,864	$ 533,885	$ -
2024	308,844	142,631	222,767	-
2025	315,078	136,397	-	-
2026	321,438	130,038	-	-
2027	327,926	123,550	-	-
2028-2032	1,741,627	515,751	-	-
2033-2037	1,924,636	332,743	-	-
2038-2042	2,126,875	130,504	-	-
	$ 7,381,035	$ 1,648,478	$ 756,652	$ -

Note 9 - LONG-TERM LIABILITIES (CONTINUED)

General Obligation

General obligation bonds outstanding as of June 30, 2022 are as follows:

	Date of Issue	Interest Rates	Final Due Date	Annual Payments	Amount Originally Issued	Outstanding June 30, 2022
General Obligation:						
2014A GO Bonds	2014	2.0-3.0%	2029	205,000-725,000	$ 7,380,000	$ 3,410,000
2015B GO Bonds	2015	2.0-4.0%	2027	120,000-940,000	8,245,000	3,910,000
2017A GO Bonds	2017	2.00%	2026	155,000-185,000	1,500,000	700,000
2017B Go Bonds	2017	1.7-2.75%	2026	65,000-80,000	615,000	290,000
2018A GO Bonds	2018	3.00%	2029	970,000-1,190,000	11,000,000	7,610,000
2019 GO Bonds	2019	2.5-2.75%	2029	310,000- 390,000	3,500,000	2,530,000
2020A GO Bonds	2020	2.00%	2030	410,000- 580,000	5,270,000	4,360,000
2020B GO Bonds	2020	0.7-1.75%	2030	65,000- 75,000	700,000	570,000
2021 GO Bonds	2021	2.00%	2031	235,000-275,000	2,530,000	2,295,000
Total General Obligation					$ 40,740,000	$ 25,675,000

All General Obligation Debt are to be retired through property tax levies. The revenue bonds are to be retired with water and sewer revenues.

Revenue Bonds

The City also has issued revenue bonds where the City pledges income derived from the acquired constructed asset to pay debt service. Revenues from the related enterprise will be used to retire these bonds and have been pledged for the entire term of the bonds.

Note 9 - LONG-TERM LIABILITIES (CONTINUED)

Revenue bonds outstanding as of June 30, 2022 are as follows:

	Date of Issue	Interest Rates	Final Due Date	Annual Payments	Amount Originally Issued	Outstanding June 30, 2022
Revenue Bonds:						
2014B - Water	2014	0.50-2.7%	2025	160,000-190,000	$ 1,870,000	$ 555,000
2015 - Sewer	2015	2.0-4.0%	2026	155,000-210,000	1,990,000	800,000
2018B- Water	2018	3.00%	2028	150,000- 190,000	1,655,000	1,045,000
Total Revenue Bonds					5,515,000	2,400,000
Component Units:						
Waverly Health Center						
2019 Hospital Revenue Bond Anticipation Notes	2019	2.50%	2063	-	27,063,000	27,063,000
2019 Hospital Revenue Bonds	2020	3.50%	2034	-	3,500,000	3,500,000
Total Revenue Bonds					30,563,000	30,563,000
Waverly Utilities						
2007 Utility Rev. Bonds	2007	.70%	2022	188,421	2,826,316	188,421
2015 Utility Rev Bonds	2015	2-4%	2030	100,000-185,000	4,980,000	4,065,000
2013 Revenue Bond	2013	.4-.67%	2023	365,000-420,000	4,000,000	890,000
2015 Comm Utility Rev Bonds	2015	4.3%	2030	350,000-530,000	6,672,483	4,888,386
2016 Revenue Bonds	2016	2%	2029	135,000-170,000	2,860,000	2,130,000
2018 Revenue Bonds	2018	3-3.2%	2030	220,000-300,000	3,045,000	2,380,000
Total Revenue Bonds					24,383,799	14,541,807
Grand Total Revenue Bonds					$ 60,461,799	$ 47,504,807

The bond principal and interest annual requirements for the City are as follows:

	General Obligation Paid by Debt Service		Revenue Bond Paid by Enterprise Fund	
Year Ending June 30,	**Principal**	**Interest**	**Principal**	**Interest**
2023	$ 3,995,000	$ 693,450	$ 530,000	$ 71,055
2024	4,095,000	577,450	545,000	54,605
2025	3,830,000	458,350	565,000	39,180
2026	3,860,000	356,100	385,000	22,800
2027	3,115,000	253,300	185,000	11,250
2028-2031	6,780,000	294,613	190,000	5,700
	$ 25,675,000	$ 2,633,263	$ 2,400,000	$ 204,590

Note 9 - LONG-TERM LIABILITIES (CONTINUED)

The Health Center issued bond anticipation notes totaling $27,063,000 on December 27, 2019 to refund the Hospital Bond Anticipation Notes, Series 2018. The notes require semi-annual interest payments at a rate of 2.5% Principal is not due on the notes until their maturity date of December 31, 2022, at which point the Health Center intends to refinance the notes through the U.S. Department of Agriculture's Community Facilities Loan Program.

The Health Center issued revenue bonds totaling $3,500,000 on December 24, 2019 for the expansion and renovation of the Health Center's facilities. The interest charged on the bonds is 3.5%. The bonds require monthly interest only payments through December 2022 after which time monthly principal and interest payments are due until maturity on December 1, 2033. At June 30, 2022, the remaining balance on the bonds was $3,500,000.

The bond principal and interest annual requirements for the component units are as follows:

Waverly Health Center

Year Ending June 30,	Revenue Bond Anticipation Note	Interest	Revenue Bond	Interest
2023	$ 249,964	$ 827,685	$ 131,612	$ 121,544
2024	342,916	868,424	270,224	113,586
2025	354,255	857,085	279,836	103,975
2026	365,970	845,370	289,788	94,022
2027	378,072	833,268	300,095	83,715
2028-2032	2,086,376	3,970,324	1,668,376	250,676
2033-2037	2,454,928	3,601,772	560,069	15,648
2038-2042	2,888,586	3,168,114	-	-
2043-2047	3,398,847	2,657,853	-	-
2048-2052	3,999,244	2,057,456	-	-
2053-2057	4,705,698	1,351,002	-	-
2058-2062	5,536,948	519,752	-	-
2063	301,196	1,637	-	-
	$ 27,063,000	$ 21,559,742	$ 3,500,000	$ 783,166

Waverly Utilities

Year Ending December 31,	Revenue Bond Principal	Interest	Total
2023	$ 1,707,687	$ 420,787	$ 2,128,474
2024	1,753,096	377,385	2,130,481
2025	1,561,926	328,120	1,890,046
2026	1,615,756	284,266	1,900,022
2027	1,664,587	237,026	1,901,613
2028-2030	6,238,755	438,903	6,677,658
	$ 14,541,807	$ 2,086,487	$ 16,628,294

Note 9 - LONG-TERM LIABILITIES (CONTINUED)

There are a number of limitations and restrictions contained in the various bond indentures creating certain reserve and sinking funds to insure repayment of revenue bonds. The reserve and sinking fund requirements are recorded as restricted assets on the combined balance sheet and meet the minimum requirements of the various bond ordinances.

Lease Agreements

On October 1, 2021, the City entered into a three year lease agreement for police vehicles. The agreement required one annual payment of $100,000 and two annual payments of $54,000 with an implicit interest rate of 1.33% and the final payment due July 1, 2023. During the year ended June 30, 2022, the City paid principal of $99,086 and interest of $914. Future principal and interest lease payments as of June 30, 2022 are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	$ 53,408	$ 592	$ 54,000
2024	53,287	713	54,000
Total	$ 106,695	$ 1,305	$ 108,000

On October 1, 2021, the City entered into a six year lease agreement for police dash cameras and on body cameras. The agreement required one annual payment of $28,000 and five annual payments of $15,800 with an implicit interest rate of 1.75% and the final payment due July 1, 2026. During the year ended June 30, 2022, the City paid principal of $27,397 and interest of $603. Future principal and interest lease payments as of June 30, 2022 are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	$ 15,246	$ 554	$ 15,800
2024	14,733	1,067	15,800
2025	14,992	808	15,800
2026	15,257	543	15,800
2027	15,526	274	15,800
Total	$ 75,754	$ 3,246	$ 79,000

On April 27, 2020, the City entered into a three year lease agreement for the use of the golf pro shop. The agreement required semi-annual payments of $5,500 with an implicit interest rate of 0.57% and the final payment due October 15, 2022. During the year ended June 30, 2022, the City paid principal of $10,930 and interest of $70. Future principal and interest lease payments as of June 30, 2022 are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	$ 5,488	$ 12	$ 5,500
Total	$ 5,488	$ 12	$ 5,500

Note 9 - LONG-TERM LIABILITIES (CONTINUED)

The Health Center has entered into contracts to lease certain buildings and equipment. The lease contracts qualify as other than short-term leases and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception with discount rates ranging from 2.75% to 3.50% and lease term ending between 2023 and 2031. For the year ending June 30, 2022, the Heath Center made lease related payments ranging from $850 to $206,400.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2022, were as follows.

Year Ending June 30	Principal	Interest	Total
2023	$ 679,253	$ 66,169	$ 745,422
2024	534,726	49,415	584,141
2025	530,133	34,797	564,930
2026	491,328	20,460	511,788
2027	203,652	10,600	214,252
2028-2030	325,883	15,167	341,050
Total	2,764,975	196,608	2,961,583
Less amounts reported as current maturities	679,253	66,169	745,422
Total long-term debt	$ 2,085,722	$ 130,439	$ 2,216,161

Note 10 – TRANSFERS

The following is a summary of transfers between funds:

	General	Employee Benefits	Debt Service	WPC Improvements	Nonmajor Governmental	Sewer	Total Transfer Out
General Fund	$ -	$ 25,000	$ -	$ -	$ -	$ -	$ 25,000
Tax Increment Financing	-	-	1,123,945	-	-	-	1,123,945
Nonmajor Governmental	326,617	-	1,208,650	-	2,625,746	117,858	4,278,871
Water	-	-	-	-	190,000	-	190,000
Sewer	-	-	-	6,561,298	40,000	-	6,601,298
Solid Waste	-	-	-	-	500,000	-	500,000
Total Transfers In	$ 326,617	$ 25,000	$ 2,332,595	$ 6,561,298	$ 3,355,746	$ 117,858	$ 12,719,114

Transfers are used to:

1. Move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

2. To move receipts restricted to debt service from the fund collecting the receipts to the debt service fund as debt service payments become due.

Note 11 - PENSION PLAN

Pension Plans

City	IPERS	MFPRSI	Total
Net Pension liability	$ 53,954	$ 765,111	$ 819,065
Deferred Outflows of Resources Related to Pensions	573,333	445,367	1,018,700
Deferred Inflows of Resources Related to Pensions	2,514,654	1,393,579	3,908,233
Pension Expense (Income)	(219,566)	(4,759)	(146,685)
Waverly Health Center			
Net Pension liability (asset)	(444,975)	-	(444,975)
Deferred Outflows of Resources Related to Pensions	3,558,542	-	3,558,542
Deferred Inflows of Resources Related to Pensions	17,278,963	-	17,278,963
Pension Expense (Income)	1,580,506	-	1,580,506
Waverly Utilities		-	
Net Pension liability	45,376	-	45,376
Deferred Outflows of Resources Related to Pensions	200,938	-	200,938
Deferred Inflows of Resources Related to Pensions	1,746,448	-	1,746,448
Pension Expense (Income)	$ (157,765)	$ -	$ (157,765)

Iowa Public Employees Retirement System

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

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

Pension Benefits

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

Note 11 - PENSION PLAN (CONTINUED)

The formula used to calculate a Regular member's monthly IPERS benefit includes:

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

Protection occupation members may retire at normal retirement age which is generally at age 55 and may retire any time after reaching age 50 with 22 or more years of covered employment. The formula used to calculate a protection occupation members' monthly IPERS benefit includes:

- 60% of average salary after completion of 22 years of service, plus an additional 1.5% of average salary for years of service greater than 22 but not more than 30 years of service.
- The member's highest three-year average salary.

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

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

Disability and Death Benefits

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

Contributions

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

Note 11 - PENSION PLAN (CONTINUED)

From July 1, 2021 to June 30, 2022, pursuant to the required rate, regular members contributed 6.29 percent of covered payroll and the City and the Health Center contributed 9.44 percent of covered payroll for a total rate of 15.73 percent. Protective occupation members contributed 6.24 percent of covered payroll and the City contributed 9.31 percent of covered payroll for a total rate of 15.55 percent. From January 1,2021 through December 31, 2021 Waverly Utilities regular members contributed 6.29% of covered payroll and Waverly Utilities contributed 9.44% for a total rate of 15.73%

The City's total contributions to IPERS for the year ended June 30, 2022 were $409,930 and total contributions for the component units for their respective year ends, were $2,831,712.

Net Pension Liability (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2022, the City reported a liability (asset) of $53,954 and the Waverly Health Center component unit reported a liability (asset) of $(444,975). As of December 31, 2021, Waverly Utilities reported a liability (asset) of $45,376 for the proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2021, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The City and its component units' proportion of the net pension liability (asset) was based on their share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2021, the City's collective proportion was 0.0156286 percent, which was a decrease of 0.0317969 percent from its proportion measured as of June 30, 2020. The component unit's collective proportion was (0.096525) percent, which was a decrease of 0.435458 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the City and the Waverly Health Center component unit recognized pension expense (income) of ($219,566) and $1,580,506 respectively and Waverly Utilities recognized pension expense (income) of ($157,765) as of December 31, 2021. At June 30, 2022 and December 31, 2021, the City and component units reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	City	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 52,485	$ 51,653
Changes of assumption	44,344	15
Net difference between projected and actual earnings on pension plan investments	-	2,460,814
Changes in proportion and differences between City contributions and proportionate share of contributions	66,574	2,172
City contributions subsequent to the measurement date	409,930	-
Total	$ 573,333	$ 2,514,654

Note 11 - PENSION PLAN (CONTINUED)

	Component Units	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 433,441	$ 367,778
Changes of assumption	322,588	982
Net difference between projected and actual earnings on pension plan investments	-	18,157,637
Changes in proportion and differences between Component Units contributions and proportionate share of contributions	298,297	499,014
Component Units contributions subsequent to the measurement date	2,705,154	-
Total	$ 3,759,480	$ 19,025,411

$409,930 and $2,705,154 were reported as deferred outflows of resources related to pensions resulting from the City and component unit's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ending June 30, 2023 and December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (income) as follows:

Year Ending June 30,	City	Health Center
2023	$ (574,988)	$ (4,009,742)
2024	(583,903)	(4,056,530)
2025	(542,362)	(3,792,383)
2026	(656,590)	(4,490,528)
2027	6,592	45,040
Total	$ (2,351,251)	$(16,304,143)

Year Ending December 31,	Waverly Utilities
2022	$ (418,395)
2023	(423,595)
2024	(382,776)
2025	(445,647)
2026	3,471
Total	$ (1,666,942)

There were no non-employer contributing entities to IPERS.

Actuarial assumptions – The total pension liability (asset) in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of Inflation (effective June 30, 2017)	2.60% per annum
Salary Increases (effective June 30, 2017)	3.25 to 16.25% average, including inflation. Rates vary by membership group
Investment Rate of Return (effective June 30, 2017)	7.00% compounded annually, net of investment expense, including inflation
Wage Growth (effective June 30, 2017)	3.25% per annum based on 2.60% inflation and .65% real wage inflation

Note 11 - PENSION PLAN (CONTINUED)

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an economic assumption study dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

Mortality rates used in the 2021 valuation were based on the RP-2014 Employee and Health Annuitant Tables with MP-2017 generational adjustments.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	22.0%	4.43%
International equity	17.5	6.01
Global smart beta equity	6.0	5.10
Core plus fixed income	26.0	0.29
Public credit	4.0	2.08
Cash	1.0	(0.25)
Private equity	13.0	9.51
Private real assets	7.5	4.63
Private Credit	3.0	2.87
Total	100.0%	

Discount rate – The discount rate used to measure the total pension liability (asset) was 7 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that contributions from the City and its component units will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on IPERS' investments was applied to all periods of projected benefit payments to determine the total pension liability (asset).

Sensitivity of the City and component unit's proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the City's and component unit's proportionate share of the net pension liability (asset) calculated using the discount rate of 7 percent, as well as what the City's and component unit's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6 percent) or 1 percentage point higher (8 percent) than the current rate.

Note 11 - PENSION PLAN (CONTINUED)

	1% Decrease 6%	Discount Rate 7%	1% Increase 8%
City's proportionate share of the net pension liability (asset)	$ 2,388,733	$ 53,954	$ (1,902,726)
Component Unit's proportionate share of the net pension liability (asset)	$ 16,760,946	$ (399,599)	$(14,780,346)

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

Payables to the pension plan

At June 30, 2022, the Waverly Health Center reported payables to the defined benefit pension plan of approximately $527,000 for legally required employer and employee contributions which had not yet been remitted to IPERS.

Municipal Fire and Police Retirement System of Iowa (MFPRSI)

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

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

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

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

Active members, at least 55 years of age, with 22 or more years of service have the option to participate in the Deferred Retirement Option Program (DROP). The DROP is an arrangement whereby a member who is otherwise eligible to retire and commence benefits opts to continue to work. A member can elect a 3, 4, or 5 year DROP period. By electing to participate in DROP the member is signing a contract indicating the member will retire at the end of the selected DROP

Note 11 - PENSION PLAN (CONTINUED)

period. During the DROP period the member's retirement benefit is frozen and a DROP benefit is credited to a DROP account established for the member. Assuming the member completes the DROP period, the DROP benefit is equal to 52% of the member's retirement benefit at the member's earliest date eligible and 100% if the member delays enrollment for 24 months. At the member's actual date of retirement, the member's DROP account will be distributed to the member in the form of a lump sum or rollover to an eligible plan.

Disability and Death Benefits - Disability coverage is broken down into two types, accidental and ordinary. Accidental disability is defined as permanent disability incurred in the line of duty, with benefits equivalent to the greater of 60 percent of the member's average final compensation or the member's service retirement benefit calculation amount. Ordinary disability occurs outside the call of duty and pays benefits equivalent to the greater of 50 percent of the member's average final compensation, for those with 5 or more years of service, or the member's service retirement benefit calculation amount, and 25 percent of average final compensation for those with less than 5 years of service.

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

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

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

Contributions - Member contribution rates are set by state statute. In accordance with Chapter 411 of the Code of Iowa, the contribution rate was 9.40 percent of earnable compensation for the year ended June 30, 2022.

Employer contribution rates are based upon an actuarially determined normal contribution rate and set by state statute. The required actuarially determined contributions are calculated on the basis of the entry age normal method as adopted by the Board of Trustees as permitted under Chapter 411 of the Code of Iowa. The normal contribution rate is provided by state statute to be the actuarial liabilities of the plan less current plan assets, with such total divided by 1 percent of the actuarially determined present value of prospective future compensation of all members, further reduced by member contributions and state appropriations. Under the Code of Iowa the employer's contribution rate cannot be less than 17.00 percent of earnable compensation. The contribution rate was 26.18 percent for the year ended June 30, 2022.

The City's contributions to MFPRSI for the year ended June 30, 2022 was $323,590.

If approved by the state legislature, state appropriation may further reduce the City's contribution rate, but not below the minimum statutory contribution rate of 17.00 percent of earnable

Note 11 - PENSION PLAN (CONTINUED)

compensation. The State of Iowa therefore is considered to be a nonemployer contributing entity in accordance with the provisions of the Governmental Accounting Standards Board Statement No. 67 – Financial Reporting for Pension Plans.

There were no state appropriations to MFPRSI during the fiscal year ended June 30, 2022.

Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2022, the City reported a liability of $765,111 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all MFPRSI participating employers. At June 30, 2021, the City's proportion was 0.340694 percent which was a decrease of 0.008307 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the City recognized pension expense of $(4,759). At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	City	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 88,751	$ 8,611
Changes of assumption	28,816	-
Net difference between projected and actual earnings on pension plan investments	-	1,278,406
Changes in proportion and differences between City contributions and proportionate share of contributions	4,210	106,562
City contributions subsequent to the measurement date	323,590	-
Total	$ 445,367	$ 1,393,579

$323,590 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	City
2023	$ (261,311)
2024	(278,030)
2025	(323,672)
2026	(408,634)
2027	(155)
Total	$ (1,271,802)

Note 11 - PENSION PLAN (CONTINUED)

Actuarial Assumptions The total pension liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of Inflation	3.00 percent
Salary increases	3.75 to 15.11 percent, including inflation
Investment rate of return	7.50 percent, net of pension plan investment expense, including inflation

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2007 to June 30, 2017.

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

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

Asset Class	Long-Term Expected Real Rate of Return
Large Cap	7.4%
Small Cap	8.1%
International Large Cap	7.2%
Emerging Markets	7.9%
Global Infrastructure	7.5%
Private Non-Core Real Estate	11.5%
Private Credit	6.4%
Private Equity	10.8%
Core Plus Fixed Income	4.0%
Private Core Real Estate	7.2%

Discount Rate - The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made at 9.40% of covered payroll and the City contributions will be made at rates equal to the difference between actuarially determined rates and the member rate. Based on those assumptions, the MFPRSI's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note 11 - PENSION PLAN (CONTINUED)

Sensitivity of City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the city's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percent lower (6.50 percent) or 1-percent higher (8.50 percent) than the current rate.

	1% Decrease 6.5%	Discount Rate 7.5%	1% Increase 8.5%
City's proportionate share of the net pension liability	$2,264,123	$765,111	$(478,983)

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

Payables to MFPRSI – All legally required City contributions and legally required employee contributions which had been withheld from employee wages were remitted by the City to MFPRSI by June 30, 2022.

Note 12 - DEFICIT FUND EQUITY

The City has eight funds with deficit equity balances at June 30, 2022. The City intends to finance these deficits from various resources including; road use tax funds, general funds, special assessments, capital project debt financing, grant revenues, and utility charges. The individual fund deficits were as follows:

Capital Project – WPC Improvements	$ 1,071,064
Capital Project – Airport Land Acquisition	3
Capital Project – Storm Drainage Improvement	2,835
Capital Project – Youth Ball Diamond	529,092
Capital Project – Airport Runway 11 Taxiway	61,930
Capital Project – 2017 Airport Runway Ext	2,594
Capital Project – Sidewalk Program	125,219
Capital Project – CDBG Housing Rehab	15,117

Note 13 - RISK MANAGEMENT

Medical Insurance - The City uses a partially self-funded medical insurance program accounted for in an internal service fund. Costs of the program include medical benefits, administration fees and premiums for stop-loss coverage with limits of $5,000 per covered employee per year and 125% of expected claims for year for the City as a whole per year.

Claims payable and estimated claims incurred but not reported are recorded as liabilities of the Internal Service Fund.

Note 13 - RISK MANAGEMENT (CONTINUED)

Claims payable at July 1, 2021	$ 14,083
Claims paid	(1,698,277)
Claims incurred	1,714,955
Claims payable at June 30, 2022	$ 30,761

Other Risk - The City of Waverly is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The City assumes liability for any deductible and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three years.

Note 14 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description – The City and its component unit administers a single-employer benefit plan which provides medical and prescription drug benefits for employees, retirees and their spouses. Group insurance benefits are established under Iowa Code Chapter 509A.13. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

OPEB Benefits – Individuals who are employed by the City and its component unit and are eligible to participate in the group health plan are eligible to continue healthcare benefits upon retirement. Retirees under age 65 pay the same premium for the medical and prescription drug benefits as active employees, which results in an implicit rate subsidy and an OPEB liability.

Retired participants must be age 55 or older at retirement. At June 30, 2022 and January 1, 2020, respectively, the following employees were covered by the benefit terms:

	Primary Government	Component Unit
Inactive employees/beneficiaries currently receiving benefit payments	2	5
Active employees	73	25
Total	75	30

Total OPEB Liability – The total OPEB liability of the City was $639,886 and the component unit was $595,215 measured as of June 30, 2022 and December 31, 2021 respectively and was determined by an actuarial valuation as of June 30, 2022 for the City and as of January 1, 2020 for the component unit.

Actuarial Assumptions – The total OPEB liability for the City and the component unit in the June 30, 2022 and January 1, 2021, respectively, actuarial valuation was determined using the following actuarial assumptions and the alternative measurement method, a simplified version of the entry age normal actuarial cost method, applied to all periods included in the measurement.

	City (effective June 30, 2022)	**Component Unit** (effective January 1, 2020)
Rate of inflation	3.00% per annum	3.00% per year
Rates of salary increase	3.00% per annum including inflation.	2.75% per year
Discount rate	3.54% compounded annually, including inflation	2.74% per year
Healthcare cost trend rate	5% for all years	6.00% decreasing .25% per year until 5.00%

Note 14 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Discount Rate – The discount rate used to measure the total OPEB liability for the City and component unit was 3.54% and 2.74%, respectively, which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the 2019 United States Life Tables for the City and 2016 United States Life Tables for the component unit.

Changes in the Total OPEB Liability

	City	Component Unit
Total OPEB liability beginning of year	$948,620	$ 557,275
Changes for the year:		
Service cost	58,208	37,188
Interest	21,656	16,078
Differences between expected and actual experiences	(259,087)	-
Changes in assumptions	(75,674)	-
Benefit payments	(53,837)	(15,326)
Net changes	(308,734)	37,940
Total OPEB liability end of year	$639,886	$ 595,215

Changes of assumptions reflect a change in the discount rate from 2.21% in fiscal year 2021 to 3.54% in fiscal year 2022 for the City and no change for the component unit.

Sensitivity of the City's and its Component Unit's Total OPEB liability to Changes in the Discount Rate – The following presents the total OPEB liability of the City and its component unit, as well as what the City and its component unit's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate.

City's Total OPEB Liability			Component Unit's Total OPEB Liability		
1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)	1% Decrease (1.74%)	Discount Rate (2.74%)	1% Increase (3.74%)
$ 685,816	$ 639,886	$ 592,359	$ 631,187	$ 595,215	$ 557,905

Note 14 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Sensitivity of the City's and its Component Unit's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the City and its component unit as well as what the City and its component unit's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates.

City's Total OPEB Liability			Component Unit's Total OPEB Liability		
1% Decrease (4.00%)	Healthcare Cost Trend Rate (5.00%)	1% Increase (6.00%)	1% Decrease (4.75% Decreasing to 4.00%)	Healthcare Cost Trend Rate (5.75% Decreasing to 5.00%)	1% Increase (6.75% Decreasing to 6.00%)
$ 564,948	$ 639,886	$ 727,465	$ 554,399	$ 595,215	$ 642,410

For the year ended June 30, 2022 and December 31, 2021, the City and its component unit recognized OPEB expense of ($254,897) and $53,266 respectively.

Note 15 - COMMITMENTS

During the year ended June 30, 2022, and in previous years the City had entered into several construction contracts totaling $31,799,585 of which $24,668,194 has been expended to date. The remaining balance will be paid as work progresses.

During the year ended June 30, 2022, and in previous years the Waverly Health Center had entered into several construction contracts totaling $28,180,113 of which $26,788,578 has been expended to date. The remaining balance will be paid as work progresses.

Note 16 - CONTINGENCY

The City receives significant financial assistance from the U.S. government. Entitlement to the resources is generally based on compliance with terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by the grantors. Any disallowances as a result of these audits become a liability of the fund that receives the grant. As of June 30, 2022, the City estimates that no material liabilities will result from such audits.

Note 17 - BLACK HAWK COUNTY LANDFILL CONTRACT

The City has contracted with Black Hawk County Solid Waste Commission for solid waste disposal. The new contract began July 1, 2021. The County may not be accumulating sufficient financial resources and the participating governments are obligated for a proportionate share of the debt, therefore, the City of Waverly may have an ongoing financial responsibility. The City pays $42.25/ton of solid waste delivered to the landfill.

Note 18 - JOINT VENTURE

The City is a participant with Bremer County in a joint venture to operate the Bremer – Waverly Public Safety Board. The City is obligated to remit 33% of the operating budget of the Bremer – Waverly Public Safety Board to the Organization. On dissolution of the Board, the net position is to be contributed to the County for the operation. The Organization is governed by a five member board composed of two designated representatives from the City and two from the County. The fifth member of the board is chosen by the four designated representatives. Complete financial statements for the Bremer – Waverly Public Safety Board can be obtained from the Board's administrative office.

Note 19 - CONDUIT DEBT OBLIGATIONS

The City has issued Industrial Development Revenue Bonds to provide financial assistance to a private-sector entity for the acquisition and construction of commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and payable solely from the private-sector entity. 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, 2022, Industrial Development Revenue Bonds had an original issue amount of $1,000,000. The outstanding balance at June 30, 2022 was $596,384.

Note 20 – URBAN RENEWAL DEVELOPMENT AGREEMENTS

The City entered into various development agreements for urban renewal projects. The agreements require the City to rebate portions of the incremental property tax paid by the developer in exchange for infrastructure improvements, rehabilitation and development of commercial projects by the developer. The total to be paid by the City under the agreements is not to exceed $143,404.

During the year ended June 30, 2022, the City rebated $19,998 of incremental property tax to developers. The total cumulative principal amount rebated on the agreements is $140,679. The outstanding balance on the agreements at June 30, 2022 was $2,725

The agreements are not general obligations of the City and, due to their nature, are not recorded as a liability in the City's financial statements. However, the agreements are subject to the constitutional debt limitation of the City.

Note 21 - TAX ABATEMENTS

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

City Tax Abatements

The City provides tax abatements for urban renewal and economic development projects with tax increment financing as provided for in Chapters 15A and 403 of the Code of Iowa. For these types of projects, the City enters into agreements with developers which require the City, after developers

Note 21 - TAX ABATEMENTS (CONTINUED)

meet the terms of the agreements, to rebate a portion of the property tax paid by the developers, to pay the developers an economic development grant or to pay the developers a predetermined dollar amount. No other commitments were made by the City as part of these agreements.

For the year ended June 30, 2022, $8,543 of property tax was diverted from the City under the urban renewal and economic development projects.

Tax Abatements of Other Entities

Property tax revenues of the City were reduced by the following amounts for the year ended June 30, 2022 under agreements entered into by the following entities:

Entity	Tax Abatement Program	Amount of Tax Abated
Bremer County	Urban renewal and economic development projects	$ 53,951

The City also entered into an agreement with an entity, where after the entity meets the terms of the agreement, the City will rebate a portion of the Hotel/Motel Sales tax.

For the year ended June 30, 2022 the City abated $59,257 of Hotel/Motel Sales tax under said agreement.

Note 22- COVID-19

During the year ended June 30, 2022, the Waverly Health Center recognized approximately $1,560,000 as COVID-19 relief revenue. Among the terms and conditions is a provision that payments will only be used to prevent, prepare for, and respond to COVID-19 and shall reimburse the recipient only for healthcare-related expenses or lost revenues that are attributable to COVID-19.

Note 23- ACCOUNTING CHANGE

Governmental Accounting Standards Board Statement No. 87, Leases, was implemented during fiscal year 2022. The new requirements require the reporting of certain lease assets and liabilities which were previously not reported. The result of these changes had no effect on the beginning net position.

	Capital Assets	Long-Term Liabilities Lease Agreements Payable
Balance June 30, 2021, as previously reported	$ 82,871,560	$30,103,119
Change to implement GASB No. 87	16,418	16,418
Balances July 1, 2021, as restated	$ 82,887,978	$30,119,537

Note 23- ACCOUNTING CHANGE (CONTINUED)

Governmental Accounting Standards Board Statement No. 87, Leases, was implemented during the year ended June 30, 2022 for the Waverly Heath Center. The new standard requires recognition of right of use assets, lease liabilities and depreciation and interest expense related to those leases. The Health Center adopted the standard effective retroactively to July 1, 2020 and has restated its financial statements for the year ended June 30, 2021. Adopting the standard resulted in the Health Center recognizing right of use assets and a lease liability as of July 1, 2020 totaling approximately $3,900,000 with no impact on net position. The change in net position for the year ended June 30, 2021 was decreased by approximately $35,000 due to the restatement.

Note 24- PRIOR PERIOD ADJUSTMENT

The beginning fund balance of the General Fund has been restated on the fund basis financial statements to record a prior period adjustment to remove investments held by a separate organization for Leisure Services. Similarly, the beginning fund balance of the Youth Ball Diamond has been restated on the fund basis financial statements to remove investments as well as record a receivable related to donations. A reconciliation of the prior period ending fund balance to the current year beginning fund balance for the General Fund, Youth Ball Diamond, and Governmental Activities are as follows:

	General Fund	Youth Ball Diamond	Governmental Activities
Beginning Fund/Net Position Balance July 1, 2021	$ 4,760,660	$ (1,360,193)	$ 59,051,365
Prior Period Adjustment	(978,029)	363,199	(614,830)
Beginning Fund/Net Position Balance July 1, 2021, as Restated	$ 3,782,631	$ (996,994)	$ 58,436,535

Note 25- PROSPECTIVE ACCOUNTING CHANGE

Governmental Accounting Standards Board has issued Statement No. 96, Subscription-Based Information Technology Arrangements. This statement will be implemented for the fiscal year ending June 30, 2023. The revised requirements of this statement will require reporting certain assets and liabilities for the right-to-use another party's information technology software alone or in combination with tangible capital assets that are not currently reported.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WAVERLY, IOWA
BUDGETARY COMPARISON SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN BALANCES - BUDGET AND ACTUAL (CASH BASIS) -
Governmental Funds and Proprietary Funds
For the Year Ended June 30, 2022

	Governmental Funds Actual	Proprietary Funds Actual	Total Actual
Receipts:			
Taxes	$ 11,087,775	$ -	$ 11,087,775
Special Assessments	36,517	-	36,517
Licenses and Permits	141,297	-	141,297
Intergovernmental Revenue	4,392,100	3,729	4,395,829
Charges for Services	779,309	5,685,175	6,464,484
Fines and Forfeits	35,945	-	35,945
Contributions	1,063,950	-	1,063,950
Revenue from Use of Property	93,988	112,354	206,342
Interest on Investments	(77,711)	23,298	(54,413)
Miscellaneous	137,037	-	137,037
Total Receipts	17,690,207	5,824,556	23,514,763
Disbursements:			
Current:			
Public Safety	3,341,771	-	3,341,771
Public Works	1,824,257	-	1,824,257
Health and Social Services	9,874	-	9,874
Culture and Recreation	3,476,226	-	3,476,226
Community and Economic Development	798,583	-	798,583
General Government	827,600	-	827,600
Capital Projects	14,847,339	-	14,847,339
Debt Service	5,000,564	-	5,000,564
Business Type/Enterprises	-	4,597,923	4,597,923
Total Disbursements	30,126,214	4,597,923	34,724,137
Excess (deficiency) of revenues over expenditures	(12,436,007)	1,226,633	(11,209,374)
Other financing sources (uses):			
Issuance of Debt	308,932	6,627,798	6,936,730
Proceeds from Sale of Capital Assets	2,001,984	-	2,001,984
Transfers In	12,922,336	117,858	13,040,194
Transfers Out	(5,427,816)	(7,612,378)	(13,040,194)
Total other financing sources (uses)	9,805,436	(866,722)	8,938,714
Net Change in Fund Balance	(2,630,571)	359,911	(2,270,660)
Balances - beginning of year	13,295,230	3,835,158	17,130,388
Prior Period Adjustment	(978,029)	-	(978,029)
Balances - beginning of year- Restated	12,317,201	3,835,158	16,152,359
Balances - end of year	$ 9,686,630	$ 4,195,069	$ 13,881,699
Reconciliation of Ending Fund Balance - Cash Basis:			
Cash and Cash Equivalents	$ 7,882,739	$ 2,651,592	$ 10,534,331
Certificates of Deposit	493,500	400,000	893,500
Investments	1,310,391	449,847	1,760,238
Restricted Cash and Cash Equivalents	-	443,630	443,630
Restricted Certificates of Deposit	-	250,000	250,000
	$ 9,686,630	$ 4,195,069	$ 13,881,699

Budgeted Amounts		Final to Actual
Original	Final	Variance
$ 10,888,091	$ 10,888,091	$ 199,684
23,000	35,711	806
33,475	33,475	107,822
9,237,190	12,933,821	(8,537,992)
5,750,650	5,750,650	713,834
-	-	35,945
-	-	1,063,950
403,213	403,213	(196,871)
-	-	(54,413)
3,461,370	3,578,694	(3,441,657)
29,796,989	33,623,655	(10,108,892)
3,217,162	3,400,025	58,254
1,778,651	1,841,673	17,416
9,874	9,874	-
3,247,372	3,479,869	3,643
801,247	821,160	22,577
1,110,370	1,181,732	354,132
14,865,917	20,431,415	5,584,076
4,718,840	5,000,964	400
4,765,107	4,903,050	305,127
34,514,540	41,069,762	6,345,625
(4,717,551)	(7,446,107)	(3,763,267)
2,365,000	1,172,090	5,764,640
-	-	2,001,984
6,337,304	8,552,581	4,487,613
(6,337,304)	(8,552,581)	(4,487,613)
2,365,000	1,172,090	7,766,624
(2,352,551)	(6,274,017)	4,003,357
17,130,388	17,130,388	-
-	-	(978,029)
17,130,388	17,130,388	(978,029)
$ 14,777,837	$ 10,856,371	$ 3,025,328

CITY OF WAVERLY, IOWA
BUDGET TO GAAP RECONCILIATION
REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY REPORTING
For the Year Ended June 30, 2022

	Cash Basis	Accrual Adjustments	Accrual/ Modified Accrual Basis
Revenue:			
Taxes	$ 11,087,775	$ (56,163)	$ 11,031,612
Special Assessments	36,517	(17,190)	19,327
Licenses and Permits	141,297	(578)	140,719
Intergovernmental Revenue	4,395,829	(1,064,020)	3,331,809
Charges for Services	6,464,484	(91,563)	6,372,921
Fines and Forfeits	35,945	3,720	39,665
Contributions	1,063,950	(353,708)	710,242
Revenue from Use of Property	206,342	200	206,542
Interest on Investments	(54,413)	472	(53,941)
Miscellaneous	137,037	75,079	212,116
Total Revenue	23,514,763	(1,503,751)	22,011,012
Expenditures/Expenses:			
Current:			
Public Safety	3,341,771	(81,717)	3,260,054
Public Works	1,824,257	(110,767)	1,713,490
Health and Social Services	9,874	-	9,874
Culture and Recreation	3,476,226	(195,540)	3,280,686
Community and Economic Development	798,583	(8,922)	789,661
General Government	827,600	(48,823)	778,777
Capital Projects	14,847,339	(779,180)	14,068,159
Debt Service	5,000,564	(321,080)	4,679,484
Business Type/Enterprises	4,597,923	134,735	4,732,658
Total Expenditures/Expenses	34,724,137	(1,411,294)	33,312,843
Excess (Deficiency) of Revenues Over Expenditures/Expenses	(11,209,374)	(92,457)	(11,301,831)
Other financing sources (uses):			
Issuance of Debt	6,936,730	(6,627,798)	308,932
Contributed Capital Revenue	-	7,864,601	7,864,601
Proceeds from Sale of Capital Assets	2,001,984	-	2,001,984
Transfers In	13,040,194	(321,080)	12,719,114
Transfers Out	(13,040,194)	321,080	(12,719,114)
Total other financing sources (uses)	8,938,714	1,236,803	10,175,517
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures/Expenses and Other (Uses)	(2,270,660)	1,144,346	(1,126,314)
Fund Balance/Retained Earnings - beginning of year	16,152,359	10,825,760	26,978,119
Fund Balance/Retained Earnings - end of year	$ 13,881,699	$ 11,970,106	$ 25,851,805

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

In accordance with the Code of Iowa, the City Council annually adopts a budget on the cash basis following required public notice and hearing for all funds except the Custodial Fund and the Internal Service Fund, and appropriates the amount deemed necessary for each of the different City offices and departments. The budgets may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized on the cash basis budget and appropriations lapse at year end.

Formal and legal budgetary control is based upon nine major classes of expenditures known as functions, not by fund or fund type. These nine functions are: public safety, public works, community and economic development, health and social services, culture and recreation, general government, debt service, capital projects, and business-type activities. Function disbursements required to be budgeted include disbursements for the General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Funds, and the Enterprise Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. During the year, one budget amendment increased budgeted disbursements by $6,555,222. The budget amendment is reflected in the final budgeted amounts.

During the year ended June 30, 2022, disbursements did not exceed in any budgeted amounts.

The previous two schedules demonstrates the City’s legal compliance to the budget and reconciles the budgetary comparison to the actual GAAP basis financial statements.

CITY OF WAVERLY, IOWA
Schedule of Changes in the City's
Total OPEB Liability, Related Ratios and Notes
For the Year Ended June 30, 2022
Required Supplementary Information

	2022		2021		2020	
	City	Component Unit	City	Component Unit	City	Component Unit
Service Cost	$ 58,208	$ 37,188	$ 56,513	$ 36,193	$ 36,278	$ 42,353
Interest Cost	21,656	16,078	21,151	14,862	30,297	22,995
Difference between expected and actual experiences	(259,087)	-	-	(181,348)	47,375	-
Changes in Assumptions	(75,674)	-	-	25,694	100,615	-
Benefit payments	(53,837)	(15,326)	(59,179)	(14,458)	(62,032)	(30,294)
Net Change in total OPEB liability	(308,734)	37,940	18,485	(119,057)	152,533	35,054
Total OPEB liability beginning of year	948,620	557,275	930,135	676,332	777,602	641,278
Total OPEB liability end of year	$ 639,886	$ 595,215	$ 948,620	$ 557,275	$ 930,135	$ 676,332
Covered-employee payroll	$4,615,290	$2,470,187	$4,388,330	$2,404,075	$4,260,515	$2,511,424
Total OPEB liability as a percentage of covered-employee payroll	13.86%	24.10%	21.62%	23.18%	21.83%	26.93%

	2019		2018
	City	Component Unit	City
Service Cost	$ 35,221	$ 41,220	$ 28,192
Interest Cost	30,544	21,800	28,740
Difference between expected and actual experiences	-	-	40,096
Changes in Assumptions	-	-	99,682
Benefit payments	(84,395)	(28,444)	(21,868)
Net Change in total OPEB liability	(18,630)	34,576	174,842
Total OPEB liability beginning of year	796,232	606,702	621,390
Total OPEB liability end of year	$ 777,602	$ 641,278	$ 796,232
Covered-employee payroll	$4,063,125	$2,444,208	$3,944,782
Total OPEB liability as a percentage of covered-employee payroll	19.14%	26.24%	20.18%

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

CITY OF WAVERLY, IOWA
Schedule of Changes in the City's
Total OPEB Liability, Related Ratios and Notes
For the Year Ended June 30, 2022
Required Supplementary Information

Notes to Schedule of Changes in the City and its Component Unit's Total OPEB Liability and Related Ratios

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period.

City	
Year ended June 30, 2022	3.54%
Year ended June 30, 2021	2.21%
Year ended June 30, 2020	2.21%
Year ended June 30, 2019	3.87%
Year ended June 30, 2018	3.87%
Year ended June 30, 2017	4.50%
Component Unit	
Year ended December 31, 2021	2.74%
Year ended December 31, 2020	2.74%
Year ended December 31, 2019	3.44%
Year ended December 31, 2018	3.44%

CITY OF WAVERLY, IOWA
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY (ASSET)
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM LAST FISCAL EIGHT YEARS*
(IN THOUSANDS)
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022

	City			
	2022	**2021**	**2020**	**2019**
Proportion of the net pension liability (asset)	0.015629%	0.047426%	0.047284%	0.046991%
Proportionate share of the net pension liability (asset)	$ 54	$ 3,331	$ 2,738	$ 2,974
Covered payroll	$ 3,929	$ 3,778	$ 3,617	$ 3,550
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	1.37%	88.17%	75.70%	83.77%
Plan fiduciary position as a percentage of the total pension liability (asset)	100.81%	82.90%	85.45%	83.62%

	2018	**2017**	**2016**	**2015**
Proportion of the net pension liability (asset)	0.045647%	0.046174%	0.047006%	0.048661%
Proportionate share of the net pension liability (asset)	$ 3,041	$ 2,906	$ 2,337	$ 1,930
Covered payroll	$ 3,427	$ 3,312	$ 3,236	$ 3,180
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	88.74%	87.74%	72.22%	60.69%
Plan fiduciary position as a percentage of the total pension liability (asset)	82.21%	81.82%	85.19%	84.61%

*The amounts presented for each fiscal year were determined as of June 30.

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

CITY OF WAVERLY, IOWA
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY (ASSET)
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM LAST FISCAL EIGHT YEARS*
(IN THOUSANDS)
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022

	Component Unit			
	2022	**2021**	**2020**	**2019**
Proportion of the net pension liability (asset)	-0.096525%	0.338933%	0.352341%	0.349185%
Proportionate share of the net pension liability (asset)	$ (400)	$ 23,793	$ 20,415	$ 22,097
Covered payroll	$ 31,279	$ 29,737	$ 27,972	$ 29,151
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-1.28%	76.07%	72.98%	75.80%
Plan fiduciary position as a percentage of the total pension liability (asset)	100.81%	82.90%	85.45%	83.62%

	2018	**2017**	**2016**	**2015**
Proportion of the net pension liability (asset)	0.312792%	0.341800%	0.334315%	0.313143%
Proportionate share of the net pension liability (asset)	$ 22,919	$ 21,492	$ 16,521	$ 12,419
Covered payroll	$ 25,330	$ 24,244	$ 23,902	$ 23,310
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	90.48%	88.65%	69.12%	53.28%
Plan fiduciary position as a percentage of the total pension liability (asset)	82.21%	81.82%	85.19%	84.61%

CITY OF WAVERLY
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
MUNICIPAL FIRE AND POLICE RETIREMENT SYSTEM OF IOWA
LAST FISCAL EIGHT YEARS * (IN THOUSANDS)
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021	2020	2019
City's Proportion of the net pension liability	0.340694%	0.349001%	0.365489%	0.367123%
City's Proportionate share of the net pension liability	$ 765	$ 2,783	$ 2,397	$ 2,186
City's Covered payroll	$ 1,107	$ 1,109	$ 1,106	$ 1,053
City's Proportionate share of the net pension liability as a percentage of its covered payroll	69.11%	250.95%	216.73%	207.60%
Plan fiduciary position as a percentage of the total pension liability	93.62%	76.47%	79.94%	81.07%

	2018	2017	2016	2015
City's Proportion of the net pension liability	0.003639%	0.365764%	0.360469%	0.364687%
City's Proportionate share of the net pension liability	$ 2,134	$ 2,287	$ 1,694	$ 1,322
City's Covered payroll	$ 1,030	$ 991	$ 945	$ 930
City's Proportionate share of the net pension liability as a percentage of its covered payroll	200.07%	230.78%	179.26%	142.15%
Plan fiduciary position as a percentage of the total pension liability	80.60%	78.20%	83.04%	86.27%

*The amounts presented for each fiscal year were determined as of June 30.

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

CITY OF WAVERLY
SCHEDULE OF THE CITY CONTRIBUTIONS
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TEN YEARS (IN THOUSANDS)
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022

City	**2022**	**2021**	**2020**	**2019**	**2018**
Statutorily required contribution	$ 410	$ 371	$ 357	$ 342	$ 317
Contributions in relation to the statutorily required contribution	(410)	(371)	(357)	(342)	(317)
Contribution defieciency (excess)	$ -	$ -	$ -	$ -	$ -
City's covered payroll	$ 4,342	$ 3,929	$ 3,778	$ 3,617	$ 3,550
Contributions as a percentage of covered payroll	9.44%	9.44%	9.45%	9.44%	8.93%

City	**2017**	**2016**	**2015**	**2014**	**2013**
Statutorily required contribution	$ 306	$ 297	$ 289	$ 284	$ 266
Contributions in relation to the statutorily required contribution	(306)	(297)	(289)	(284)	(266)
Contribution defieciency (excess)	$ -	$ -	$ -	$ -	$ -
City's covered payroll	$ 3,427	$ 3,312	$ 3,236	$ 3,180	$ 3,068
Contributions as a percentage of covered payroll	8.93%	8.93%	8.93%	8.93%	8.67%

Component Unit	**2022**	**2021**	**2020**	**2019**	**2018**
Statutorily required contribution	$ 2,832	$ 2,724	$ 2,631	$ 2,518	$ 2,432
Contributions in relation to the statutorily required contribution	(2,832)	(2,724)	(2,631)	(2,518)	(2,432)
Contribution defieciency (excess)	$ -	$ -	$ -	$ -	$ -
Component Unit's covered payroll	$ 32,274	$ 31,279	$ 29,737	$ 27,972	$ 29,151
Contributions as a percentage of covered payroll	8.77%	8.71%	8.85%	9.00%	8.34%

Component Unit	**2017**	**2016**	**2015**	**2014**	**2013**
Statutorily required contribution	$ 2,262	$ 2,165	$ 1,981	$ 1,929	$ 1,835
Contributions in relation to the statutorily required contribution	(2,262)	(2,165)	(1,981)	(1,929)	(1,835)
Contribution defieciency (excess)	$ -	$ -	$ -	$ -	$ -
Component Unit's covered payroll	$ 25,330	$ 24,244	$ 23,902	$ 23,310	$ 22,829
Contributions as a percentage of covered payroll	8.93%	8.93%	8.30%	8.30%	8.00%

CITY OF WAVERLY
SCHEDULE OF THE CITY CONTRIBUTIONS
MUNICIPAL FIRE AND POLICE RETIREMENT SYSTEM OF IOWA
LAST TEN YEARS (IN THOUSANDS)
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021	2020	2019	2018
Statutorily required contribution	$ 324	$ 280	$ 271	$ 288	$ 274
Contributions in relation to the statutorily required contribution	(324)	(280)	(271)	(288)	(274)
Contribution defieciency (excess)	$ -	$ -	$ -	$ -	$ -
City's covered payroll	$ 1,236	$ 1,107	$ 1,109	$ 1,106	$ 1,053
Contributions as a percentage of covered payroll	26.21%	25.29%	24.44%	26.04%	26.02%

	2017	2016	2015	2014	2013
Statutorily required contribution	$ 267	$ 275	$ 287	$ 280	$ 232
Contributions in relation to the statutorily required contribution	(267)	(275)	(287)	(280)	(232)
Contribution defieciency (excess)	$ -	$ -	$ -	$ -	$ -
City's covered payroll	$ 1,030	$ 991	$ 945	$ 930	$ 888
Contributions as a percentage of covered payroll	25.92%	27.77%	30.41%	30.12%	26.12%

Iowa Public Employees' Retirement System

Changes of Benefit Terms:

There are no significant changes in benefit terms.

Changes of Assumptions

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

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

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

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

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

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

Municipal Fire & Police Retirement System of Iowa

Changes of benefit terms:

There were no significant changes of benefit terms.

Changes of assumptions:

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

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

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

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

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

CITY OF WAVERLY, IOWA
COMBINING BALANCE SHEET
Governmental Nonmajor Funds
JUNE 30, 2022

	Special Revenue Funds		
	Road Use Tax	Local Option Sales Tax	Sales Tax Increment Fund
Assets			
Cash and Cash Equivalents	$ 1,090,115	$ 917,913	$ 532,050
Certificates of Deposit	-	-	-
Receivables (Net, where applicable, of allowance for uncollectibles)			
Accounts	255	-	-
Special Assessments	-	-	-
Due from Other Governmental Agencies	125,538	111,711	-
Total Assets	1,215,908	1,029,624	532,050
Liabilities			
Accounts Payable	8,113	-	-
Accrued Wages	9,981	-	-
Due to Other Funds	-	-	-
Total Liabilities	18,094	-	-
Deferred Inflows of Resources			
Unavailable Revenue - special assessments	-	-	-
Total Deferred Inflows of Resources	-	-	-
Fund Balances (Deficits)			
Nonspendable:			
Perpetual Care	-	-	-
Restricted for:			
Road Purposes	1,197,814	-	-
Local Option Sales Tax	-	1,029,624	532,050
Capital Expenditures	-	-	-
Cable TV	-	-	-
Assigned for:			
Capital Improvement	-	-	-
Unassigned	-	-	-
Total Fund Balances (Deficits)	1,197,814	1,029,624	532,050
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	$ 1,215,908	$ 1,029,624	$ 532,050

Special Revenue	Capital Project Funds				
Cable TV	2017 Airport Runway Ext	Sidewalk Program	Fair/Ball Diamond Project	2017 Bituminous Seal Coat	Capital Improvement Fund
$ 98,069	$ -	$ -	$ -	$ 70,010	$ 457,444
-	-	-	-	-	-
4,093	-	-	-	-	-
-	-	2,783	-	-	-
7,741	-	-	-	-	-
109,903	-	2,783	-	70,010	457,444
-	-	-	-	-	34,970
-	-	-	-	-	-
-	2,594	126,286	-	-	-
-	2,594	126,286	-	-	34,970
-	-	1,716	-	-	-
-	-	1,716	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
109,903	-	-	-	-	-
-	-	-	-	70,010	422,474
-	(2,594)	(125,219)	-	-	-
109,903	(2,594)	(125,219)	-	70,010	422,474
$ 109,903	$ -	$ 2,783	$ -	$ 70,010	$ 457,444

CITY OF WAVERLY, IOWA
COMBINING BALANCE SHEET
Governmental Nonmajor Funds
JUNE 30, 2022

	Capital Project Funds		
	Eagle Ridge	**Trail Projects**	**Youth Ball Diamond**
Assets			
Cash and Pooled Investments	$ 55,045	$ -	$ -
Certificates of Deposit	-	-	-
Receivables (Net, where applicable, of allowance for uncollectibles)			
Accounts	-	-	4,491
Special Assessments	-	-	-
Due from Other Governmental Agencies	-	-	-
Total Assets	55,045	-	4,491
Liabilities			
Accounts Payable	-	-	132,810
Accrued Wages	-	-	-
Due to Other Funds	-	-	400,773
Total Liabilities	-	-	533,583
Deferred Inflows of Resources			
Unavailable Revenue - special assessments	-	-	-
Total Deferred Inflows of Resources	-	-	-
Fund Balances (Deficits)			
Nonspendable:			
Perpetual Care	-	-	-
Restricted for:			
Road Purposes	-	-	-
Local Option Sales Tax	-	-	-
Capital Expenditures	-	-	-
Cable TV	-	-	-
Assigned for:			
Capital Improvement	55,045	-	-
Unassigned	-	-	(529,092)
Total Fund Balances (Deficits)	55,045	-	(529,092)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	$ 55,045	$ -	$ 4,491

Capital Project Funds					
Sanitary Sewer Improvement	Storm Drainage Improvement	Bremer Ave Hwy 3 Reconstruction	E. Bremer Ave Sanitary Sewer 2019	WPC Dome Demolition	10th St SW Improvements
$ 85,436	$ 5,645	$ -	$ 42	$ -	$ 4,961
-	-	-	-	-	-
-	-	-	-	-	-
-	-	16,796	-	-	1,026
-	-	-	-	-	-
85,436	5,645	16,796	42	-	5,987
-	8,480	-	-	-	-
-	-	-	-	-	-
-	-	1,603	-	-	-
-	8,480	1,603	-	-	-
-	-	13,936	-	-	912
-	-	13,936	-	-	912
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
85,436	-	1,257	42	-	5,075
-	(2,835)	-	-	-	-
85,436	(2,835)	1,257	42	-	5,075
$ 85,436	$ 5,645	$ 16,796	$ 42	$ -	$ 5,987

CITY OF WAVERLY, IOWA
COMBINING BALANCE SHEET
Governmental Nonmajor Funds
JUNE 30, 2022

	Capital Project Funds		
	Various Projects 2019 Bonds	S Riverside PK 2019	Business Hwy 218 Improvement
Assets			
Cash and Pooled Investments	$ 15,211	$ 254,162	$ 1
Certificates of Deposit	-	-	-
Receivables (Net, where applicable, of allowance for uncollectibles)			
Accounts	-	-	-
Special Assessments	-	-	-
Due from Other Governmental Agencies	-	-	-
Total Assets	15,211	254,162	1
Liabilities			
Accounts Payable	-	3,185	-
Accrued Wages	-	-	-
Due to Other Funds	-	-	-
Total Liabilities	-	3,185	-
Deferred Inflows of Resources			
Unavailable Revenue - special assessments	-	-	-
Total Deferred Inflows of Resources	-	-	-
Fund Balances (Deficits)			
Nonspendable:			
Perpetual Care	-	-	-
Restricted for:			
Road Purposes	-	-	-
Local Option Sales Tax	-	-	-
Capital Expenditures	-	185,833	-
Cable TV	-	-	-
Assigned for:			
Capital Improvement	15,211	65,144	1
Unassigned	-	-	-
Total Fund Balances (Deficits)	15,211	250,977	1
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	$ 15,211	$ 254,162	$ 1

Capital Project Funds					
20th St NW RR X-Road	Public Services Facility	South Industrial Park	FEMA Flood Projects	3rd Street Bridge Project	Airport Land Acquisition
$ 3,414	$ 19,079	$ 715,110	$ 6,248	$ 7,095	$ -
-	-	-	-	-	-
-	-	-	-	4,948	-
-	-	-	-	-	-
-	-	-	-	-	-
3,414	19,079	715,110	6,248	12,043	-
-	5,000	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	3
-	5,000	-	-	-	3
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,414	-	-	6,248	-	-
-	-	-	-	-	-
-	14,079	715,110	-	12,043	-
-	-	-	-	-	(3)
3,414	14,079	715,110	6,248	12,043	(3)
$ 3,414	$ 19,079	$ 715,110	$ 6,248	$ 12,043	$ -

CITY OF WAVERLY, IOWA
COMBINING BALANCE SHEET
Governmental Nonmajor Funds
JUNE 30, 2022

	Capital Project Funds		
	Alley Reconstruction Project	**Cedar Lane 2nd Ave NE**	**CDBG Housing Rehab**
Assets			
Cash and Pooled Investments	$ 47,233	$ 856,751	$ -
Certificates of Deposit	-	-	-
Receivables (Net, where applicable, of allowance for uncollectibles)			
Accounts	-	-	-
Special Assessments	-	-	-
Due from Other Governmental Agencies	-	-	44,677
Total Assets	47,233	856,751	44,677
Liabilities			
Accounts Payable	37,536	266,756	26,931
Accrued Wages	-	-	-
Due to Other Funds	-	-	32,863
Total Liabilities	37,536	266,756	59,794
Deferred Inflows of Resources			
Unavailable Revenue - special assessments	-	-	-
Total Deferred Inflows of Resources	-	-	-
Fund Balances (Deficits)			
Nonspendable:			
Perpetual Care	-	-	-
Restricted for:			
Road Purposes	-	-	-
Local Option Sales Tax	-	-	-
Capital Expenditures	-	589,995	-
Cable TV	-	-	-
Assigned for:			
Capital Improvement	9,697	-	-
Unassigned	-	-	(15,117)
Total Fund Balances (Deficits)	9,697	589,995	(15,117)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	$ 47,233	$ 856,751	$ 44,677

Capital Project Funds					
2020 20th St NW Improvement	2017 Cedar River Parkway	1st Street NW Reconstruction	Airport Obstruction Removal	Airport Runway 11 Taxiway	10th Ave SW Trail Extension
$ -	$ -	$ 64,641	$ 20,019	$ -	$ 120,663
-	-	-	-	-	-
-	-	-	-	-	-
-	-	2,925	-	-	-
-	-	22,500	-	-	-
-	-	90,066	20,019	-	120,663
-	-	-	-	3,645	-
-	-	-	-	-	-
-	-	-	-	58,285	-
-	-	-	-	61,930	-
-	-	2,633	-	-	-
-	-	2,633	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	87,433	-	-	120,663
-	-	-	-	-	-
-	-	-	20,019	-	-
-	-	-	-	(61,930)	-
-	-	87,433	20,019	(61,930)	120,663
$ -	$ -	$ 90,066	$ 20,019	$ -	$ 120,663

CITY OF WAVERLY, IOWA
COMBINING BALANCE SHEET
Governmental Nonmajor Funds
JUNE 30, 2022

	Capital Project		Permanent	
	4th St Project	Well No. 5 Reconfiguration	Perpetual Care	Governmental Nonmajor Funds
Assets				
Cash and Pooled Investments	$ 34,830	$ 120,161	$ 67,957	$ 5,669,305
Certificates of Deposit	-	-	465,000	465,000
Receivables (Net, where applicable, of allowance for uncollectibles)				
Accounts	-	-	-	13,787
Special Assessments	13,206	-	-	36,736
Due from Other Governmental Agencies	-	-	-	312,167
Total Assets	48,036	120,161	532,957	6,496,995
Liabilities				
Accounts Payable	-	-	-	527,426
Accrued Wages	-	-	-	9,981
Due to Other Funds	-	-	-	622,407
Total Liabilities	-	-	-	1,159,814
Deferred Inflows of Resources				
Unavailable Revenue - special assessments	9,790	-	-	28,987
Total Deferred Inflows of Resources	9,790	-	-	28,987
Fund Balances (Deficits)				
Nonspendable:				
Perpetual Care	-	-	532,957	532,957
Restricted for:				
Road Purposes	-	-	-	1,197,814
Local Option Sales Tax	-	-	-	1,561,674
Capital Expenditures	-	-	-	993,586
Cable TV	-	-	-	109,903
Assigned for:				
Capital Improvement	38,246	120,161	-	1,649,050
Unassigned	-	-	-	(736,790)
Total Fund Balances (Deficits)	38,246	120,161	532,957	5,308,194
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	$ 48,036	$ 120,161	$ 532,957	$ 6,496,995

CITY OF WAVERLY, IOWA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
Governmental Nonmajor Funds
For the Year Ended June 30, 2022

	Special Revenue Funds		
	Road Use Tax	Local Option Sales Tax	Sales Tax Increment Fund
Revenue:			
Taxes	$ -	$ 1,443,857	$ 579,702
Special Assessments	-	-	-
Licenses and Permits	-	-	-
Intergovernmental Revenue	1,395,173	-	-
Contributions	-	-	-
Rental Income	-	-	-
Interest	-	6,327	2,852
Miscellaneous	9,885	-	-
Total Revenue	1,405,058	1,450,184	582,554
Expenditures:			
Current:			
Public Works	1,043,380	-	-
Culture and Recreation	-	-	-
Capital Projects	-	-	-
Debt Service	-	-	-
Total Expenditures	1,043,380	-	-
Excess (deficiency) of revenues over expenditures	361,678	1,450,184	582,554
Other financing sources (uses):			
Proceeds from Sale of Capital Assets	-	-	-
Transfers In	-	-	-
Transfers Out	(117,200)	(1,238,426)	(579,400)
Total other financing sources (uses)	(117,200)	(1,238,426)	(579,400)
Net Change in Fund Balance	244,478	211,758	3,154
Fund balances (deficits) - beginning of year	953,336	817,866	528,896
Prior Period Adjustment	-	-	-
Fund balances (deficits) - beginning of year, as restated	953,336	817,866	528,896
Fund balances (deficits) - end of year	$ 1,197,814	$ 1,029,624	$ 532,050

Special Revenue	Capital Project Funds				
Cable TV	2017 Airport Runway Ext	Sidewalk Program	Fair/Ball Diamond Project	2017 Bituminous Seal Coat	Capital Improvement Fund
$ -	$ -	$ -	$ -	$ -	$ -
-	-	1,018	-	-	-
46,205	-	-	-	-	-
-	-	-	-	-	260,591
-	-	-	-	-	-
-	-	-	17,400	-	-
-	-	-	-	-	1,028
-	-	-	-	-	3,514
46,205	-	1,018	17,400	-	265,133
-	-	-	-	-	-
37,361	-	-	-	-	-
-	3,604	1,074	-	187,394	190,827
-	-	-	-	-	-
37,361	3,604	1,074	-	187,394	190,827
8,844	(3,604)	(56)	17,400	(187,394)	74,306
-	-	-	-	-	-
-	138,000	-	-	200,000	225,000
-	-	-	(59,465)	-	(25,000)
-	138,000	-	(59,465)	200,000	200,000
8,844	134,396	(56)	(42,065)	12,606	274,306
101,059	(136,990)	(125,163)	42,065	57,404	148,168
-	-	-	-	-	-
101,059	(136,990)	(125,163)	42,065	57,404	148,168
$ 109,903	$ (2,594)	$ (125,219)	$ -	$ 70,010	$ 422,474

CITY OF WAVERLY, IOWA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
Governmental Nonmajor Funds
For the Year Ended June 30, 2022

	Capital Project Funds		
	Eagle Ridge	**Trail Projects**	**Youth Ball Diamond**
Revenue:			
Taxes	$ -	$ -	$ -
Special Assessments	-	-	-
Licenses and Permits	-	-	-
Intergovernmental Revenue	-	-	-
Contributions	331,640	-	281,147
Rental Income	-	-	-
Interest	-	-	-
Miscellaneous	-	-	-
Total Revenue	331,640	-	281,147
Expenditures:			
Current:			
Public Works	-	-	-
Culture and Recreation	-	-	-
Capital Projects	577,154	-	1,728,522
Debt Service	-	-	65
Total Expenditures	577,154	-	1,728,587
Excess (deficiency) of revenues over expenditures	(245,514)	-	(1,447,440)
Other financing sources (uses):			
Proceeds from Sale of Capital Assets	-	-	1,855,877
Transfers In	415,500	-	59,465
Transfers Out	-	(3,468)	-
Total other financing sources (uses)	415,500	(3,468)	1,915,342
Net Change in Fund Balance	169,986	(3,468)	467,902
Fund balances (deficits) - beginning of year	(114,941)	3,468	(1,360,193)
Prior Period Adjustment	-	-	363,199
Fund balances (deficits) - beginning of year, as restated	(114,941)	3,468	(996,994)
Fund balances (deficits) - end of year	$ 55,045	$ -	$ (529,092)

Capital Project Funds					
Sanitary Sewer Improvement	Storm Drainage Improvement	Bremer Ave Hwy 3 Reconstruction	E. Bremer Ave Sanitary Sewer 2019	WPC Dome Demolition	10th St SW Improvements
$ -	$ -	$ -	$ -	$ -	$ -
-	-	2,805	-	-	3,395
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	2,805	-	-	3,395
-	-	-	-	-	-
-	-	-	-	-	-
-	12,979	1,391,487	-	55	719
-	-	17	-	-	-
-	12,979	1,391,504	-	55	719
-	(12,979)	(1,388,699)	-	(55)	2,676
-	-	-	-	-	-
40,000	25,000	350,000	-	-	245,000
-	-	-	-	(117,858)	-
40,000	25,000	350,000	-	(117,858)	245,000
40,000	12,021	(1,038,699)	-	(117,913)	247,676
45,436	(14,856)	1,039,956	42	117,913	(242,601)
-	-	-	-	-	-
45,436	(14,856)	1,039,956	42	117,913	(242,601)
$ 85,436	$ (2,835)	$ 1,257	$ 42	$ -	$ 5,075

CITY OF WAVERLY, IOWA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
Governmental Nonmajor Funds
For the Year Ended June 30, 2022

	Capital Project Funds		
	Various Projects 2019 Bonds	S Riverside PK 2019	Business Hwy 218 Improvement
Revenue:			
Taxes	$ -	$ -	$ -
Special Assessments	-	-	-
Licenses and Permits	-	-	-
Intergovernmental Revenue	-	-	-
Contributions	-	1,100	-
Rental Income	-	-	-
Interest	-	-	-
Miscellaneous	-	-	-
Total Revenue	-	1,100	-
Expenditures:			
Current:			
Public Works	-	-	-
Culture and Recreation	-	-	-
Capital Projects	43,632	356,720	-
Debt Service	-	-	-
Total Expenditures	43,632	356,720	-
Excess (deficiency) of revenues over expenditures	(43,632)	(355,620)	-
Other financing sources (uses):			
Proceeds from Sale of Capital Assets	-	-	-
Transfers In	-	273,094	33,066
Transfers Out	(50,000)	-	-
Total other financing sources (uses)	(50,000)	273,094	33,066
Net Change in Fund Balance	(93,632)	(82,526)	33,066
Fund balances (deficits) - beginning of year	108,843	333,503	(33,065)
Prior Period Adjustment	-	-	-
Fund balances (deficits) - beginning of year, as restated	108,843	333,503	(33,065)
Fund balances (deficits) - end of year	$ 15,211	$ 250,977	$ 1

Capital Project Funds					
20th St NW RR X-Road	Public Services Facility	South Industrial Park	FEMA Flood Projects	3rd Street Bridge Project	Airport Land Acquisition
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	3,344	-	-	-
-	-	-	-	4,948	-
-	-	3,344	-	4,948	-
-	-	-	-	-	-
-	-	-	-	-	-
-	1,005,047	2,000	-	213,030	-
-	-	-	-	-	-
-	1,005,047	2,000	-	213,030	-
-	(1,005,047)	1,344	-	(208,082)	-
-	-	-	-	139,017	-
-	550,000	-	-	-	-
(171,000)	-	-	-	(829,331)	(153,553)
(171,000)	550,000	-	-	(690,314)	(153,553)
(171,000)	(455,047)	1,344	-	(898,396)	(153,553)
174,414	469,126	713,766	6,248	910,439	153,550
-	-	-	-	-	-
174,414	469,126	713,766	6,248	910,439	153,550
$ 3,414	$ 14,079	$ 715,110	$ 6,248	$ 12,043	$ (3)

CITY OF WAVERLY, IOWA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
Governmental Nonmajor Funds
For the Year Ended June 30, 2022

	Capital Project Funds		
	Alley Reconstruction Project	Cedar Lane 2nd Ave NE	CDBG Housing Rehab
Revenue:			
Taxes	$ -	$ -	$ -
Special Assessments	-	-	-
Licenses and Permits	-	-	-
Intergovernmental Revenue	-	-	73,132
Contributions	-	-	-
Rental Income	-	-	-
Interest	-	-	-
Miscellaneous	-	54	-
Total Revenue	-	54	73,132
Expenditures:			
Current:			
Public Works	-	-	-
Culture and Recreation	-	-	-
Capital Projects	52,483	672,981	79,687
Debt Service	-	-	-
Total Expenditures	52,483	672,981	79,687
Excess (deficiency) of revenues over expenditures	(52,483)	(672,927)	(6,555)
Other financing sources (uses):			
Proceeds from Sale of Capital Assets	-	-	-
Transfers In	-	615,303	-
Transfers Out	-	-	-
Total other financing sources (uses)	-	615,303	-
Net Change in Fund Balance	(52,483)	(57,624)	(6,555)
Fund balances (deficits) - beginning of year	62,180	647,619	(8,562)
Prior Period Adjustment	-	-	-
Fund balances (deficits) - beginning of year, as restated	62,180	647,619	(8,562)
Fund balances (deficits) - end of year	$ 9,697	$ 589,995	$ (15,117)

Capital Project Funds					
2020 20th St NW Improvement	2017 Cedar River Parkway	1st Street NW Reconstruction	Airport Obstruction Removal	Airport Runway 11 Taxiway	10th Ave SW Trail Extension
$ -	$ -	$ -	$ -	$ -	$ -
-	-	1,918	-	-	-
-	-	-	-	-	-
-	-	450,000	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	451,918	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	675,673	-	52,242	976
-	-	-	-	-	175
-	-	675,673	-	52,242	1,151
-	-	(223,755)	-	(52,242)	(1,151)
-	-	-	-	-	-
-	-	-	-	15,553	30,765
(14,603)	(48,626)	(600,700)	-	(25,241)	-
(14,603)	(48,626)	(600,700)	-	(9,688)	30,765
(14,603)	(48,626)	(824,455)	-	(61,930)	29,614
14,603	48,626	911,888	20,019	-	91,049
-	-	-	-	-	-
14,603	48,626	911,888	20,019	-	91,049
$ -	$ -	$ 87,433	$ 20,019	$ (61,930)	$ 120,663

CITY OF WAVERLY, IOWA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
Governmental Nonmajor Funds
For the Year Ended June 30, 2022

	Capital Project		Permanent	
	4th St Project	Well No. 5 Reconfiguration	Perpetual Care	Governmental Nonmajor Funds
Revenue:				
Taxes	$ -	$ -	$ -	$ 2,023,559
Special Assessments	10,191	-	-	19,327
Licenses and Permits	-	-	-	46,205
Intergovernmental Revenue	-	-	-	2,178,896
Contributions	-	-	6,808	620,695
Rental Income	-	-	-	17,400
Interest	-	-	-	13,551
Miscellaneous	-	-	-	18,401
Total Revenue	10,191	-	6,808	4,938,034
Expenditures:				
Current:				
Public Works	-	-	-	1,043,380
Culture and Recreation	-	-	-	37,361
Capital Projects	14,733	19,839	-	7,282,858
Debt Service	-	-	-	257
Total Expenditures	14,733	19,839	-	8,363,856
Excess (deficiency) of revenues over expenditures	(4,542)	(19,839)	6,808	(3,425,822)
Other financing sources (uses):				
Proceeds from Sale of Capital Assets	-	-	-	1,994,894
Transfers In	-	140,000	-	3,355,746
Transfers Out	(245,000)	-	-	(4,278,871)
Total other financing sources (uses)	(245,000)	140,000	-	1,071,769
Net Change in Fund Balance	(249,542)	120,161	6,808	(2,354,053)
Fund balances (deficits) - beginning of year	287,788	-	526,149	7,299,048
Prior Period Adjustment	-	-	-	363,199
Fund balances (deficits) - beginning of year, as restated	287,788	-	526,149	7,662,247
Fund balances (deficits) - end of year	$ 38,246	$ 120,161	$ 532,957	$ 5,308,194

CITY OF WAVERLY
STATISTICAL SECTION

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

Contents:	Pages
Financial Trends	112 – 122
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
Revenue Capacity	123 – 126
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	
Debt Capacity	127 – 135
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	
Demographic and Economic Information	136 - 137
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	
Operating Information	138 - 142
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	

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

City of Waverly, Iowa
Government-Wide Net Position by Component [1]
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2013	2014	2015	2016
Governmental Activities				
Net Investment in Capital Assets	$43,321,391	$45,860,962	$44,889,601	$45,139,066
Restricted	2,699,291	2,509,661	2,043,840	2,706,371
Unrestricted	2,503,546	976,180	149,599	1,638,015
Total Governmental Activities Net Position	$48,524,228	$49,346,803	$47,083,040	$49,483,452
Business-type Activities				
Net Investment in Capital Assets	$10,591,981	$10,274,538	$ 8,167,297	$10,659,431
Restricted	89,468	88,279	-	22,734
Unrestricted	2,366,784	2,509,368	4,581,247	2,892,703
Total Business-type Activities Net Position	$13,048,233	$12,872,185	$12,748,544	$13,574,868
Primary Government				
Net Investment in Capital Assets	$53,913,372	$56,135,500	$53,056,894	$55,798,497
Restricted	2,788,759	2,597,940	2,043,840	2,729,105
Unrestricted	4,870,330	3,485,548	4,730,846	4,530,718
Total Primary Government Activities Net Position	$61,572,461	$62,218,988	$59,831,580	$63,058,320

Notes:

1) Accounting standards require that net position be reported in three components in the financial statements: net investment in capital assets, restricted and unrestricted. Net position is considered restricted only when (1) an external party, such as the State of Iowa or the federal government, places a restriction on how the resources may be used, or (2) enabling legislation is enacted by the City.

Fiscal Year					
2017	**2018**	**2019**	**2020**	**2021**	**2022**
$46,400,267	$48,702,502	$47,543,076	$51,146,367	$55,333,374	$57,750,010
3,236,491	2,893,954	3,064,822	3,009,120	5,924,464	6,089,667
(113,581)	(2,095,449)	1,877,510	986,922	(2,206,473)	(1,723,291)
$49,523,177	$49,501,007	$52,485,408	$55,142,409	$59,051,365	$62,116,386
$11,615,461	$12,439,840	$10,833,717	$11,567,403	$12,645,950	$20,483,473
103,401	94,493	675,094	684,498	685,954	676,460
3,178,122	3,326,174	2,923,932	2,765,410	2,494,574	(3,571,288)
$14,896,984	$15,860,507	$14,432,743	$15,017,311	$15,826,478	$17,588,645
$58,015,728	$61,142,342	$58,376,793	$62,713,770	$67,979,324	$78,233,483
3,339,892	2,988,447	3,739,916	3,693,618	6,610,418	6,766,127
3,064,541	1,230,725	4,801,442	3,752,332	288,101	(5,294,579)
$64,420,161	$65,361,514	$66,918,151	$70,159,720	$74,877,843	$79,705,031

City of Waverly, Iowa
Changes in Net Position
Last Ten Fiscal Years

	Fiscal Year				
	2013	**2014**	**2015**	**2016**	**2017**
Expenses					
Governmental Activities:					
General Government	$ 854,130	$ 819,124	$ 964,181	$ 812,686	$ 1,149,474
Public Safety	2,313,898	2,344,143	2,187,109	2,247,521	2,478,198
Public Works	3,455,969	4,007,339	4,063,154	5,275,053	4,374,264
Health and Social Services	159,562	161,194	184,325	64,184	9,874
Community & Economic Development	1,122,593	1,151,508	1,557,169	515,249	1,292,607
Culture and Recreation	2,308,768	2,362,684	2,364,058	2,574,145	2,505,856
Debt Service	306,030	194,220	477,628	536,149	437,831
Total Governmental Activities Expenses	10,520,950	11,040,212	11,797,624	12,024,987	12,248,104
Business-type Activities					
Water	1,239,221	1,357,585	1,129,752	1,125,154	1,225,589
Sewer	1,793,911	1,700,847	1,524,393	1,700,848	1,780,570
Solid waste	1,069,970	1,197,667	1,206,111	1,048,675	1,218,735
Total Business-type Activities Expenses	4,103,102	4,256,099	3,860,256	3,874,677	4,224,894
Total Primary Government Expenses	14,624,052	15,296,311	15,657,880	15,899,664	16,472,998
Program Revenues (2)					
Governmental Activities:					
Charges for Services					
General Government	224,984	241,614	268,368	241,010	271,525
Public Safety	60,096	53,708	41,530	42,533	51,089
Public Works	82,504	25,914	27,995	44,526	57,264
Community & Economic Development	12,347	12,338	20,266	23,303	22,734
Culture and Recreation	614,045	676,297	667,345	638,946	625,840
Operating Grants and Contributions	1,556,417	1,922,408	1,803,342	2,159,919	2,217,432
Capital Grants and Contributions	945,531	414,555	1,507,147	2,007,771	330,201
Total Governmental Activities Program Revenues	3,495,924	3,346,834	4,335,993	5,158,008	3,576,085
Business-type Activities:					
Charges for services:					
Water	1,195,417	1,228,012	1,236,098	1,246,479	1,308,725
Sewer	1,573,000	1,640,186	1,643,939	1,792,574	1,666,757
Solid waste	1,073,959	1,153,726	1,271,353	1,340,891	1,424,910
Capital Grants and Contributions	-	-	169,235	269,205	2,348
Total Business-Type Activities Program Revenues	3,842,376	4,021,924	4,320,625	4,649,149	4,402,740
Total Primary Government Program Revenues	$ 7,338,300	$ 7,368,758	$ 8,656,618	$ 9,807,157	$ 7,978,825

Fiscal Year				
2018	2019	2020	2021	2022
$ 1,149,385	$ 669,502	$ 930,649	$ 890,918	$ 750,438
2,701,599	2,643,357	2,980,681	2,907,703	2,333,262
5,104,045	4,724,799	4,609,339	5,627,091	5,068,309
9,874	9,874	9,874	9,874	9,874
729,567	774,466	973,361	834,488	756,854
2,605,857	2,776,818	2,871,985	3,039,296	3,189,567
445,257	761,646	743,123	747,278	655,515
12,745,584	12,360,462	13,119,012	14,056,648	12,763,819
1,211,683	1,502,936	1,390,408	1,253,842	1,400,442
1,698,567	1,764,687	1,853,223	1,748,680	1,969,126
1,219,573	1,373,526	1,325,275	1,390,486	1,363,090
4,129,823	4,641,149	4,568,906	4,393,008	4,732,658
16,875,407	17,001,611	17,687,918	18,449,656	17,496,477
251,725	127,635	104,466	124,028	152,806
47,839	53,175	40,244	89,619	197,207
87,868	105,935	130,957	31,594	158,949
9,334	19,612	24,998	16,899	45,477
592,286	630,601	587,973	889,390	986,188
2,157,667	2,443,545	3,296,788	3,346,721	2,296,820
681,523	69,412	1,394,149	1,891,675	1,148,221
3,828,242	3,449,915	5,579,575	6,389,926	4,985,668
1,335,896	1,496,978	1,515,461	1,575,486	1,555,079
1,695,866	1,837,309	1,944,024	2,121,115	2,257,532
1,458,395	1,462,918	1,590,679	1,702,582	1,854,970
359,703	109,913	-	5,498	3,729
4,849,860	4,907,118	5,050,164	5,404,681	5,671,310
$ 8,678,102	$ 8,357,033	$ 10,629,739	$ 11,794,607	$ 10,656,978

(continued on next page)

	2013	2014	2015	2016	2017
Net (Expense)/Revenue [1]					
Governmental Activities:	$ (7,025,026)	$(7,693,378)	$(7,461,631)	$(6,866,979)	$(8,672,019)
Business-type Activities	(260,726)	(234,175)	460,369	774,472	177,846
Total Primary Government Net Expense	(7,285,752)	(7,927,553)	(7,001,262)	(6,092,507)	(8,494,173)
General Revenues					
Governmental Activities:					
Property Taxes	6,745,028	7,133,869	7,000,472	7,086,413	7,504,828
Local Option Sales Tax	871,022	896,970	996,545	1,128,998	1,502,733
Hotel/Motel Taxes	150,172	163,599	154,137	175,269	232,582
Interest	43,479	44,973	34,653	46,697	50,928
General Intergovernmental Revenues	153,540	173,778	148,034	191,934	192,114
Commercial/Industrial Tax replacement	-	-	113,678	233,203	208,008
Gain on Sale of Capital Assets	11,186	-	4,500	-	30,735
Miscellaneous	40,697	77,764	22,198	96,217	8,280
Transfers	-	25,000	57,166	60,474	(1,018,464)
Total Governmental Activities	8,015,124	8,515,953	8,531,383	9,019,205	8,711,744
Business-type Activities:					
Investment Earnings	5,031	7,606	12,624	19,508	17,637
Gain on Sale of Capital Assets	-	-	-	-	10,726
Miscellaneous	76,040	75,521	91,809	92,824	97,443
Transfers	-	(25,000)	(57,166)	(60,474)	1,018,464
Total Business-type Activities	81,071	58,127	47,267	51,858	1,144,270
Total Primary Government	8,096,195	8,574,080	8,578,650	9,071,063	9,856,014
Change in Net Position					
Governmental Activities	990,098	822,575	1,069,752	2,152,226	39,725
Business-type Activities	(179,655)	(176,048)	507,636	826,330	1,322,116
Total Primary Government	$ 810,443	$ 646,527	$ 1,577,388	$ 2,978,556	$ 1,361,841

Notes:

1) Net (expense)/revenue is the difference between the expenses and program revenues of a function or program. It indicates the degree to which a function or program supports itself with its own fees and grants versus its reliance upon funding from taxes and other general revenues.

2018	2019	2020	2021	2022
$(8,917,342)	$(8,910,547)	$ (7,539,437)	$ (7,666,722)	$ (7,778,151)
720,037	265,969	481,258	1,011,673	938,652
(8,197,305)	(8,644,578)	(7,058,179)	(6,655,049)	(6,839,499)
7,287,523	7,487,736	7,613,429	8,600,766	9,008,053
1,222,010	1,560,866	1,714,891	1,931,044	2,023,559
188,106	179,842	151,341	105,368	251,080
45,347	103,701	113,639	122,172	(77,670)
197,245	191,646	190,890	187,644	181,085
202,647	193,412	185,738	194,209	203,521
-	12,230	4,302	2,949	437,049
224,921	129,650	201,509	102,693	118,757
(108,102)	1,837,271	52,974	329,187	(687,432)
9,259,697	11,696,354	10,228,713	11,576,032	11,458,002
35,407	45,229	52,278	24,848	23,729
1,500	-	-	-	-
98,477	98,309	104,006	101,833	112,354
108,102	(1,837,271)	(52,974)	(329,187)	687,432
243,486	(1,693,733)	103,310	(202,506)	823,515
9,503,183	10,002,621	10,332,023	11,373,526	12,281,517
342,355	2,785,807	2,689,276	3,909,310	3,679,851
963,523	(1,427,764)	584,568	809,167	1,762,167
$ 1,305,878	$ 1,358,043	$ 3,273,844	$ 4,718,477	$ 5,442,018

City of Waverly, Iowa
Tax Revenues By Source
Last Ten Fiscal Years
(cash basis of accounting)

Fiscal Year	General Property Tax	Local Option Sales Tax	Tax Increment Financing Taxes	Cable TV Franchise Tax	Hotel - Motel Tax	Total Taxes
2013	$ 4,830,132	$ 874,064	$ 1,915,351	$ 51,384	$ 148,736	$ 7,819,667
2014	5,173,802	897,221	2,121,270	57,632	163,599	8,413,524
2015	5,418,739	983,208	1,584,732	50,150	154,137	8,190,966
2016	5,081,839	908,243	2,050,061	51,810	175,269	8,267,222
2017	5,565,696	1,372,762	1,933,728	56,752	180,074	9,109,012
2018	6,088,658	1,402,341	1,203,728	61,708	188,196	8,944,631
2019	6,153,187	1,743,644	1,319,322	94,107	170,017	9,480,277
2020	6,189,238	1,536,181	1,289,307	102,544	177,861	9,295,131
2021	7,153,240	2,016,292	1,499,410	96,588	141,092	10,906,622
2022	$ 7,692,171	$ 2,090,158	$ 1,305,443	$ 92,831	$ 194,613	$ 11,375,216
Percentage Change In Dollars Over 10 Years	59.25%	139.13%	-31.84%	80.66%	30.84%	45.47%

City of Waverly, Iowa
Fund Balances of Governments Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2013	**2014**	**2015**	**2016**
General Fund				
Nonspendable	$ 58,623	$ 74,062	$ 75,689	$ 74,377
Restricted	-	-	-	-
Assigned	26,025	11,416	20,874	24,627
Unassigned	1,590,215	2,125,165	2,271,397	2,657,093
Total General Fund	$ 1,674,863	$ 2,210,643	$ 2,367,960	$ 2,756,097
All Other Governmental Funds				
Nonspendable	$ 485,084	$ 490,621	$ 496,551	$ 767,461
Restricted	2,228,356	2,034,196	1,564,753	1,714,074
Assigned	1,529,851	1,263,823	9,011,683	3,079,501
Unassigned	(748,823)	(2,263,027)	(230,217)	(706,489)
Total All Other Governmental Funds	$ 3,494,468	$ 1,525,613	$ 10,842,770	$ 4,854,547
Total Governmental Funds				
Nonspendable	$ 543,707	$ 564,683	$ 572,240	$ 841,838
Restricted	2,228,356	2,034,196	1,564,753	2,203,990
Assigned	1,555,876	1,275,239	9,032,557	2,614,212
Unassigned	841,392	(137,862)	2,041,180	1,950,604
Total Governmental Funds	$ 5,169,331	$ 3,736,256	$ 13,210,730	$ 7,610,644

Notes:

[1] The fluctuations in the fund balance result from construction projects in which funds are borrowed in one year and spent in another fiscal year.

Fiscal Year					
2017	2018	2019	2020	2021	2022
$ 88,789	$ 87,795	$ 233,783	$ 92,658	$ 100,690	$ 219,533
-	-	-	-	1,215,116	829,372
22,810	23,549	26,506	25,523	20,769	19,518
2,704,255	3,126,763	2,873,063	3,766,212	3,424,085	2,108,825
$ 2,815,854	$ 3,238,107	$ 3,133,352	$ 3,884,393	$ 4,760,660	$ 3,177,248
$ 507,588	$ 513,603	$ 516,978	$ 519,488	$ 526,149	$ 532,957
2,727,209	2,420,088	2,609,603	10,336,821	7,644,301	4,711,759
1,242,751	1,755,210	7,439,541	1,735,994	1,728,213	1,649,050
(743,199)	(2,983,470)	(780,849)	(558,596)	(2,892,852)	(1,807,854)
$ 3,734,349	$ 1,705,431	$ 9,785,273	$ 12,033,707	$ 7,005,811	$ 5,085,912
$ 596,377	$ 601,398	$ 750,761	$ 612,146	$ 626,839	$ 752,490
2,727,209	2,420,088	2,609,603	10,336,821	8,859,417	5,541,131
1,265,561	1,778,759	7,466,047	1,761,517	1,748,982	1,668,568
1,961,056	143,293	2,092,214	3,207,616	531,233	300,971
$ 6,550,203	$ 4,943,538	$ 12,918,625	$ 15,918,100	$ 11,766,471	$ 8,263,160

City of Waverly, Iowa
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2013	**2014**	**2015**	**2016**
Revenues				
Taxes	$ 7,766,222	$ 8,192,294	$ 8,151,154	$ 8,215,412
Special Assessments	6,215	20,944	4,600	11,304
Licenses and Permits	77,482	91,315	83,939	87,653
Intergovernmental	2,592,220	2,262,054	3,377,252	4,558,349
Charges for Services	775,303	859,319	842,155	814,866
Fines and Forfeits	70,244	64,414	52,559	54,191
Investment Earnings	42,180	43,948	32,623	44,609
Rental Income	70,947	75,058	120,581	67,106
Contributions	43,424	145,064	110,751	84,473
Refunds/Reimbursements	21,505	-	-	-
Miscellaneous	40,697	65,295	22,198	184,174
Total Revenues	$ 11,506,439	$ 11,819,705	$ 12,797,812	$ 14,122,137
Expenditures				
Current:				
Public Safety	2,390,307	1,968,180	2,096,232	2,329,272
Public Works	1,596,015	1,824,051	1,495,735	1,436,058
Health and Social Services	159,562	161,194	184,325	64,184
Culture and Recreation	2,104,902	2,254,536	2,355,850	2,462,074
Community and Economic Development	1,115,555	1,130,112	1,657,349	489,769
General Government	795,178	815,808	871,927	837,847
Debt Service:				
Principal	1,796,882	1,895,000	2,085,000	2,235,000
Interest	304,063	191,920	490,171	585,738
Capital Projects	2,930,055	3,202,963	9,269,704	9,591,741
Total Expenditures	$ 13,192,519	$ 13,443,764	$ 20,506,293	$ 20,031,683
Excess (Deficiency) of Revenues over (under) Expenditures	(1,686,080)	(1,624,059)	(7,708,481)	(5,909,546)
Other Financing Sources (Uses)				
Issuance of Bonds, Notes, and Leases	700,000	83,226	15,804,500	-
Premiums on Bonds Issued	-	-	767,487	-
Transfers In	4,753,789	3,677,611	5,137,112	4,044,527
Transfers Out	(4,753,789)	(3,574,023)	(5,079,946)	(3,984,053)
Sale of Capital Assets	25,105	4,170	4,500	800
Total Other Financing Sources (Uses)	$ (1,409,895)	$ 190,984	$ 16,633,653	$ 61,274
Net change in fund balances	$ (3,095,975)	$ (1,433,075)	$ 8,925,172	$ (5,848,272)
Debt service as a percentage of non-capital expenditures	20.47%	20.38%	22.92%	24.01%

Fiscal Year					
2017	2018	2019	2020	2021	2022
$ 9,007,561	$ 8,510,566	$ 9,048,602	$ 9,226,758	$ 10,531,810	$ 11,031,612
40,566	-	13,167	13,458	79,723	19,327
113,545	78,885	142,033	139,460	97,544	140,719
3,000,504	3,119,322	2,960,743	4,299,111	4,721,728	3,331,809
822,666	793,572	587,526	623,064	810,735	779,350
57,489	54,876	43,750	41,041	29,590	39,665
49,191	45,347	103,701	113,639	122,172	(77,670)
65,945	96,742	105,662	89,737	101,906	94,188
53,203	37,681	109,620	897,947	904,836	710,242
-	-	-	-	-	-
21,980	247,841	143,709	216,119	122,023	138,106
$ 13,232,650	$ 12,984,832	$ 13,258,513	$ 15,660,334	$ 17,522,067	$ 16,207,348
2,101,970	2,253,573	2,594,111	2,800,963	2,404,783	3,260,054
1,769,481	1,855,470	1,841,712	1,858,532	1,846,967	1,713,490
9,874	9,874	9,874	9,874	9,874	9,874
2,528,258	2,414,847	2,642,004	2,831,586	2,807,462	3,280,686
1,310,800	721,972	774,460	865,910	820,876	789,661
935,697	1,023,626	632,951	777,081	789,924	778,777
2,210,000	2,710,000	2,985,000	3,509,000	3,804,784	3,050,000
546,634	684,914	864,294	793,441	831,325	1,629,484
3,123,039	5,185,465	9,835,274	6,532,560	12,514,115	14,068,159
$ 14,535,753	$ 16,859,741	$ 22,179,680	$ 19,978,947	$ 25,830,110	$ 28,580,185
(1,303,103)	(3,874,909)	(8,921,167)	(4,318,613)	(8,308,043)	(12,372,837)
111,927	2,115,000	14,500,000	6,245,700	2,530,000	308,932
-	31,141	348,159	275,616	147,199	-
3,858,815	3,164,804	5,953,992	5,502,000	4,659,683	12,601,256
(3,758,815)	(3,056,704)	(4,116,721)	(4,677,255)	(3,183,460)	(5,427,816)
30,735	-	12,230	4,302	3,346	2,001,984
$ 242,662	$ 2,254,241	$ 16,697,660	$ 7,350,363	$ 4,156,768	$ 9,484,356
$ (1,060,441)	$ (1,620,668)	$ 7,776,493	$ 3,031,750	$ (4,151,275)	$ (2,888,481)
24.24%	27.52%	31.59%	31.73%	30.80%	22.28%

City of Waverly, Iowa
Assessed and Taxable Value of Taxable Property [1]
Last Ten Fiscal Years

Fiscal Year	Real Property		Utilities [3]		Total		Total Direct Tax Rate	Total Taxable Value To Total Assessed Value
	Assessed Value	Taxable Value [2]	Assessed Value	Taxable Value	Assessed Value	Taxable Value		
2013	$ 621,511,271	$ 382,279,300	$ 9,330,400	$ 6,096,518	$ 630,841,671	$ 388,375,818	14.254	61.56%
2014	630,243,149	410,744,591	9,122,016	5,939,377	639,365,165	416,683,968	14.247	65.17%
2015	602,476,470	422,655,243	7,091,567	5,850,431	609,568,037	428,505,674	14.149	70.30%
2016	605,883,951	363,660,524	6,689,149	5,365,197	612,573,100	369,025,721	14.048	60.24%
2017	645,945,496	382,489,321	6,611,615	4,827,675	652,557,111	387,316,996	14.027	59.35%
2018	681,955,724	420,026,282	4,661,743	2,858,190	686,617,467	422,884,472	14.179	61.59%
2019	686,944,235	413,216,491	4,501,684	2,727,564	691,445,919	415,944,055	14.449	60.16%
2020	701,709,206	428,766,383	4,566,808	2,604,893	706,276,014	431,371,276	14.372	61.08%
2021	729,895,541	433,495,905	4,619,064	2,542,384	734,514,605	436,038,289	15.686	59.36%
2022	$ 750,671,036	$ 456,132,797	$ 4,578,884	$ 2,332,531	755,249,920	458,465,328	16.331	60.70%

Source: Bremer County, Iowa; County Auditor

Notes: The county reassesses by January 1 for the following fiscal year. The state sets the rollback percentage for the taxable value. For the FY 2022 budget this percentage is 56.4094% for Residential

[1] Taxable Value does not include the Tax Increment Levy
[2] Taxable value = (percent rollback * assessed value) - exemptions (military, homestead, elderly, etc.)
[3] Utilities includes Railroads, Utilities, and Gas & Electric

City of Waverly, Iowa
Property Tax Rates- Direct and Overlapping Governments
(Per $1,000 of Taxable Value)
Last Ten Fiscal Years
Tax Rates

	City of Waverly				Overlapping Rates				
Fiscal Year	General	Special Revenue	Debt Service	Total Direct	Waverly - Shell Rock School	Bremer County	Hawkeye Community College	Total Overlapping	Total Direct and Overlapping
2013	$ 8.564	$ 3.657	$ 2.033	$ 14.254	$ 14.058	$ 5.616	$ 0.961	$ 20.635	$ 34.889
2014	8.544	3.777	1.927	14.247	15.816	5.609	0.952	22.377	36.624
2015	8.478	3.401	2.271	14.149	15.782	5.881	0.951	22.614	36.763
2016	8.494	3.187	2.367	14.048	15.783	5.847	0.951	22.581	36.629
2017	8.440	3.181	2.406	14.027	15.184	5.703	0.951	21.838	35.865
2018	8.449	3.000	2.730	14.179	12.722	5.059	0.971	18.752	32.931
2019	8.453	3.241	2.755	14.449	12.778	4.999	1.017	18.794	33.243
2020	8.449	2.981	2.942	14.372	12.694	4.974	1.118	18.786	33.158
2021	8.454	2.948	4.284	15.686	12.601	4.992	1.158	18.751	34.437
2022	$ 8.454	$ 3.272	$ 4.605	$ 16.331	$ 12.554	$ 4.688	$ 1.176	$ 18.418	$ 34.749

Source: Bremer County Iowa: County Auditor-Accounting Department

City of Waverly, Iowa
Principal Taxpayers and Their Assessed Valuations
June 30, 2022 and 2013

	2022			2013		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**
Wal-Mart	$ 9,231,110	1	2.01%	$ 9,062,890	2	2.48%
CUNA Mutual Life Insurance	8,920,000	2	1.95%	9,947,140	1	2.73%
Pinnacle Apartments SPE, LLC	12,216,980	3	2.66%	-	-	0.00%
Birdworks LLC	6,816,100	4	1.49%	6,816,100	3	1.87%
Neste Beverage Company	4,860,690	5	1.06%	6,748,850	4	1.85%
GMT LLC	4,774,020	6	1.04%	4,043,030	6	1.11%
First Bank of Waverly	4,726,860	7	1.03%	4,553,320	5	1.25%
Graening-Knights II, LC	3,797,310	8	0.83%	-	-	0.00%
Waverly Hotel Group, LLC	3,617,720	9	0.79%	-	-	0.00%
Village Sq Plaza Ltd Ptnrs	3,521,520	10	0.77%	3,980,860	7	1.09%
CMI Investments, LLC	3,197,050	-	0.70%	-	-	0.00%
MDM Partnership	3,096,350	-	0.68%	3,543,320	8	0.97%
Terex Cranes Inc - Waverly	-	-	0.00%	3,543,320	9	0.97%
State Bank & Trust Co	-	-	0.00%	2,873,490	10	0.79%
Total Principal Taxpayers	68,775,710		15.00%	55,112,320		15.11%
All Other Taxpayers	389,689,618		85.00%	309,850,081		84.89%
Total Assessed Valuation	$458,465,328		100.00%	$ 364,962,401		100.00%

Source: Bremer County, Iowa: County Treasurer

City of Waverly, Iowa
Property Tax Levies and Collections [1]
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Current Tax Collections (2)	Percent of Levy Collected	Collections in Subsequent Years (2)	Total Tax Collec-tions	Percent of Total Tax Collections to Tax Levy
2013	$ 4,780,652	$ 4,830,133	101.04%	N/A	$ 4,830,133	101.04%
2014	4,952,345	5,007,343	101.11%	N/A	5,007,343	101.11%
2015	5,329,955	5,362,269	100.61%	N/A	5,362,269	100.61%
2016	5,264,349	5,257,108	99.86%	N/A	5,257,108	99.86%
2017	5,529,788	5,748,010	103.95%	N/A	5,748,010	103.95%
2018	6,061,652	6,088,658	100.45%	N/A	6,088,658	100.45%
2019	6,095,525	6,144,867	100.81%	N/A	6,144,867	100.81%
2020	6,287,382	6,189,238	98.44%	N/A	6,189,238	98.44%
2021	7,017,280	7,153,240	101.94%	N/A	7,153,240	101.94%
2022	$ 7,657,798	$ 7,692,172	100.45%	N/A	$ 7,692,172	100.45%

Source: Bremer County Treasurer, Bremer County, Iowa

Notes:
[1] GAAP Basis
[2] Collected totals for each fiscal year include delinquent and current property taxes. The Bremer County Treasurer's Office does not record for which year delinquent payments are made therefore delinquent collections are included in year collected.

City of Waverly, Iowa
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	Governmental Activities			Business-Type Activities					
Fiscal Year	General Obligation Bonds	Lease Agreements	Notes Payable	General Obligation Bonds	Revenue Bonds	Note Payable	Total Primary Government	Percentage of Personal Income [2]	Per Capita [1]
2013	$ 10,060,213	$ -	$ 22,193	$ 3,219,546	$ 175,000	$ -	$ 13,476,952	5.53%	$ 1,334
2014	8,160,133	-	66,206	2,785,672	45,000	207,655	11,264,666	4.30%	1,115
2015	22,445,768	-	193,602	2,396,089	3,800,331	157,655	28,993,445	10.73%	2,869
2016	20,145,924	-	145,490	2,014,486	3,482,780	372,711	26,161,391	8.68%	2,589
2017	17,871,080	-	207,281	1,639,050	3,130,265	221,529	23,069,205	9.47%	2,286
2018	17,239,411	-	39,002	1,245,174	2,797,587	149,806	21,470,980	6.84%	2,120
2019	29,013,793	-	-	941,300	3,981,425	75,901	34,012,419	10.83%	2,120
2020	31,832,952	-	91,700	632,426	3,475,773	446,765	36,479,616	12.25%	3,564
2021	30,621,328	-	46,946	318,552	2,970,121	753,237	34,710,184	10.63%	3,367
2022	$ 26,602,314	$ 187,937	$ -	$ -	$ 2,444,469	$ 7,381,035	$ 36,615,755	11.84%	$ 3,488

Notes:
1 Population data used was the estimated census from the year 2022 of 10,498.
2 See the Scehdule of Demographic and Economic Statistics on page 136 for personal income data.

City of Waverly
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual [1] Taxable Value of Property	Per Capita [2]
2013	$ 13,279,759	$ 467,780	$ 12,811,979	3.21%	$ 1,186
2014	10,945,805	86,345	10,859,460	3.30%	1,277
2015	24,841,857	87,198	24,754,659	2.61%	1,078
2016	22,160,410	-	22,160,410	5.78%	2,450
2017	19,510,130	9,413.00	19,500,717	6.01%	2,193
2018	18,484,585	128,265	18,356,320	5.03%	1,932
2019	29,955,093	175,331	29,779,762	7.16%	1,813
2020	32,465,378	-	32,465,378	7.53%	3,172
2021	30,939,880	-	30,939,880	7.10%	3,172
2022	$ 26,602,314	$ 46,618	$ 26,555,696	5.79%	$ 2,530

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

[1] See the Table of Assessed Values and Taxable Value of Taxable Property for property value data.
[2] Population data used was the estimated census from the year 2022 of 10,498.

City of Waverly, Iowa
Computation of Direct and Overlapping Debt [3]
June 30, 2022

Name of Governmental Unit	GO Debt Outstanding	Percentage [4] Applicable to City	Amount Applicable to City
Direct:			
City of Waverly	$ 26,602,314	100%	$ 26,602,314
Overlapping:			
Bremer County [1]	304,934	18%	54,888
Waverly-Shell Rock School District [2]	31,873,000	44%	14,024,120
Total Overlapping Debt	32,177,934		14,079,008
Total Direct and Overlapping Debt	$ 58,780,248		$ 40,681,322

Sources:
[1] Finance Dept, Bremer County, Iowa
[2] Waverly-Shell Rock School District

Notes:
3 For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using assessed property values.
4 Applicable percentages were estimated by determining the portion of another government unit's assessed value that is within the City's boundaries and dividing it by each unit's total assessed value.

City of Waverly
Legal Debt Margin Information
Last Ten Fiscal Years

	2013	2014	2015	2016
Debt Limit	$ 31,542,084	$ 31,968,258	$ 32,971,505	$ 33,601,567
Total Net Debt Applicable to Limit	12,759,413	10,793,655	23,955,208	21,435,000
Legal Debt Margin	$ 18,670,454	$ 18,782,671	$ 21,174,603	$ 9,016,297
Total Net Debt Applicable to the Limit as a percentage of debt limit	40.45%	33.76%	72.65%	63.79%

Legal Debt Margin Calculation for Fiscal Year 2022

Assessed Value		
Real and Personal Property Within the City		$ 807,502,896
DEBT LIMIT - 5% of ESTIMATED VALUATION		40,375,145
Amount of Debt Applicable to Limit		
Total Debt and Long-Term Notes Payable	36,427,818	
Less:		
Revenue Bonds:		
Sewer Revenue Bonds	800,000	
Sewer Revenue Bonds Premium	26,874	
Water Revenue Bonds	1,600,000	
Water Revenue Bonds Premium	17,595	
Governmental Activities GO Bond Premium	927,314	
Sewer Notes	7,381,035	
Amount Available for Repayment of General Obligation Debt	46,618	
Add:		
Urban Renewal Development Agreements	2,898	
Debt Applicable to Debt Limit		25,631,280
Legal Debt Margin		$ 14,743,865

Notes: Under Title IX, Subtitle 2, Chapter 358C, paragraph 16 of the Iowa State Code, the City's debt limit should not exceed 5% of the estimated value of the taxable property within that district.

2017	2018	2019	2020	2021	2022
$ 35,847,307	$ 36,810,958	$ 37,339,744	$ 38,040,656	$ 39,610,447	$ 40,375,145
19,789,924	19,202,505	29,076,663	31,556,555	29,915,239	25,631,280
$ 12,166,567	$ 16,057,383	$ 8,263,081	$ 6,484,101	$ 9,695,208	$ 14,743,865
55.21%	52.17%	77.87%	82.95%	75.52%	63.48%

City of Waverly, Iowa
Water Revenue Bond Coverage
Last Ten Fiscal Years [1]

Fiscal Year	Net Operating Revenue	Direct Operating Expense	Depreciation & Amortization Included in Expenses	Net Revenue Available for Debt Service	Payments On Principal
2013	$ 1,195,417	$ 1,197,792	$ 283,418	$ (2,375)	$ 260,862
2014	1,228,012	1,326,703	305,013	(98,691)	262,931
2015	1,236,098	1,076,601	306,766	159,497	357,931
2016	1,246,479	1,071,839	306,376	174,640	370,000
2017	1,308,725	1,179,598	340,505	129,127	375,000
2018	1,335,896	1,171,119	328,522	164,777	377,069
2019	1,496,978	1,411,717	330,319	85,261	444,139
2020	1,515,461	1,319,948	331,524	195,513	446,207
2021	1,575,486	1,191,651	321,653	383,835	448,275
2022	$ 1,555,079	$ 1,348,655	$ 320,915	$ 206,424	$ 460,345

Notes

[1] GAAP Basis

Payments For Interest	Total Debt Service Payments	Coverage	Net Revenue Available For Debt Service Plus Depreciation	Coverage Without Depreciation
$ 41,429	$ 302,291	(0.01)	$ 281,043	0.93
30,882	293,813	(0.34)	206,322	0.70
51,721	409,652	0.39	466,263	1.14
53,761	423,761	0.41	481,016	1.14
47,337	422,337	0.31	469,632	1.11
41,721	418,790	0.39	493,299	1.18
92,146	536,285	0.16	415,580	0.77
75,796	522,003	0.37	527,037	1.01
67,559	515,834	0.74	705,488	1.37
$ 57,100	$ 517,445	0.40	$ 527,339	1.02

City of Waverly, Iowa
Sewer Revenue Bond Coverage
Last Ten Fiscal Years[1]

Fiscal Year	Net Operating Revenue	Direct Operating Expense	Depreciation & Amortization Included in Expenses	Net Revenue Available For Debt Service	Payments On Principal	Payments For Interest
2013	$ 1,573,000	$ 1,756,675	$ 489,997	$ (183,675)	$ 294,138	$ 37,236
2014	1,640,186	1,676,045	523,946	(35,859)	297,069	24,802
2015	1,643,939	1,470,986	524,675	172,953	212,069	44,238
2016	1,792,574	1,623,141	526,562	169,433	325,000	80,548
2017	1,666,757	1,726,341	567,804	(59,584)	335,000	68,622
2018	1,695,866	1,645,111	515,526	50,755	337,931	63,896
2019	1,837,309	1,717,150	522,519	120,159	345,861	57,989
2020	1,944,024	1,811,736	526,753	132,288	353,793	51,951
2021	2,121,115	1,713,149	547,793	407,966	356,725	46,145
2022	$ 2,257,532	$ 1,793,752	$ 553,046	$ 463,780	$ 369,655	$ 174,771

Notes
[1] GAAP Basis

Total Debt Service Payments	Coverage	Net Revenue Available For Debt Service Plus Depreciation	Coverage Without Depreciation
$ 331,374	(0.55)	$ 306,322	0.92
321,871	(0.11)	488,087	1.52
256,307	0.67	697,628	2.72
405,548	0.42	695,995	1.72
403,622	(0.15)	508,220	1.26
401,827	0.13	566,281	1.41
403,850	0.30	642,678	1.59
405,744	0.33	659,041	1.62
402,870	1.01	955,759	2.37
$ 544,426	0.85	$ 1,016,826	1.87

City of Waverly, Iowa
Demographic and Economic Statistics [1]
Selected Years

Fiscal Year	Population	Total Personal Income [2]	Per Capita Personal Income	Median Age	Educational Attainment Bachelor's Degree or Higher	School Enrollment	Unemployment Rate
1970	7,205	$ 21,334,005	$ 2,961	25.2	n/a	2,582	3.80%
1980	8,444	60,644,808	7,182	27.4	n/a	2,282	4.60%
1990	8,539	101,972,738	11,942	32.5	n/a	2,120	4.20%
2000	8,968	163,979,880	18,285	34.1	1,618	1,944	2.40%
2010	9,874	243,670,572	24,678	34.1	3,545	1,969	4.00%
2020	10,235	297,756,620	29,092	35.4	4,012	2,268	3.75%
2022	10,498 (3)	$ 309,218,590	$ 29,455 (4)	36.9 (5)	4,567 (6)	2,260 (7)	3.60% (8)

Sources: U.S. Census Bureau

Notes:

1. Accurate statistical figures are only available every ten years.
2. Computation of per capita personal income multiplied by population.
3. Population 2022 estimate from worldpopulationreview.com
4. Taken from quickfacts.census.gov
5. Estimate from worldpopluationreview.com
6. Estimate from census.gov
7. WSR school enrollment for 21-22
8. Waverly Economic Development

City of Waverly, Iowa
Principal Employers
Current Year and Nine Years Ago

	2022			2013		
Employer	**Employees**	**Rank**	**Percentage of Total City Employment**	**Employees**	**Rank**	**Percentage of Total City Employment**
CUNA Mutual Life Insurance	550	1	4.04%	515	1	6.49%
Wartburg College	500	2	3.68%	500	2	6.30%
Waverly Health Center	487	3	3.58%	436	3	5.49%
Waverly Shell Rock Schools	433	4	3.18%	381	4	4.80%
GMT Corporation	283	5	2.08%	310	6	3.90%
Walmart	240	6	1.76%	266	8	3.35%
Bartels Lutheran Retirement Comm	216	7	1.59%	283	7	3.56%
Nestle USA	195	8	1.43%	200	9	2.52%
Bremer County	177	9	1.30%	-	-	-
UEA	158	10	1.16%	-	-	-
Terex Cranes, Inc. Waverly	-	-	-	350	5	4.41%
Lutheran Services in Iowa, Inc	-	-	-	170	10	2.14%
Total Employees of Principal Employers	3,239		23.80%	3,411		42.96%
Other Employees	10,361		76.20%	4,528		57.04%
Adjusted Labor Force [1]	13,600		100.00%	7,939		100.00%

Source:
Waverly Economic Development

Note:

1 Includes full-time and part-time employees based on Iowa Work Force Development

City of Waverly, Iowa
Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government	13.5	13.5	13	13	13	15.5	13	14.35	14.6	14.75
Library	10.5	10.5	11	11	11.3	11.3	11.3	11.2	11.2	11.2
Public Safety										
Police										
Officers	16	16	16	16	16	16	16	16	16	17
Secretaries	1	1	1	1	1	1	1	1	1	1
Fire										
Firefighters and Officers	8	8	8	8	9	9	9	9	9	9
Volunteers	29	29	29	29	28	28	28	28	28	31
Highways and Streets										
Public Works Admin/Engineering	6	6	6	6	6	6	5.5	5.2	5.2	6.2
Zoning/Economic	3	4	5	5	5	5	5	4	4	4
Equipment Maintenance	2	2	2	2	2	2	2	2	2	2
Street Maintenance	7	7	7	7	7	6.75	8	7.78	7.78	7
Sanitation	8.5	8.5	8.5	8.5	8.5	8.7	9	9	9	9
Culture and Recreation	18	18	18	18	18	18	19	18	21.3	21.25
Water	3.5	3.5	3.5	3.5	3.75	3.75	3.25	3.25	3.5	3.5
Sewer	5.5	5.5	3.5	3.5	5.75	5.75	5.25	5.25	6.5	6.3
	131.5	132.5	131.5	131.5	134.3	136.75	135.3	134.03	139.08	143.2

Source: City of Waverly Accounting Department

City of Waverly, Iowa
Operating Indicators by Function
Last Ten Fiscal Years

	Fiscal Year			
	2013	2014	2015	2016
Function				
Police				
Physical Arrests	299	340	504	623
Parking Violations	599	728	528	548
Traffic Violations	950	847	818	754
Fire				
Number of Calls Answered	111	76	112	106
Highways and Streets				
Street Maintenance (Blocks)	97	95	88	78
Street Reconstruction (Blocks)	36	10	10	6
Building Permits				
Number	423	388	422	440
Value	$ 19,816,016	$ 15,692,981	$ 35,672,014	$ 27,773,351
Permit Fees	$ 111,018	$ 139,127	$ 139,265	$ 126,235
Sanitation				
Solid Waste Collected (tons)	3,653	3,910	3,995	4,239
Recyclables Collected (pounds)	1,956,116	1,840,308	1,397,998	2,276,000
Water				
Water Pumped (in thousands of gallons)	328,942	327,477	375,445	352,702
Water Billed (in thousands of gallons)	266,859	270,427	260,622	254,403
Percent Accountable	81%	83%	69%	72%

Source: Annual reports from each department.

Fiscal Year					
2017	2018	2019	2020	2021	2022
465	451	400	291	407	430
579	602	514	399	532	579
649	706	646	526	536	545
110	123	111	117	145	153
100	125	60	90	110	110
-	36	40	15	-	5
428	370	396	349	364	341
$ 23,430,006	$ 21,702,076	$ 25,493,654	$ 45,975,454	$ 16,481,831	$ 63,964,233
$ 123,002	$ 111,581	$ 120,598	$ 158,347	$ 91,996	$ 198,348
4,464	4,472	4,635	4,663	4,663	4,839
2,064,840	2,766,960	2,393,008	2,051,650	2,060,000	1,986,000
356,489	358,615	341,884	349,624	384,774	338,991
247,064	250,852	243,332	250,099	268,223	266,292
69%	70%	71%	72%	70%	79%

City of Waverly, Iowa
Capital Asset Statistics by Function
Last Ten Fiscal Years

	Fiscal Year			
	2013	2014	2015	2016
Function				
Police:				
Stations	1	1	1	1
Patrol Units	8	8	8	8
Fire Stations	1	1	1	1
Sanitation				
Collection Trucks	4	4	4	4
Recycling Trucks	1	1	1	1
Highways and Streets				
Streets City Maintained (miles)	67	67	67	67
State Highway (miles)	7	7	7	7
Culture and Recreation				
Parks Acreage	140	140	140	146
Parks	25	25	25	25
Miles of Recreational Trails	15	15	15	15
Swimming Pools	1	1	1	1
Libraries	1	1	1	1
Community Centers	1	1	1	1
Airports	1	1	1	1
Golf Courses	1	1	1	1
Boat Ramps	2	2	2	2
Boat Docks	1	1	1	1
Skate Parks	1	1	1	1
Cemetery				
Cemetery (acres)	47	47	47	47
Water				
Water Mains (miles)	73	74	71	74
Number of Service Connections	3,591	3,664	3,674	3,966
Daily Ave. Consumption in Gallons	996,948	1,059,384	1,028,616	966,307
Fire Hydrants	679	690	690	692
Maximum Daily Capacity (thousands of gallons)	7,000,000	7,000,000	7,000,000	7,000,000
Sewer				
Sanitary Sewers (miles)	62	63	61	63
Number of Treatment Plants	1	1	1	1
Number of Service Connections	3,527	3,595	3,620	3,675
Daily Ave. Treatments in Gallons	1,240,333	1,202,904	1,102,000	1,020,000
Maximum Daily Capacity (thousands of gallons)	2,330,000	2,330,000	2,330,000	2,330,000

Source: Annual reports from each department.

Fiscal Year					
2017	2018	2019	2020	2021	2022
1	1	1	1	1	1
8	8	8	8	8	8
1	1	1	1	1	1
4	4	4	4	4	4
1	1	1	1	1	1
69	69.6	69.6	69.6	69.6	69.6
7	7	7	7	7	7
175	175	175	175	175	199
25	25	25	25	25	25
15	15	15	20	20	20
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
2	2	2	2	2	2
1	1	1	1	1	1
1	1	1	1	1	1
47	47	47	47	47	47
76	74	74	76	76	76
4,059	4,099	4,231	4,333	4,380	4,391
976,682	976,583	936,583	955,333	1,053,075	928,416
693	639	639	709	727	737
7,000,000	7,000,000	7,000,000	7,632,000	7,632,000	7,632
60	60	60	61.4	62.8	63.7
1	1	1	1	1	1
3,688	3,745	3,760	4,000	4,000	3,912
1,588,904	1,154,000	2,064,000	1,404,000	1,054,400	1,154,000
2,330,000	2,330,000	2,330,000	2,330,000	2,330,000	2,330

WILLIAMS & COMPANY P.C.
CERTIFIED PUBLIC ACCOUNTANTS

21 1st Avenue NW
P.O. Box 1010
Le Mars, IA 51031
Phone (712) 546-7801
Fax (712) 546-6543
www.williamscpas.com

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

Honorable Members of the City Council
City of Waverly, Iowa

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Waverly, Iowa as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated January 24, 2023. Our report includes a reference to other auditors who audited the financial statements of Waverly Health Center and Waverly Utilities, as described in our report on the City of Waverly's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2022-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2022 are based exclusively on knowledge obtained from procedures performed during our audit of the 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.

City of Waverly's Response to Findings

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

Purpose of this Report

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

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

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

Wellman & Company P.C.

Certified Public Accountants

Le Mars, Iowa
January 24, 2023

CITY OF WAVERLY, IOWA
Schedule of Findings
For the Year Ended June 30, 2022

Part I: Summary of the Independent Auditors' Results

(a) Unmodified opinions were issued on the financial statements prepared in accordance with U.S. generally accepted accounting principles.
(b) A material weakness in internal control over financial reporting was disclosed by the audit of the financial statements.
(c) The audit did not disclose any non-compliance which is material to the financial statements.

Part II: Findings Related to the Financial Statements

Instances of Non-Compliance:

No matters were noted.

Material Weakness:

2022-001 Financial Reporting

Condition and Criteria – During the audit, we identified material amounts of receivables, payables and capital asset additions not recorded in the City's financial statements. Adjustments were subsequently made by the City to properly include these amounts in the financial statements.

Effect – Because of insufficient review procedures, the financial accounting is susceptible to an increased risk of errors and omissions.

Cause – With limited number of personnel and time constraints, review of all financial accounting activities is not feasible.

Recommendation – The City should implement procedures to ensure all receivables, payables and capital asset additions are identified and included in the City's financial statements.

Views of Responsible Officials – We will double check these in the future to avoid missing any receivables, payables or capital asset transactions.

CITY OF WAVERLY, IOWA
Schedule of Findings
For the Year Ended June 30, 2022

Part III: Other Findings Related to Required Statutory Reporting

IV-A-22 - Certified Budget – Disbursements during the year ended June 30, 2022 did not exceed the amounts budgeted in any function.

IV-B-22 - Questionable Expenditures – No expenditures we believe may not meet the requirements of public purposes as defined in an Attorney General's opinion dated April 25,1979 were noted.

IV-C-22 - Travel Expense - No expenditures of City money for travel expenses of spouses of City officials or employees were noted.

IV-D-22 - Business Transactions – Business transactions between the City and City officials and/or employees are detailed as follows:

Name, Business Connection	Description	Amount
Advantage Administrators, Council Member	Medical Claim Processing	$7,857
Cedar River Construction, Employee's Spouse	Construction	$600

In accordance with Chapter 362.5(3)(j) of the Code of Iowa, the transaction with the employee's spouse does not appear to represent conflicts of interest since total transaction is less than $6,000 during the fiscal year. The transaction with the council member may represent a conflict of interest and the City should contact legal counsel for determination.

IV-E-22 - Restricted Donor Activity – No transactions were noted between the City, City officials, City employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.

IV-F-22 - Bond Coverage - Surety bond coverage of City officials and employees is in accordance with statutory provisions. However, we recommend that the amount of coverage be reviewed annually to insure that the coverage is adequate for current operations.

IV-G-22 - Council Minutes - We noted no transactions requiring approval which had not been approved by the Council.

IV-H-22 - Deposits and Investments - We noted no instances of noncompliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the City's investment policy.

IV-I-22 - Revenue Bonds - No violations of revenue bond resolutions were noted.

IV-J-22 - Annual Urban Renewal Report – The annual urban renewal report was property approved and certified to the Iowa Department of Management on or before December 1 and no exceptions were noted.

APPENDIX B

DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to any Tender/Remarketing Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to any Tender/Remarketing Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to any Tender/Remarketing Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

APPENDIX C

DRAFT FORM OF BOND COUNSEL OPINION

Ahlers & Cooney, P.C.
Attorneys at Law
100 Court Avenue, Suite 600
Des Moines, Iowa 50309-2231
Phone: 515-243-7611
Fax: 515-243-2149
www.ahlerslaw.com

DRAFT

We hereby certify that we have examined a certified transcript of the proceedings of the City Council and acts of administrative officers of the City of Waverly, State of Iowa (the "Issuer"), relating to the issuance of General Obligation Bonds, Series 2023, by said City, dated June 20, 2023, in the denomination of $5,000 or multiples thereof, in the aggregate amount of $_____ (the "Bonds").

We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion as bond counsel.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the resolution authorizing issuance of the Bonds (the "Resolution") and in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

Based on our examination and in reliance upon the certified proceedings and other certifications described above, we are of the opinion, under existing law, as follows:

1. The Issuer is duly created and validly existing as a body corporate and politic and political subdivision of the State of Iowa with the corporate power to adopt and perform the Resolution and issue the Bonds.

2. The Bonds are valid and binding general obligations of the Issuer.

3. All taxable property in the territory of the Issuer is subject to ad valorem taxation without limitation as to rate or amount to pay the Bonds. Taxes have been levied by the Resolution for the payment of the Bonds and the Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent the necessary funds are not provided from other sources.

4. Interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Wishard & Baily – 1888, Guernsey & Baily – 1893, Baily & Stipp – 1901, Stipp, Perry, Bannister & Starzinger – 1914, Bannister, Carpenter, Ahlers & Cooney – 1950, Ahlers, Cooney, Dorweiler, Allbee, Haynie & Smith – 1974, Ahlers, Cooney, Dorweiler, Haynie, Smith & Allbee, P.C. – 1990

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or other offering material relating to the Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

The rights of the owners of the Bonds and the enforceability of the Bonds are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Respectfully submitted,

02189250-1\11316-122

APPENDIX D

DRAFT CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Waverly, State of Iowa (the "Issuer"), in connection with the issuance of $_____ General Obligation Bonds, Series 2023 (the "Bonds") dated June 20, 2023. The Bonds are being issued pursuant to a Resolution of the Issuer approved on June 5, 2023 (the "Resolution"). The Issuer covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate; Interpretation. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5). This Disclosure Certificate shall be governed by, construed and interpreted in accordance with the Rule, and, to the extent not in conflict with the Rule, the laws of the State. Nothing herein shall be interpreted to require more than required by the Rule.

Section 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Financial Information" shall mean financial information or operating data of the type included in the final Official Statement, provided at least annually by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Business Day" shall mean a day other than a Saturday or a Sunday or a day on which banks in Iowa are authorized or required by law to close.

"Dissemination Agent" shall mean the Issuer or any Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"Financial Obligation" shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with S.E.C. Rule 15c2-12.

"Holders" shall mean the registered holders of the Bonds, as recorded in the registration books of the Registrar.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"Municipal Securities Rulemaking Board" or "MSRB" shall mean the Municipal Securities Rulemaking Board, 1300 I Street NW, Suite 1000, Washington, DC 20005.

"National Repository" shall mean the MSRB's Electronic Municipal Market Access website, a/k/a "EMMA" (emma.msrb.org).

"Official Statement" shall mean the Issuer's Official Statement for the Bonds, dated _____, 2023.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Rule" shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission (S.E.C.) under the Securities Exchange Act of 1934, and any guidance and procedures thereunder published by the S.E.C., as the same may be amended from time to time.

"State" shall mean the State of Iowa.

Section 3. Provision of Annual Financial Information.

a) The Issuer shall, or shall cause the Dissemination Agent to, not later than two hundred seventy (270) days after the end of the Issuer's fiscal year (presently June 30th), commencing with information for the 2022/2023 fiscal year, provide to the National Repository an Annual Financial Information filing consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Financial Information filing must be submitted in such format as is required by the MSRB (currently in "searchable PDF" format). The Annual Financial Information filing may be submitted as a single document or as separate documents comprising a package. The Annual Financial Information filing may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Financial Information filing and later than the date required above for the filing of the Annual Financial Information if they are not available by that date. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

b) If the Issuer is unable to provide to the National Repository the Annual Financial Information by the date required in subsection (a), the Issuer shall send a notice to the Municipal Securities Rulemaking Board, if any, in substantially the form attached as Exhibit A.

c) The Dissemination Agent shall:

i. each year file Annual Financial Information with the National Repository; and

ii. (if the Dissemination Agent is other than the Issuer), file a report with the Issuer certifying that the Annual Financial Information has been filed pursuant to this Disclosure Certificate, stating the date it was filed.

Section 4. Content of Annual Financial Information. The Issuer's Annual Financial Information filing shall contain or incorporate by reference the following:

a) The last available audited financial statements of the Issuer for the prior fiscal year, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under State law, as in effect from time to time, or, if and to the extent such financial statements have not been prepared in accordance with generally accepted accounting principles, noting the discrepancies therefrom and the effect thereof. If the Issuer's audited financial statements for the preceding years are not available by the time Annual Financial Information is required to be filed pursuant to Section 3(a), the Annual Financial Information filing shall contain unaudited financial statements of the type included in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Financial Information when they become available.

b) The following tables, schedule or other information prepared as of the end of the preceding fiscal year, of the type contained in the final Official Statement under the “Debt Information” heading: “Debt Limitation”, “Summary of Outstanding General Obligation Bonded Debt”, “General Obligation Debt”, “Statement of Bonded Indebtedness”, and “Other Debt – TIF backed Agreements”;

c) The following tables, schedule or other information prepared as of the end of the preceding fiscal year, of the type contained in the final Official Statement under the “Property Assessment and Tax Information (formerly identified as "Property Tax Information")” heading: “Actual (100%) Valuations for the City”, “Taxable (Rollback) Valuations for the City”, “Tax Extensions and Collections”, “Principal Taxpayers”, and “Property Tax Rates”; and

d) The following tables, schedule or other information prepared as of the end of the preceding fiscal year, of the type contained in the final Official Statement under the "Financial Information" heading: "Statement of Net Position", "Statement of Activities", "Balance Sheet", and "Statement of Revenues, Expenditures and Changes in Fund Balance".

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which have been filed with the National Repository. The Issuer shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

a) Pursuant to the provisions of this Section, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not later than 10 Business Days after the day of the occurrence of the event:

i. Principal and interest payment delinquencies;

ii. Non-payment related defaults, if material;

iii. Unscheduled draws on debt service reserves reflecting financial difficulties;

iv. Unscheduled draws on credit enhancements relating to the Bonds reflecting financial difficulties;

v. Substitution of credit or liquidity providers, or their failure to perform;

vi. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Series Bonds, or material events affecting the tax-exempt status of the Bonds;

vii. Modifications to rights of Holders of the Bonds, if material;

viii. Bond calls (excluding sinking fund mandatory redemptions), if material, and tender offers;

ix. Defeasances of the Bonds;

x. Release, substitution, or sale of property securing repayment of the Bonds, if material;

xi. Rating changes on the Bonds;

xii. Bankruptcy, insolvency, receivership or similar event of the Issuer;

xiii. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

xiv. Appointment of a successor or additional trustee or the change of name of a trustee, if material;

xv. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and

xvi. Default, event of acceleration, termination event, modification of terms or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

b) Whenever the Issuer obtains the knowledge of the occurrence of a Listed Event, the Issuer shall determine if the occurrence is subject to notice only if material, and if so shall as soon as possible determine if such event would be material under applicable federal securities laws.

c) If the Issuer determines that knowledge of the occurrence of a Listed Event is not subject to materiality, or determines such occurrence is subject to materiality and would be material under applicable federal securities laws, the Issuer shall promptly, but not later than 10 Business Days after the occurrence of the event, file a notice of such occurrence with the Municipal Securities Rulemaking Board through the filing with the National Repository.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate with respect to each Series of Bonds shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds of that Series or upon the Issuer's receipt of an opinion of nationally recognized bond counsel to the effect that, because of legislative action or final judicial action or administrative actions or proceedings, the failure of the Issuer to comply with the terms hereof will not cause Participating Underwriters to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended.

Section 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the Issuer.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

a) If the amendment or waiver relates to the provisions of Section 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Resolution for amendments to the Resolution with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Financial Information filing, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Financial Information filing for the year in which the change is made will present a comparison or other discussion in narrative form (and also, if feasible, in quantitative form) describing or illustrating the material differences between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Financial Information filing or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Financial Information filing or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Certificate to update such information or include it in any future Annual Financial Information filing or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. Direct, indirect, consequential and punitive damages shall not be recoverable by any person for any default hereunder and are hereby waived to the extent permitted by law. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 13. Rescission Rights. The Issuer hereby reserves the right to rescind this Disclosure Certificate without the consent of the Holders in the event the Rule is repealed by the S.E.C. or is ruled invalid by a federal court and the time to appeal from such decision has expired. In the event of a partial repeal or invalidation of the Rule, the Issuer hereby reserves the right to rescind those provisions of this Disclosure Certificate that were required by those parts of the Rule that are so repealed or invalidated.

Date: 20th day of June, 2023.

CITY OF WAVERLY, STATE OF IOWA

By: _____
Mayor

ATTEST:

By: _____
City Clerk

EXHIBIT A

NOTICE TO NATIONAL REPOSITORY OF FAILURE TO FILE ANNUAL FINANCIAL INFORMATION

Name of Issuer: City of Waverly, Iowa.

Name of Bond Issue: $_____ General Obligation Bonds, Series 2023

Dated Date of Issue: June 20, 2023

NOTICE IS HEREBY GIVEN that the Issuer has not provided Annual Financial Information with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Certificate delivered by the Issuer in connection with the Bonds. The Issuer anticipates that the Annual Financial Information will be filed by _____.

Dated: _____ day of _____, 20___.

CITY OF WAVERLY, STATE OF IOWA

By: _____
Its: _____

02189256-1\11316-122

OFFICIAL BID FORM

City of Waverly
200 1st Street NE
Waverly, IA 50677

May 15, 2023
Speer Financial, Inc.
Facsimile: (319) 291-8628

City Council:

For the $4,500,000* General Obligation Bonds, Series 2023 (the "Bonds"), of the City of Waverly, Bremer County, Iowa (the "City"), as described in the annexed Official Terms of Offering, which is expressly made a part of this bid, we will pay you $_____ (no less than $4,464,000). The Bonds are to bear interest at the following respective rates (each a multiple of 1/8 or 1/100 of 1%) for the Bonds of each designated maturity.

AMOUNTS* AND MATURITIES – JUNE 1

$375,000	2025	_____%	$420,000	2028	_____%	$495,000	2032	_____%
390,000	2026	_____%	435,000	2029	_____%	515,000	2033	_____%
405,000	2027	_____%	455,000	2030	_____%	535,000	2034	_____%
			475,000	2031	_____%			

Any consecutive maturities may be aggregated into term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

Maturities: _____ ***Term Maturity*** _____ ***Maturities:*** _____ ***Term Maturity*** _____

Maturities: _____ ***Term Maturity*** _____ ***Maturities:*** _____ ***Term Maturity*** _____

**Subject to principal adjustment in accordance with the Official Terms of Offering.*

In submitting this bid, we represent that (i) this bid constitutes a firm offer to purchase the Bonds, and (ii) we have an established industry reputation for underwriting new issuances of municipal bonds and notes.

The Bonds are to be executed and delivered to us in accordance with the terms of this bid accompanied by the approving legal opinion of Ahlers & Cooney, P.C., Des Moines, Iowa. The City will pay for the legal opinion. **The Purchaser agrees to** pay the fee charged by the CUSIP Service Bureau and will accept the Bonds with the CUSIP numbers as entered on the Bonds.

As evidence of our good faith, if we are the winning bidder, we will wire transfer the amount of **TWO PERCENT OF PAR** (the "Deposit") **WITHIN TWO HOURS** after the bid opening time to the City's good faith bank and under the terms provided in the Official Terms of Offering for the Bonds. Alternatively, we have wire transferred or enclosed herewith a check payable to the City in the amount of the Deposit under the terms provided in the Official Terms of Offering for the Bonds.

Attached hereto is a list of members of our account on whose behalf this bid is made.

Form of Deposit (Check One)

Prior to Bid Opening:
Certified/Cashier's Check [ ]
Wire Transfer [ ]

Within TWO Hours of Bid Opening:
Wire Transfer [ ]

Amount: $90,000

Account Manager Information

Underwriter/Bank _____

Address _____

Authorized Rep _____

City _____ State/Zip _____

Direct Phone (_____) _____

FAX Number (_____) _____

E-Mail Address _____

Bidders Option Insurance

We have purchased insurance from:

Name of Insurer
(Please fill in)

_____

Premium: _____

Maturities: (Check One)

[__] _____**Years**

[__] All

The foregoing bid was accepted and the Bonds sold by resolution of the City on May 15, 2023, and receipt is hereby acknowledged of the good faith Deposit which is being held in accordance with the terms of the annexed Official Terms of Offering.

ATTEST:

CITY OF WAVERLY
BREMER COUNTY, IOWA

_____ *City Clerk*

_____ *Mayor*

----------NOT PART OF THE BID----------
(Calculation of true interest cost)

Gross Interest	$
Less Premium/Plus Discount	$
True Interest Cost	$
True Interest Rate	%

TOTAL BOND YEARS	30,487.50
AVERAGE LIFE	6.775 Years

OFFICIAL TERMS OF OFFERING

$4,500,000*
CITY OF WAVERLY
Bremer County, Iowa

General Obligation Bonds, Series 2023

The City of Waverly, Bremer County, Iowa, (the "City"), will receive electronic bids on the SpeerAuction ("SpeerAuction") website address "www.SpeerAuction.com" for its $4,500,000* General Obligation Bonds, Series 2023 (the "Bonds"), on an all or none basis between 10:30 A.M. and 11:00 A.M., C.D.T., Monday, May 15, 2023. To bid electronically, bidders must have: (1) completed the registration form on the SpeerAuction website, and (2) requested and received admission to the City's sale (as described below). The City will also receive sealed bids for the Bonds, on an all or none basis, at City Hall, 200 1st Street NE, Waverly, Iowa, before 11:00 A.M., C.D.T., Monday, May 15, 2023. The City will also receive facsimile bids at (319) 291-8628 (Speer) or (319) 352-5772 (City Hall) for the Bonds, on an all or none basis, before 11:00 A.M., C.D.T., Monday, May 15, 2023. Upon receipt, facsimile bids will be sealed and treated as sealed bids, and along with all other sealed bids will be publicly opened and, together with any electronic bids, read.

Award will be made or all bids rejected at a meeting of the City on that date. The City reserves the right to reject all bids, to reject any bid proposal not conforming to this Official Terms of Offering, and to waive any irregularity or informality with respect to any bid. Additionally, the City reserves the right to modify or amend this Official Terms of Offering; however, any such modification or amendment shall not be made less than twenty-four (24) hours prior to the date and time for receipt of bids on the Bonds and any such modification or amendment will be announced on the Amendments Page of the SpeerAuction webpage and through *Thomson Municipal News.*

The Bonds will constitute valid and legally binding obligations of the City payable both as to principal and interest from ad valorem taxes levied against all taxable, real property within the corporate limits of the City without limitation as to rate or amount, all except as limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws relating to the enforcement of creditors' rights generally and except that enforcement by equitable and similar remedies, such as mandamus, is subject to the exercise of judicial discretion.

**ADJUSTMENTS TO PRINCIPAL AMOUNT AFTER DETERMINATION OF BEST BID. The aggregate principal amount of the Bonds, and each scheduled maturity thereof, are subject to increase or reduction by the City or its designee after the determination of the Winning Bidder. The City may increase or decrease each maturity in increments of $5,000, but the total amount to be issued will not exceed $5,300,000. Interest rates specified by the Winning Bidder for each maturity will not change. Final adjustments shall be in the sole discretion of the City.*

The dollar amount of the purchase price proposed by the Winning Bidder will be changed if the aggregate principal amount of the Bonds is adjusted as described above. Any change in the principal amount of any maturity of the Bonds will be made while maintaining, as closely as possible, the Winning Bidder's net compensation, calculated as a percentage of bond principal. The Winning Bidder may not withdraw or modify its bid as a result of any post-bid adjustment. Any adjustment shall be conclusive, and shall be binding upon the Winning Bidder.

Establishment of Issue Price

(a) The winning bidder shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the Public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as **Exhibit A** to this Official Terms of Offering, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the City and Ahlers & Cooney, P.C. ("Bond Counsel"). All actions to be taken by the City under this Official Terms of Offering to establish the issue price of the Bonds may be taken on behalf of the City by the City's municipal advisor and any notice or report to be provided to the City may be provided to Speer Financial, Inc., Chicago, Illinois ("*Speer*").

(b) The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

(i) the City shall disseminate this Official Terms of Offering to potential Underwriters in a manner that is reasonably designed to reach potential Underwriters;
(ii) all bidders shall have an equal opportunity to bid;
(iii) the City may receive bids from at least three Underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
(iv) the City anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the lowest true interest cost, as set forth in this Official Terms of Offering.

Any bid submitted pursuant to this Official Terms of Offering shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

(c) In the event that the competitive sale requirements are not satisfied, the City shall so advise the winning bidder. **The City will <u>not</u> require bidders to comply with the "hold-the-offering-price rule" and therefore does not intend to use the initial offering price to the Public as of the Sale Date of any maturity of the Bonds as the issue price of that maturity, though the winning bidder may elect to apply the "hold the offering price rule" (as described below). Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied. Unless a bidder intends to apply the "hold-the-offering-price rule" as described below, bidders should prepare their bids on the assumption that all of the maturities of the Bonds will be subject to the 10% test (as described below) in order to establish the issue price of the Bonds.** If the competitive sale requirements are not satisfied, the 10% test shall apply to determine the issue price of each maturity of the Bonds unless the winning bidder shall request that the "hold-the-offering-price rule" (as described below) shall apply. The winning bidder must notify Speer of its intention to apply the "hold-the-offering-price rule" at or prior to the time the Bonds are awarded.

(i) If the winning bidder <u>does not</u> request that the "hold-the-offering-price rule" apply to determine the issue price of the Bonds, the following two paragraphs shall apply:

The City shall treat the first price at which 10% of a maturity of the Bonds (the "10% test") is sold to the Public as the issue price of that maturity, applied on a maturity-by-maturity basis. The winning bidder shall advise the City if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds.

Until the 10% test has been satisfied as to each maturity of the Bonds, the winning bidder agrees to promptly report to the City the prices at which the unsold Bonds of that maturity have been sold to the Public. That reporting obligation shall continue, whether or not the closing date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the Public. In addition, if the 10% test has not been satisfied with respect to any maturity of the Bonds prior to closing, then the purchaser shall provide the City with a representation as to the price of prices, as of the date of closing, at which the purchaser reasonably expects to sell the remaining Bonds of such maturity.

(ii) If the winning bidder does request that the "hold-the-offering-price rule" apply to determine the issue price of the Bonds, the following three paragraphs shall apply:

The City may determine to treat (i) pursuant to the 10% test, the first price at which 10% of a maturity of the Bonds is sold to the Public as the issue price of that maturity and/or (ii) the initial offering price to the Public as of the Sale Date of any maturity of the Bonds as the issue price of that maturity (the "hold-the-offering-price rule"), in each case applied on a maturity-by-maturity basis. The winning bidder shall advise the City if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds. The City shall promptly advise the winning bidder, at or before the time of award of the Bonds, which maturities of the Bonds shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule or both. Bids will *not* be subject to cancellation in the event that the City determines to apply the hold-the-offering-price rule to any maturity of the Bonds.

By submitting a bid, the winning bidder shall (i) confirm that the Underwriters have offered or will offer the Bonds to the Public on or before the date of award at the offering price or prices (the *"initial offering price"*), and (ii) agree, on behalf of the Underwriters participating in the purchase of the Bonds, that the Underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the Public during the period starting on the Sale Date and ending on the earlier of the following:

(1) the close of the fifth business day after the Sale Date; or
(2) the date on which the Underwriters have sold at least 10% of that maturity of the Bonds to the Public at a price that is no higher than the initial offering price to the Public.

The City acknowledges that, in making the representation set forth above, the winning bidder will rely on (i) the agreement of each Underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among Underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the Public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the Public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The City further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price applicable to the Bonds.

(d) By submitting a bid, each bidder confirms that: (i) any agreement among Underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (a) report the prices at which it sells to the Public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public and (b) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires which shall be at least until the 10% test has been satisfied as to the Bonds of that maturity or until the close of the fifth business day following the date of the award, and (ii) any agreement among Underwriters relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each broker-dealer that is a party to such retail distribution agreement to (a) report the prices at which it sells to the Public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder or such Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public and (b) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder or such Underwriter and as set forth in the related pricing wires, which shall be at least until the 10% test has been satisfied as to the Bonds of that maturity or until the close of the fifth business day following the date of the award.

(e) Sales of any Bonds to any person that is a Related Party to an Underwriter shall not constitute sales to the Public for purposes of this Official Terms of Offering. Further, for purposes of this Official Terms of Offering:

(i) "Public" means any person other than an Underwriter or a Related Party,

(ii) "Underwriter" means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public including, specifically, the purchaser, and (b) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public),

(iii) a purchaser of any of the Bonds is a "Related Party" to an Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "Sale Date" means the date that the Bonds are awarded by the City to the winning bidder.

Bond Details

The Bonds will be in fully registered form in the denominations of $5,000 and integral multiples thereof in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, to which principal and interest payments on the Bonds will be paid. Individual purchases will be in book-entry form only. Interest on each Bond shall be paid by check or draft of the Bond Registrar to the person in whose name such Bond is registered at the close of business on the fifteenth day of the month next preceding an interest payment date on such bond. The principal of the Bonds shall be payable in lawful money of the United States of America at the principal office maintained for the purpose by the Bond Registrar in West Des Moines, Iowa. Semiannual interest is due June 1 and December 1 of each year, commencing December 1, 2023 and is payable by UMB Bank, n.a., West Des Moines, Iowa (the "Bond Registrar"). The Bonds are dated the date of delivery (expected to be on or about June 20, 2023).

AMOUNTS* AND MATURITIES – JUNE 1

$375,000 2025	$420,000 2028	$495,000 2032
390,000 2026	435,000 2029	515,000 2033
405,000 2027	455,000 2030	535,000 2034
	475,000 2031	

Any consecutive maturities may be aggregated into term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

The Bonds due June 1, 2025 - 2030, inclusive, are non-callable. The Bonds due June 1, 2031 - 2034, inclusive, are callable in whole or in part and on any date on or after June 1, 2030, at a price of par and accrued interest. If less than all the Bonds are called, they shall be redeemed in any order of maturity as determined by the City and within any maturity by lot.

Method of Bidding Electronically

Notwithstanding the fact that the City permits receiving bids electronically using SpeerAuction, all bidders must have a signed, but uncompleted, Official Bid Form delivered to Speer Financial, Inc., Suite 608, 531 Commercial Street, Waterloo, Iowa, (319) 291-8628 facsimile, prior to the close of bidding to which a printout of the electronic bid will be attached and delivered to the City.

If bidding electronically, all-or-none bids must be submitted via the internet address www.SpeerAuction.com. The use of SpeerAuction shall be at the bidder's risk and expense and the City shall have no liability with respect thereto, including (without limitation) liability with respect to incomplete, late arriving and non-arriving bids.

To bid via the SpeerAuction webpage, bidders must first visit the SpeerAuction webpage where, if they have not previously registered with either SpeerAuction, Grant Street Group (the "Auction Administrator") or any other website administered by the Auction Administrator, they may register and then request admission to bid on the Bonds. Bidders will be notified prior to the scheduled bidding time of their eligibility to bid. Only registered broker-dealers and dealer banks with DTC clearing arrangements will be eligible to bid electronically.

The "Rules" of the SpeerAuction bidding process may be viewed on the SpeerAuction webpage and are incorporated herein by reference. Bidders must comply with the Rules of SpeerAuction in addition to the requirements of the City's Official Terms of Offering. In the event the Rules of SpeerAuction and this Official Terms of Offering conflict, this Official Terms of Offering shall be controlling.

All electronic bids must be submitted on the SpeerAuction webpage. Electronic bidders may change and submit bids as many times as they choose during the sale period but may not delete a submitted bid. The last bid submitted by an electronic bidder before the deadline for receipt of bids will be compared to all other final bids to determine the winning bidder. During the bidding, no bidder will see any other bidder's bid nor the status of their bid relative to other bids (e.g., whether their bid is a leading bid). The electronic bidder bears all risk of transmission failure. Any questions regarding bidding on the SpeerAuction website should be directed to Grant Street Group at (412) 391-5555 x 370.

Each bidder shall be solely responsible for making necessary arrangements to access SpeerAuction for purposes of submitting its internet bid in a timely manner and in compliance with the requirements of the Terms of Offering. The City is permitting bidders to use the services of the SpeerAuction solely as a communication mechanism to conduct the internet bidding and the SpeerAuction is not an agent of the City. Provisions of the Terms of Offering and Official Bid Form shall control in the event of conflict with information provided by the Internet Bid System.

Electronic Facsimile Bidding: Bids may be submitted via facsimile at (319) 291-8628 (Speer) or (319) 352-5772 (City Hall). Electronic facsimile bids will be sealed and treated as sealed bids. Neither the City nor its agents will assume liability for the inability of the bidder to reach the above named fax numbers prior to the time of sale specified above. Transmissions received after the deadline will be rejected. Bidders electing to submit bids via facsimile transmission bear full and complete responsibility for the transmission of such bid. Neither the City nor its agents will assume responsibility for the inability of the bidder to reach the above specified fax number prior to the time of sale. Time of receipt shall be the time recorded by the person receiving the facsimile and shall be conclusive.

Bidding Parameters and Award of the Bonds

All interest rates must be in multiples of one-eighth or one one-hundredth of one percent (1/8 or 1/100 of 1%), and not more than one rate for a single maturity shall be specified. The rates bid shall be in non-descending order. The differential between the highest rate bid and the lowest rate bid shall not exceed six percent (6%). All bids must be for all of the Bonds and must be for not less than $4,464,000.

Award of the Bonds: The Bonds will be awarded on the basis of true interest cost, determined in the following manner. True interest cost shall be computed by determining the annual interest rate (compounded semi-annually) necessary to discount the debt service payments on the Bonds from the payment dates thereof to the dated date and to the bid price. For the purpose of calculating true interest cost, the Bonds shall be deemed to become due in the principal amounts and at the times set forth in the table of maturities set forth above. In the event two or more qualifying bids produce the identical lowest true interest cost, the winning bid shall be the bid that was submitted first in time on the SpeerAuction webpage or if all such bids are not submitted electronically, the winning bid shall be determined by lot.

The Bonds will be awarded to the bidder complying with the terms of this Official Terms of Offering whose bid produces the lowest true interest cost rate to the City as determined by the City's Registered Municipal Advisor, which determination shall be conclusive and binding on all bidders; provided, that the City reserves the right to reject all bids or any non-conforming bid and reserves the right to waive any informality in any bid. Electronic bidders should verify the accuracy of their final bids and compare them to the winning bids reported on the SpeerAuction Observation Page immediately after the bidding.

The premium or discount, if any, is subject to pro rata adjustment if the maturity amounts of the Bonds are changed, maintaining, as close as possible, the same dollar amount of profit per $1,000 bond as bid.

The true interest cost of each electronic bid will be computed by SpeerAuction and reported on the Observation Page of the SpeerAuction webpage immediately following the date and time for receipt of bids. These true interest costs are subject to verification by the City's Municipal Advisor, will be posted for information purposes only and will not signify an actual award of any bid or an official declaration of the winning bid. The City or its Municipal Advisor will notify the bidder to whom the Bonds will be awarded, if and when such award is made.

The winning bidder will be required to make the standard filings and maintain the appropriate records routinely required pursuant to MSRB Rules G-8, G-11 and G-36. The winning bidder will be required to pay the standard MSRB charge for Bonds purchased. In addition, the winning bidder who is a member of the Securities Industry and Financial Markets Association ("SIFMA") will be required to pay SIFMA's standard charge per Bond.

Good Faith Deposit and Other Matters

The winning bidder is required to a wire transfer from a solvent bank or trust company to the City's good faith bank the amount of **TWO PERCENT OF PAR** (the "Deposit") **WITHIN TWO HOURS** after the bid opening time as evidence of the good faith of the bidder. Alternatively, a bidder may submit its Deposit upon or prior to the submission of its bid in the form of a certified or cashier's check on, or a wire transfer from, a solvent bank or trust company for **TWO PERCENT OF PAR** payable to the Treasurer of the City. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received within such two hour time period provided that such winning bidder's federal wire reference number has been received. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award.

If a wire transfer is used for the Deposit, it must be sent according to the following wire instructions:

Amalgamated Bank of Chicago
Corporate Trust
30 North LaSalle Street
38th Floor
Chicago, IL 60602
ABA # 071003405
Credit To: 3281 Speer Bidding Escrow
RE: City of Waverly, Bremer County, Iowa bid for
$4,500,000* General Obligation Bonds, Series 2023

If the wire shall arrive in such account prior to the date and time of the sale of the Bonds. Contemporaneously with such wire transfer, the prospective purchaser shall send an email to biddingescrow@aboc.com with the following information: (1) indication that a wire transfer has been made, (2) the amount of the wire transfer, (3) the issue to which it applies, and (4) the return wire instructions if such prospective purchaser is not awarded the Bonds. The City and any prospective purchaser who chooses to wire the Deposit hereby agree irrevocably that Speer Financial, Inc. ("Speer") shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: (i) if the bid is not accepted, Speer shall, at its expense, promptly return the Deposit amount to the unsuccessful prospective purchaser; (ii) if the bid is accepted, the Deposit shall be forwarded to the City, (iii) Speer shall bear all costs of maintaining the escrow account and returning the funds to the prospective purchaser; (iv) Speer shall not be an insurer of the Deposit amount and shall have no liability except if it willfully fails to perform, or recklessly disregards, its duties specified herein; and (v) income earned on the Deposit, if any, shall be retained by Speer.

The City covenants and agrees to enter into a written agreement, certificate or contract, constituting an undertaking (the "Undertaking") to provide ongoing disclosure about the City for the benefit of the beneficial owners of the Bonds on or before the date of delivery of the Bonds as required under Section (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The Undertaking shall be as described in the Official Statement, with such changes as may be agreed in writing by the Underwriter.

The Underwriter's obligation to purchase the Bonds shall be conditioned upon the City delivering the Undertaking on or before the date of delivery of the Bonds.

The Bonds will be delivered to the successful purchaser against full payment in immediately available funds as soon as they can be prepared and executed, which is expected to be on or about June 20, 2023. Should delivery be delayed beyond sixty (60) days from the date of sale for any reason beyond the control of the City except failure of performance by the purchaser, the City may cancel the award or the purchaser may withdraw the good faith deposit and thereafter the purchaser's interest in and liability for the Bonds will cease.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts, and interest rates of the Bonds, and any other information required by law or deemed appropriate by the City, shall constitute a "Final Official Statement" of the City with respect to the Bonds, as that term is defined in the Rule. By awarding the Bonds to any underwriter or underwriting syndicate, the City agrees that, no more than seven (7) business days after the date of such award, it shall provide, without cost to the senior managing underwriter of the syndicate to which the Bonds are awarded, up to 50 copies of the Final Official Statement to permit each "Participating Underwriter" (as that term is defined in the Rule) to comply with the provisions of such Rule. The City shall treat the senior managing underwriter of the syndicate to which the Bonds are awarded as its designated agent for purposes of distributing copies of the Final Official Statement to each Participating Underwriter. Any underwriter executing and delivering an Official Bid Form with respect to the Bonds agrees thereby that if its bid is accepted by the City it shall enter into a contractual relationship with all Participating Underwriters of the Bonds for purposes of assuring the receipt by each such Participating Underwriter of the Final Official Statement.

By submission of its bid, the senior managing underwriter of the successful purchaser agrees to supply all necessary pricing information and any Participating Underwriter identification necessary to complete the Official Statement within 24 hours after award of the Bonds. Additional copies of the Final Official Statement may be obtained by Participating Underwriters from the printer at cost.

The City will, at its expense, deliver the Bonds to the purchaser in New York, New York (or arrange for "FAST" delivery) through the facilities of DTC and will pay for the bond attorney's opinion. At the time of closing, the City will also furnish to the purchaser the following documents, each dated as of the date of delivery of the Bonds: (1) the legal opinion of Ahlers & Cooney, P.C., Des Moines, Iowa, that the Bonds are lawful and enforceable obligations of the City in accordance with their terms; (2) the opinion of said attorneys that the interest on the Bonds is exempt from federal income taxes as and to the extent set forth in the Official Statement for the Bonds; and (3) a no litigation certificate by the City.

The City intends to designate the Bonds as "qualified tax-exempt obligations" pursuant to the small issuer exception provided by Section 265(b) (3) of the Internal Revenue Code of 1986, as amended.

Purchaser consents to the receipt of electronic transcripts and acknowledges the City's intended use of electronically executed documents. Iowa Code Chapter 554D establishes electronic signatures have the full weight and legal authority as manual signatures.

The City has authorized the printing and distribution of an Official Statement containing pertinent information relative to the City and the Bonds. Copies of such Official Statement or additional information may be obtained from James W. Bronner, City Administrator, 200 1st Street NE, Waverly, Iowa or an electronic copy of this Official Statement is available from the www.speerfinancial.com website under "Official Statement Sales/Competitive Calendar" or from the Registered Municipal Advisor to the City, Speer Financial, Inc., 531 Commercial Street, Suite 608, Waterloo, Iowa 50701 (telephone (319) 291-2077), and 230 West Monroe Street, Suite 2630, Chicago, Illinois 60606 (telephone (312) 346-3700).

/s/ **JAMES W. BRONNER**
City Administrator
CITY OF WAVERLY
Bremer County, Iowa

EXHIBIT A

EXAMPLE ISSUE PRICE CERTIFICATE

USE FOR COMPETITIVE SALES – 3 BIDS RECEIVED

EXHIBIT A

$_____ General Obligation Bonds, Series 2023

Waverly, Iowa

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER] ("Purchaser"), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the "Bonds").

1. ***Reasonably Expected Initial Offering Price***.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by Purchaser are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Bonds used by Purchaser in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by Purchaser to purchase the Bonds.

(b) Purchaser was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by Purchaser constituted a firm offer to purchase the Bonds.

2. ***Defined Terms***.

(a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is May 15, 2023.

(d) *Underwriter* means (i) the Purchaser or any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer and its advisors with respect to certain of the representations set forth in the Tax Exemption Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Ahlers & Cooney, P.C. in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax

purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER]

By:_____

Name:_____

Dated: [ISSUE DATE]

SCHEDULE A

EXPECTED OFFERING PRICES

(*Attached*)

SCHEDULE B

COPY OF UNDERWRITER'S BID

(*Attached*)

USE FOR GENERAL RULE 10%- PUBLIC SALE

EXHIBIT A

$_____ General Obligation Bonds, Series 2023

Waverly , Iowa

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] ("Purchaser"), on behalf of itself, hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds").

1. ***Sale of the Bonds***. As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

2. ***Defined Terms***.

(a) *Issuer* means the City of Waverly, Iowa, a municipal corporation in Bremer County, State of Iowa.

(b) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) *Underwriter* means (i) the Purchaser or any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer and its advisors with respect to certain of the representations set forth in the Tax Exemption Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Ahlers & Cooney, P.C., as Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[Signature Page Follows]

[UNDERWRITER]

By:_____

Name:_____

Dated: [ISSUE DATE]

SCHEDULE A

SALE PRICES

(*Attached*)

USE FOR HTP/10% COMBO – PUBLIC OR NEGOTIATED SALE

EXHIBIT A

$_____ General Obligation Bonds, Series 2023

Waverly, Iowa

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER] ("Purchaser"), on behalf of itself, hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds").

1. ***Sale of the General Rule Maturities***. As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities***.

(a) Purchaser offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Notice of Sale and bid award, Purchaser has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Defined Terms***.

(a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the "General Rule Maturities."

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the "Hold-the-Offering-Price Maturities."

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (May 15, 2023), or (ii) the date on which Purchaser has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Issuer* means the City of Waverly, Iowa, a municipal corporation in Bremer County, State of Iowa.

(e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is May 15, 2023.

(h) *Underwriter* means (i) the Purchaser or any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer and its advisors with respect to certain of the representations set forth in the Tax Exemption Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Ahlers & Cooney, P.C., Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER][REPRESENTATIVE]

By:_____

Name:_____

Dated: [ISSUE DATE]

SCHEDULE A

SALE PRICES OF THE GENERAL RULE MATURITIES AND INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES

(*Attached*)

SCHEDULE B

PRICING WIRE OR EQUIVALENT COMMUNICATION