

Preliminary Official Statement Dated July _____

In the opinion of Dorsey & Whitney LLP, Bond Counsel, according to present laws, rulings and decisions and assuming the accuracy of certain representations and compliance with certain covenants, the interest on the Bonds (i) is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and (ii) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on noncorporate taxpayers by Section 55 of the Code. Interest on the Bonds may, however, be taken into account in determining adjusted financial statement income for purposes of the federal alternative minimum tax imposed on applicable corporations (as defined in Section 59(k) of the Code). In the opinion of Bond Counsel, the Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. See **"TAX EXEMPTION AND RELATED TAX MATTERS"** herein.

\$3,250,000***CITY OF DYERSVILLE****Delaware and Dubuque Counties, Iowa****General Obligation Corporate Purpose Bonds, Series 2025****Dated Date of Delivery****Book-Entry****Bank Qualified****Due Serially June 1, 2027 - 2036**

The \$3,250,000* General Obligation Corporate Purpose Bonds, Series 2025 (the "Bonds") are being issued by the City of Dyersville, Delaware and Dubuque Counties, Iowa (the "City"). Interest is payable semiannually on June 1 and December 1 of each year, commencing December 1, 2025. 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, 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)
\$260,000	2027	_____ %	_____ %	_____	\$330,000	2032	_____ %	_____ %	_____
280,000	2028	_____ %	_____ %	_____	345,000	2033	_____ %	_____ %	_____
290,000	2029	_____ %	_____ %	_____	360,000	2034	_____ %	_____ %	_____
305,000	2030	_____ %	_____ %	_____	375,000	2035	_____ %	_____ %	_____
315,000	2031	_____ %	_____ %	_____	390,000	2036	_____ %	_____ %	_____

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, 2027 - 2032, inclusive, are not subject to optional redemption. Bonds due June 1, 2033 - 2036, inclusive, are callable in whole or in part on any date on or after June 1, 2032, 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 will be used to pay the costs of: (i) constructing street, water system, sanitary sewer system, storm water drainage and sidewalk improvements; (ii) acquiring and installing street lighting, signage and signalization improvements, and (iii) paying the costs of issuing the Bonds.

In the opinion of Bond Counsel, Dorsey & Whitney LLP, Des Moines, Iowa, the Bonds will constitute valid and legally binding general obligations of the City payable both as to principal and interest from ad valorem taxes levied against all taxable property therein 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 will furnish the written approving opinion of Bond Counsel, Dorsey & Whitney LLP, Des Moines, Iowa, evidencing legality of the Bonds and that the interest thereon is exempt from federal income taxes as and to the extent discussed under the heading **"TAX EXEMPTION AND RELATED CONSIDERATIONS"** herein.

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.

The Bonds are offered when, as and if issued and received by the Underwriter, subject to the approving legal opinion of Dorsey & Whitney LLP, Des Moines, Iowa, Bond Counsel, and certain other conditions. It is expected that the Bonds will be made available for delivery on or about September 2, 2025.



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

(1) CUSIP numbers appearing in this Official Statement have been provided by CUSIP Global Services ("CGS") is managed on behalf of the American Bankers Association by FactSet Research Systems 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.

This Preliminary Official Statement and certain of the information contained herein is in a form deemed final for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (except for the omission of certain information permitted to be omitted under Rule 15c2-12(b)(1)). The information herein is subject to revision, completion or amendment in a final Official Statement. The Bonds may not be sold, nor may an offer to buy be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

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, salesperson 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.

No representation is made regarding whether the Bonds constitute legal investments under the laws of any state for banks, savings banks, savings and loan associations, life insurance companies, and other institutions organized in such state, or fiduciaries subject to the laws of such state.

THE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION BY REASON OF THE PROVISIONS OF SECTION 3(a)(2) OF THE SECURITIES ACT OF 1933, AS AMENDED. THE REGISTRATION OR QUALIFICATIONS OF THE BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES SHALL NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

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.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, Securities and Exchange Commission Rule 15c2-12.

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BOND ISSUE SUMMARY

This Bond Issue Summary is expressly qualified by the entire Official Statement which should be reviewed in its entirety by potential investors.

Issuer:	City of Dyersville, Delaware and Dubuque Counties, Iowa.
Issue:	\$3,250,000* General Obligation Corporate Purpose Bonds, Series 2025.
Dated Date:	Date of delivery (expected to be on or about September 2, 2025).
Interest Due:	Each June 1 and December 1, commencing December 1, 2025.
Principal Due:	Serially each June 1, commencing June 1, 2027 through 2036, as detailed on the cover page of this Official Statement.
Optional Redemption:	Bonds maturing on or after June 1, 2033, are callable at the option of the City on any date on or after June 1, 2032, 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, 2025 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 expected to be adopted on August 18, 2025.
Security:	The Bonds are valid and binding general obligations of the City, and all taxable property within the 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.
No Investment Rating:	The City does not intend to apply for an investment rating on the Bonds.
Purpose:	The proceeds of the Bonds will be used to pay the costs of: (i) constructing street, water system, sanitary sewer system, storm water drainage and sidewalk improvements; (ii) acquiring and installing street lighting, signage and signalization improvements, and (iii) paying the costs of issuing the Bonds.
Tax Exemption:	Dorsey & Whitney LLP, Des Moines, Iowa, will provide an opinion as to the tax exemption of the Bonds as discussed under “TAX EXEMPTION AND RELATED TAX MATTERS” in this Official Statement.
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 September 2, 2025.
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.
Underwriter:	UMB Bank, n.a., West Des Moines, Iowa.
Municipal Advisor:	Speer Financial, Inc., Waterloo, Iowa and Chicago, Illinois.

**Subject to change.*

CITY OF DYERSVILLE
Delaware and Dubuque Counties, Iowa

City Council

Jeff Jacque.....	Mayor
Jim Gibbs	Ward 1
Mark Singsank	Ward 2
Mike Oberbroeckling.....	Ward 3
Mike English.....	At Large
Tom Westhoff.....	At Large

Officials

Mick Michel.....	City Administrator
Tricia Maiers.....	City Clerk/Treasurer
George Davis, 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.

Section 76.2 of the Code of Iowa, 2025, as amended (the “Iowa Code”), 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 such resolution shall be filed with the County Auditor in which the Issuer 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 Issuer, 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 Issuer in each of the years while the Bonds are outstanding. The Issuer 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 Issuer and when collected, the proceeds of the taxes shall be converted into the Debt Service Fund of the Issuer 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.

Pursuant to the provisions of Section 76.4 of the Iowa Code, each year while the Bonds remain outstanding and unpaid, any funds of the Issuer which may lawfully be applied for such purpose, may be appropriated, budgeted and, if received, used for the payment of the principal of and interest on the Bonds as the same become due, and if so appropriated, the taxes for any given fiscal year as provided for in the Resolution, shall be reduced by the amount of such alternate funds as have been appropriated for said purpose and evidenced in the Issuer’s budget.

CERTAIN BONDHOLDERS' RISKS

An investment in the Bonds involves an element of risk. 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.

Changes in Property Taxation

From time to time the Iowa General Assembly has altered the method of property taxation and could do so again. Any alteration in property taxation structure could affect property tax revenues available to pay the Bonds.

Historically, the Iowa General Assembly has applied changes in property taxation structure on a prospective basis; however, there is no assurance that future changes in property taxation structure by the Iowa General Assembly will not be retroactive. It is impossible to predict the outcome of future property tax changes by the Iowa General Assembly or their potential negative impact, if any, on the Bonds and the security for the Bonds.

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.

Bondholders 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 (the "State") 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 or the Loan Agreement. The remedies available to the Bondholders upon an event of default under the Resolution or the Loan Agreement, 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 Loan Agreement or 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 will result in sufficient funds to pay all amounts due under the Resolution or the Loan Agreement, including principal of and interest on the Bonds.

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.

No Investment Rating

The City does not intend to apply for an investment rating on 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 “anticipated,” “plan,” “expect,” “projected,” “estimate,” “budget,” “pro-forma,” “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 EXEMPTION AND RELATED 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 Issuer in violation of its covenants in the Resolution. Should such an event of taxability occur, the Bonds would not be subject to a special redemption and would remain outstanding until maturity or until redeemed under the redemption provisions contained in the Bonds, and there is no provision for an adjustment of the interest rate on the Bonds.

The Issuer will 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”), and 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. However, the Issuer’s failure to comply with such covenants could cause the Bonds not to be “qualified tax-exempt obligations” and banks and certain other financial institutions would not receive more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code.

It is possible that actions of the Issuer after the closing of the Bonds will alter the tax exempt 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 Bond Registrar 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 Bond Registrar 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

The City participates in the Iowa Public Employee's Retirement System (IPERS). Summary descriptions of the IPERS Plan follows, for more detailed information 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 – FISCAL YEAR 2024 AUDITED FINANCIAL STATEMENTS Note 8**.

In fiscal year 2024, 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%. Protection occupation members contributed 6.21% of covered payroll and the City contributed 9.31% for a total rate of 15.52%. The City's contributions to IPERS for the year ended June 30, 2024 were \$152,614. 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, 2024, the City reported a liability of \$495,522 for its proportionate share of the IPERS net pension liability. The net pension liability was measured as of June 30, 2023 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 – FISCAL YEAR 2024 AUDITED FINANCIAL STATEMENTS"** for additional information on pension and liabilities of the City.

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. Material failures 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. 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 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. The various opinions of counsel to be delivered with respect to the Bonds, the Loan Agreement 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 Iowa Code, 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 Iowa Code, or other political subdivision.

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.

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.

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 1872 under the laws of the state of Iowa (the “State”) and operates under the Home Rule provisions of the Constitution of Iowa. The City is located in the northeastern part of the State in Delaware and Dubuque Counties (the “Counties”). The City is approximately 5.6 square miles with a 2020 Census population of 4,477.

City Organization and Services

The City operates under a Mayor-Council form of government with an appointed administrator. The Mayor and Council Members are elected on a nonpartisan basis. Three Council Members are elected from each of the City’s three wards and two are elected at-large. The City’s Administrator is responsible for the day-to-day management of the City. The City provides numerous services to citizens including public safety, public works, culture and recreation, community and economic development, and general government services. It also operates and provides water, sewer and sanitation utilities.

The City has 22 full-time employees and 59 part-time and/or seasonal. Of the 22 full-time employees, 8 are police officers. In addition, the City has 40 volunteer fire fighters.

Community Life

The City is home to the National Farm Toy Museum and the Field of Dreams Movie Site. The City also provides park facilities and aquatic center. Health Care is provided by MercyOne Medical Center and Dyersville Family Practice.

Education

Public education to the City is provided by the Western Dubuque County Community School District (the “District”), with certified enrollment of 3,185 for school year 2024 - 25. Eight schools make up the District: five elementary schools, two middle schools, one senior high school. One of the Elementary buildings is in the City. Private Education is also provided through the St. Francis Xavier Elementary and Beckman Jr/Sr High School both located in the City. Four-year college programs and vocational training are available throughout the area including Clarke University, Loras College and University of Dubuque all located in Dubuque, Iowa and Northeast Iowa Community College with a campus in Peosta, Iowa.

Transportation

The City is located in northeastern Iowa approximately 35 miles west of Dubuque, Iowa. Highways serving the area include State Highway No. 136 and U.S. Highway No. 20. In addition to rail service and motor carrier transportation, commercial air service is available at the Dubuque Regional Airport.

SOCIOECONOMIC INFORMATION

The following demographic information is for the City. Additional comparisons are made with the Counties and the State of Iowa (the “State”).

Population

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

Population Comparison(1)

<u>Year</u>	<u>The City</u>	<u>Percent Change</u>	<u>Delaware County</u>	<u>Percent Change</u>	<u>Dubuque County</u>	<u>Percent Change</u>	<u>The State</u>	<u>Percent Change</u>
1970	3,437	n/a	18,770	n/a	90,609	n/a	2,824,376	n/a
1980	3,825	11.29%	18,933	0.87%	93,745	3.46%	2,913,808	3.17%
1990	3,696	(3.37%)	18,035	(4.74%)	86,403	(7.83%)	2,776,755	(4.70%)
2000	4,035	9.17%	18,404	2.05%	89,143	3.17%	2,926,324	5.39%
2010	4,058	0.57%	17,764	(3.48%)	93,653	5.06%	3,046,355	4.10%
2020	4,477	10.33%	17,488	(1.55%)	99,266	5.99%	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 and in the surrounding area.

Major City Employers(1)

<u>Name</u>	<u>Product/Service</u>	<u>Approximate Employment</u>
Modernfold Inc.....	Folding Door Manufacturer	300
FarmTek.....	Horticultural Specialists.....	250
Dyersville Die Cast	Aluminum Die-Casting	200
Tomy Corp	Toy Distributor	200
Lumber Specialists-USLBM, Ltd	Roof and Floor Trusses	170
Joseph L. Ertl, Inc.....	Die Casting	120
Digga.....	Augers and anchor drivers	50
Big River United Energy, LLC.....	Manufacturing.....	50

Note: (1) Source: the 2025 Iowa Manufacturers Database.

Major Area Employers(1)

<u>Location</u>	<u>Name</u>	<u>Product/Service</u>	<u>Approximate Employment</u>
Dubuque	Deere & Company	Construction and Forestry Equipment	2,810
Dubuque	Dubuque Community School District.....	Education	2,000
Dubuque	MercyOne Dubuque Medical Center	Health Care.....	1,440
Dubuque	HODGE	Industrial Products and Services	1,100
Dubuque	Medical Associates Clinic, P.C.....	Health Care.....	1,070
Dubuque	UnityPoint Health – Finley Hospital	Health Care.....	940
Dubuque	Cottingham and Butler, Inc.....	Health Care Insurance and Brokerage	850
Dubuque	City of Dubuque	Government	735
Dubuque	Sedgwick CMS.....	Claims/Benefits Management and Processing.....	725
Dubuque	Medline Industries, Inc.	Manufacturing	600
Dubuque	Rainbo Oil Company.....	Retail & Wholesale Trade.....	560
Dubuque	Progressive Processing, LLC	Meat Packing and Processing	550
Farley	Western Dubuque County Community School District.....	Education	550

Note: (1) Source: Greater Dubuque Development Corp and the 2025 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 2019 - 2023 American Community Survey 5-year estimated values.

Employment By Industry(1)

Classification	The City		Delaware County		Dubuque County		The State	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Agriculture, forestry, fishing and hunting, and mining.....	121	5.0%	880	9.2%	903	1.8%	60,470	3.7%
Construction.....	208	8.6%	911	9.6%	2,777	5.4%	112,119	6.9%
Manufacturing.....	634	26.2%	1,738	18.3%	8,913	17.3%	240,105	14.7%
Wholesale trade.....	134	5.5%	308	3.2%	1,811	3.5%	42,516	2.6%
Retail trade.....	329	13.6%	1,053	11.1%	5,978	11.6%	186,225	11.4%
Transportation and warehousing, and utilities.....	58	2.4%	469	4.9%	2,534	4.9%	83,731	5.1%
Information.....	25	1.0%	69	0.7%	786	1.5%	22,861	1.4%
Finance and insurance, and real estate and rental and leasing.....	245	10.1%	563	5.9%	3,854	7.5%	124,791	7.7%
Professional, scientific, and management, and administrative and waste management services.....	35	1.4%	388	4.1%	3,699	7.2%	125,965	7.7%
Educational services, and health care and social assistance.....	477	19.7%	1,900	20.0%	13,034	25.3%	394,835	24.2%
Arts, entertainment, and recreation, and accommodation and food services.....	27	1.1%	473	5.0%	3,839	7.4%	112,729	6.9%
Other services, except public administration.....	116	4.8%	459	4.8%	2,384	4.6%	69,718	4.3%
Public administration.....	9	0.4%	304	3.2%	1,051	2.0%	53,576	3.3%
Total.....	2,418	100.0%	9,515	100.0%	51,563	100.0%	1,629,641	100.0%

Note: (1) Source: U. S. Bureau of the Census, American Community Survey 5-Year Estimates from 2019 - 2023.

Employment By Occupation(1)

Classification	The City		Delaware County		Dubuque County		The State	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Management, business, science, and arts occupations .	679	28.1%	2,944	30.9%	19,589	38.0%	636,075	39.0%
Service occupations.....	140	5.8%	1,439	15.1%	8,255	16.0%	246,710	15.1%
Sales and office occupations.....	709	29.3%	1,663	17.5%	10,721	20.8%	313,730	19.3%
Natural resources, construction, and maintenance occupations.....	323	13.4%	1,240	13.0%	3,671	7.1%	157,049	9.6%
Production, transportation, and material moving occupations.....	567	23.4%	2,229	23.4%	9,327	18.1%	276,077	16.9%
Total.....	2,418	100.0%	9,515	100.0%	51,563	100.0%	1,629,641	100.0%

Note: (1) Source: U. S. Bureau of the Census, American Community Survey 5-Year Estimates from 2019 - 2023.

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	Delaware County	Dubuque County	The State	United States
2016.....	4.3%	4.5%	4.7%	7.4%
2017.....	3.8%	4.1%	4.2%	6.2%
2018.....	3.3%	3.6%	3.7%	5.3%
2019.....	3.4%	3.5%	3.6%	4.9%
2020(3).....	2.6%	2.9%	3.1%	4.4%
2021(3).....	2.1%	2.4%	2.5%	3.9%
2022.....	2.2%	2.5%	2.6%	3.7%
2023.....	3.9%	5.7%	5.1%	8.1%
2024.....	3.3%	4.4%	4.2%	5.4%
2025(4).....	2.2%	2.8%	2.8%	3.4%

- Notes: (1) Source: Iowa Workforce Development and U.S. Bureau of Labor Statistics.
(2) Not seasonally adjusted.
(3) The increase in unemployment rates may be attributable to the COVID-19 pandemic.
(4) Preliminary rates for the month of May 2025.

Building Permits

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

Calendar Year	Single-Family		Commercial		Industrial		Other		Total Value
	Permits	Value	Permits	Value	Permits	Value	Permits	Value	
2015	13	\$3,903,000	7	\$ 826,500	5	\$ 1,190,000	34	\$ 716,304	\$ 6,635,804
2016	19	5,188,220	4	1,075,000	5	4,525,813	42	4,230,575	15,019,608
2017	19	5,393,000	5	3,299,000	6	7,636,000	46	2,170,882	18,498,882
2018	18	5,950,000	5	8,230,000	6	5,721,000	37	676,000	20,577,000
2019	9	3,255,000	16	5,114,795	3	415,440	22	358,195	9,143,430
2020	15	5,670,000	7	7,480,900	2	630,000	33	654,586	14,435,486
2021	15	7,335,000	5	6,400,000	3	3,950,000	20	1,491,254	19,176,254
2022	4	2,130,000	7	64,371,858	4	19,200,000	47	5,313,912	91,015,770
2023	8	4,040,000	12	5,895,460	2	1,200,000	26	749,672	11,885,132
2024	17	8,303,000	11	862,283	2	3,490,000	25	1,421,850	14,077,133

Note: (1) Source: the City.

Housing

The U.S. Census Bureau 5-year estimated values reported that the median value of the City's owner-occupied homes was \$219,800. This compares to \$168,700 for Delaware County, \$226,100 for Dubuque County and \$195,900 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 2019 - 2023 American Community Survey.

Home Values(1)

Value	The City		Delaware County		Dubuque County		The State	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than \$50,000	46	3.1%	422	7.1%	1,694	5.7%	63,971	6.9%
\$50,000 to \$99,999	69	4.6%	867	14.7%	1,495	5.0%	114,185	12.2%
\$100,000 to \$149,999	274	18.4%	1,229	20.8%	3,897	13.1%	148,846	16.0%
\$150,000 to \$199,999	239	16.1%	942	15.9%	5,014	16.9%	150,857	16.2%
\$200,000 to \$299,999	436	29.3%	1,102	18.6%	8,551	28.8%	218,680	23.4%
\$300,000 to \$499,999	377	25.3%	919	15.5%	6,814	22.9%	171,690	18.4%
\$500,000 to \$999,999	47	3.2%	330	5.6%	1,856	6.3%	55,091	5.9%
\$1,000,000 or more	0	0.0%	100	1.7%	374	1.3%	9,298	1.0%
Total	1,488	100.0%	5,911	100.0%	29,695	100.0%	932,618	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2019 - 2023.

Mortgage Status(1)

Classification	The City		Delaware County		Dubuque County		The State	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Housing units with a mortgage	765	51.4%	3,259	55.1%	18,376	61.9%	556,909	59.7%
Housing units without a mortgage	723	48.6%	2,652	44.9%	11,319	38.1%	375,709	40.3%
Total	1,488	100.0%	5,911	100.0%	29,695	100.0%	932,618	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2019 - 2023.

Income and Benefits

The U.S. Census Bureau 5-year estimated values reported that the City had a median family income of \$94,896. This compares to \$89,671 for Delaware County, \$98,842 for Dubuque County and \$94,472 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 2019 - 2023 American Community Survey.

Family Income(1)

Income	The City		Delaware County		Dubuque County		The State	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than \$10,000.....	0	0.0%	152	3.2%	581	2.3%	18,523	2.3%
\$10,000 to \$14,999	0	0.0%	43	0.9%	378	1.5%	11,137	1.4%
\$15,000 to \$24,999	0	0.0%	108	2.3%	557	2.2%	28,592	3.5%
\$25,000 to \$34,999	102	8.6%	230	4.8%	925	3.7%	37,338	4.6%
\$35,000 to \$49,999	117	9.9%	341	7.1%	2,179	8.6%	71,799	8.9%
\$50,000 to \$74,999	207	17.5%	837	17.5%	4,218	16.7%	134,430	16.7%
\$75,000 to \$99,999	180	15.2%	980	20.5%	3,982	15.8%	128,208	15.9%
\$100,000 to \$149,999.....	414	35.1%	1,244	26.0%	6,393	25.3%	190,685	23.6%
\$150,000 to \$199,999.....	83	7.0%	351	7.3%	3,207	12.7%	93,727	11.6%
\$200,000 or more.....	78	6.6%	499	10.4%	2,853	11.3%	92,289	11.4%
Total	1,181	100.0%	4,785	100.0%	25,273	100.0%	806,728	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2019 to 2023.

The U.S. Census Bureau 5-year estimated values reported that the City had a median household income of \$72,768. This compares to \$76,205 for Delaware County, \$75,919 for Dubuque County and \$73,147 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 2019 - 2023 American Community Survey.

Household Income(1)

Income	The City		Delaware County		Dubuque County		The State	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than \$10,000.....	53	2.9%	237	3.3%	1,791	4.4%	52,437	4.0%
\$10,000 to \$14,999	39	2.2%	334	4.7%	1,504	3.7%	44,479	3.4%
\$15,000 to \$24,999	42	2.3%	409	5.7%	2,274	5.6%	90,853	7.0%
\$25,000 to \$34,999	178	9.8%	536	7.5%	2,731	6.7%	95,297	7.3%
\$35,000 to \$49,999	287	15.8%	819	11.4%	4,872	12.0%	152,330	11.7%
\$50,000 to \$74,999	357	19.7%	1,199	16.7%	6,930	17.1%	231,910	17.8%
\$75,000 to \$99,999	260	14.3%	1,210	16.9%	5,806	14.3%	183,491	14.1%
\$100,000 to \$149,999.....	404	22.3%	1,393	19.4%	7,939	19.6%	239,899	18.4%
\$150,000 to \$199,999.....	103	5.7%	512	7.1%	3,598	8.9%	108,899	8.4%
\$200,000 or more.....	89	4.9%	527	7.3%	3,140	7.7%	104,168	8.0%
Total	1,812	100.0%	7,176	100.0%	40,585	100.0%	1,303,763	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2019 - 2023.

Agriculture

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

Average Value Per Acre(1)

	2020	2021	2022	2023	2024
Average Value Per Acre:					
Delaware County	\$8,622	\$11,572	\$13,614	\$13,924	\$13,397
Dubuque County.....	7,678	10,425	12,351	12,659	13,124
State of Iowa.....	7,559	9,751	11,411	11,835	11,467

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

Local Option Sales Tax

The City approved a 1% local option sales and service tax (“Local Option Tax”) at a special referendum. The City’s Local Option Tax referendum question stated that proceeds of such tax would be designated for 25% to be used for property tax relief and 75% to reduce future borrowing.

The State 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 Local Option Tax receipts to the City’s account in the Local Option Tax fund. Historically, by August 15 of each fiscal year, the Director is required to send the City an estimate of the amount of local option sales and services taxes it will receive for the year and by month. By August 31, the Director is 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 is 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 Local Option Tax payment, the State Department of Revenue (the “Department of Revenue”) makes distributions based on actual Local Option Tax receipts in the preceding month.

Local Option Taxes 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, a Local Option Tax 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 the Local Option Tax are outstanding. If a Local Option Tax 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. Local Option Tax may not be repealed within one year of the effective date.

The following table shows the trend of the City’s Local Option Tax receipts.

Local Option Tax Receipts(1)

Fiscal Year Ending June 30	Local Option Sales Tax Receipts(2)	Percent Change +(-)
2016.....	\$552,414	n/a
2017.....	551,093	(0.24%)
2018.....	554,262	0.58%
2019.....	584,916	5.53%
2020.....	648,260	10.83%
2021.....	725,276	11.88%
2022.....	763,102	5.22%
2023.....	752,269	(1.42%)
2024.....	820,593	9.08%
2025.....	855,878(3)	4.30%

- Notes: (1) Source: Iowa Department of Revenue.
(2) Includes a reconciliation payment attributable to the previous fiscal year for fiscal years 2016 through 2022.
(3) Collections received or expected to be received.

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Retail Sales

The Department of Revenue 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 + (-)
2015.....	\$ 82,341,763	n/a
2016.....	82,443,485	0.12%
2017.....	84,858,693	2.93%
2018.....	88,170,597	3.90%
2019.....	89,381,761	1.37%
2020.....	91,379,251	2.23%
2021.....	103,013,257	12.73%
2022.....	105,742,902	2.65%
2023.....	120,616,687	14.07%
2024.....	133,463,584	10.65%
Growth from 2015 to 2024		62.08%

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

THE PROJECT

The proceeds of the Bonds will be used to pay the costs of: (i) constructing street, water system, sanitary sewer system, storm water drainage and sidewalk improvements; (ii) acquiring and installing street lighting, signage and signalization improvements, and (iii) paying the costs of issuing the Bonds..

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.

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DEBT INFORMATION

After issuance of the Bonds, the City will have outstanding \$13,685,000* principal amount of general obligation debt. In addition, the City has outstanding approximately \$4,134,000 principal amount of sewer revenue debt and \$1,447,000 water revenue debt both issued through the State Revolving Fund program that does not count against the City's debt capacity.

Debt Limitation

The amount of general obligation debt a political subdivision of the State 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, 2024 property valuations, for taxes payable in September 2025 and March 2026, the City's debt limit, based upon said valuation, amounts to the following:

2024 100% Actual Valuation of Property	\$685,816,334
Constitutional Debt Limit	\$ 34,290,817
Outstanding Bonds/Notes Applicable to Debt Limit:	
Total G.O. Debt Subject to Debt Limit.....	\$ 13,685,000*
Other Legal Indebtedness (TIF Rebates)	2,038,133
Total Applicable Debt	<u>\$ 15,723,133*</u>
Remaining Debt Capacity.....	\$ 18,567,684*

The City does not expect to issue any additional general obligation debt in calendar year 2025.

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

Series 2013.....	\$ 595,000
Series 2018.....	1,055,000
Series 2019.....	3,995,000
Series 2021A	1,725,000
Series 2021B (Taxable).....	825,000
Series 2023.....	2,240,000
The Bonds(2)	<u>3,250,000</u>
Total(2)	<u>\$13,685,000</u>

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

*Subject to change.

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General Obligation Debt(1)
 (Principal Only)

Year Ending June 30	Series 2013	Series 2018	Series 2019	Series 2021A	Series 2021B	Series 2023	Total Outstanding General Obligation Debt
2026.....	\$170,000	\$ 525,000	\$ 350,000	\$ 335,000	\$ 80,000	\$ 220,000	\$ 1,680,000
2027.....	175,000	530,000	365,000	130,000	85,000	225,000	1,510,000
2028.....	180,000	0	380,000	135,000	75,000	235,000	1,005,000
2029.....	70,000	0	380,000	135,000	75,000	245,000	905,000
2030.....	0	0	400,000	135,000	75,000	255,000	865,000
2031.....	0	0	360,000	145,000	65,000	265,000	835,000
2032.....	0	0	375,000	145,000	65,000	125,000	710,000
2033.....	0	0	390,000	110,000	60,000	130,000	690,000
2034.....	0	0	400,000	110,000	60,000	135,000	705,000
2035.....	0	0	420,000	115,000	60,000	140,000	735,000
2036.....	0	0	175,000	115,000	60,000	85,000	435,000
2037.....	0	0	0	115,000	65,000	90,000	270,000
2038.....	0	0	0	0	0	90,000	90,000
Total.....	\$595,000	\$1,055,000	\$3,995,000	\$1,725,000	\$825,000	\$2,240,000	\$10,435,000

Note: (1) Source: the City. For term bonds, mandatory redemption amounts are shown.

Year Ending June 30	The Bonds(2)	Total General Obligation Debt(2)	Cumulative Retirement(2)	
			Amount	Percent
2026.....	\$ 0	\$ 1,680,000	\$ 1,680,000	12.28%
2027.....	260,000	1,770,000	3,450,000	25.21%
2028.....	260,000	1,285,000	4,355,000	34.60%
2029.....	290,000	1,195,000	5,930,000	43.33%
2030.....	305,000	1,170,000	7,100,000	51.88%
2031.....	315,000	1,150,000	8,250,000	60.28%
2032.....	330,000	1,040,000	9,290,000	67.88%
2033.....	345,000	1,035,000	10,325,000	75.45%
2034.....	360,000	1,065,000	11,390,000	83.23%
2035.....	375,000	1,110,000	12,500,000	91.34%
2036.....	390,000	825,000	13,325,000	97.37%
2037.....	0	270,000	13,595,000	99.34%
2038.....	0	90,000	13,685,000	100.00%
Total.....	\$3,250,000	\$13,685,000		

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

(2) Subject to change.

Statement of Bonded Indebtedness(1)(2)

City Actual Value, January 1, 2024.....	\$685,816,334
City Taxable Value, January 1, 2024	\$387,832,013

	Total	Applicable Percent	Amount	Ratio to City Actual Value	Ratio to City Taxable Value	Per Capita (2020 Pop. 4,477)
Direct Bonded Debt	\$13,685,000	100.00%	\$13,685,000	2.00%	3.53%	\$3,056.73
Overlapping Debt:						
Western Dubuque County						
Community School District.....	\$ 9,635,000	19.33%	\$ 1,862,446	0.27%	0.48%	\$ 416.00
Northeast Iowa Community College(3)	30,730,000	2.51%	771,323	0.11%	0.20%	172.29
Delaware County.....	4,165,000	6.05%	251,983	0.04%	0.06%	56.28
Dubuque County	20,550,000	4.30%	883,650	0.13%	0.23%	197.38
Total Overlapping Bonded Debt(3)	\$ 3,769,401		0.55%	0.97%	\$ 841.95	
Total Direct and Overlapping Bonded Debt.....	\$17,454,401		2.55%	4.50%	\$3,898.68	

Per Capita Actual Value	\$153,186.58
Per Capita Taxable Value.....	\$ 86,627.66

- Notes: (1) Source: the City, Audited Financial Statements and Treasurer of the State of Iowa - Outstanding Obligations Report, debt as of June 30, 2024 for the School District, Community College and Counties.
(2) As of the date of issuance for the Direct Bonded Debt and June 30, 2024 for Overlapping Debt.
(3) Excludes \$18,160,000 in Industrial New Jobs Training Certificates, which are expected to be paid by proceeds from anticipated job credits from withholding taxes.

TIF - backed Development Agreements

From time to time the City, pursuant to Section 403.9 of the Iowa Code and the Issuer's urban renewal plans, has entered into Development Agreements which contain payment obligations from the Issuer to an external party. The Issuer's payment requirements under these contracts are not structured as general liabilities of the Issuer, 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 Issuer pursuant to Section 403.19 of the Iowa Code. The City's payment obligation under these contracts are routinely contingent upon development or redevelopment performance requirements of the external party and are typically made subject to annual appropriation rights by the City Council. TIF Payments under these contracts are typically due and owing semi-annually on December 1 and June 1 of each fiscal year of the City.

The following table contains information regarding the City's more significant Development Agreements, each subject to annual appropriation by the City:

Agreement Date	Third Party Agreement Name	Maximum Remining Payment Amount (as of 6/30/24)	Last Payment Date
August 2010	FarmTek	\$ 147,999	6/1/27
September 2010	D.E.D.C. (NuWorld)	149,028	6/1/30
September 2010	Digga North America, Inc.	266,668	6/1/28
December 2013	D.E.D.C. (Dardis)	268,800	6/1/30
May 2014	JEDA Polymers, LLC	109,000	6/1/26
February 2015	D.E.D.C.	606,500	6/1/29
December 2015	Advanced Precast Company	1,020,002	6/1/33
July 2016	Decker Concrete, Inc.	200,000	6/1/28
January 2017	Dyersville Industries	750,000	6/1/30
May 2017	Theisen's	114,286	6/1/26
June 2017	Hall of Fame	487,502	6/1/33
March 2018	Rose Garden Properties	294,000	6/1/30
July 2019	D.E.D.C. (Brewery)	149,999	6/1/33
July 2019	Archiprop, L.C.	2,400,000	6/1/36
August 2019	Digga North America, Inc.	245,000	6/1/31
November 2020	Advanced Properties, LLC	3,640,000	6/1/36
July 2022	Go The Distance Baseball	9,500,000	6/1/36
September 2022	WK Dyersville LLC	94,284	6/1/30
September 2022	This is Heaven LLC	3,199,992	6/1/36
September 2022	Ancient Brands	2,000,000	6/1/34
	Lumber Specialties	570,000	6/1/36
	D.E.D.C. (Child Care)	500,000	6/1/35
	D.E.D.C.	1,400,000	6/1/37

PROPERTY ASSESSMENT AND TAX INFORMATION

Property Tax Assessment

In compliance with Section 441.21 of the Iowa Code, the Director 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	Ag Land & Buildings	Commercial & Industrial
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.....	54.6501%	n/a	91.6430%	90.0000%
2024/25.....	46.3428%	n/a	71.8370%	90.0000%
2025/26.....	47.4316%	n/a	73.8575%	90.0000%

- Notes: (1) Source: the Iowa Department of Revenue.
(2) In assessment year 2024 (applicable to fiscal year 2025/26 valuations), the taxable value rollback rate is 47.4316% of actual value for residential property; 73.8575% of actual value for agricultural property and 100.0000% of the actual value of utility property. The residential taxable rollback rate of 47.4316% applies to the value of each property unit of commercial, industrial and railroad property that exceeds zero dollars (\$0), but does not exceed one hundred fifty thousand dollars (\$150,000), with a taxable value rollback rate of 90.0000% to the value that exceeds one 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, 2024, are used to calculate tax liability for the tax year starting July 1, 2025 through June 30, 2026.

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

Property Class	Fiscal Year: Levy Year:	2021/22 2020	2022/23 2021	2023/24 2022	2024/25 2023	2025/26 2024
Residential		\$312,308,532	\$332,874,950	\$357,589,836	\$440,192,217	\$458,923,761
Agricultural		2,341,550	2,207,620	2,328,240	2,926,530	2,849,387
Commercial		80,551,718	85,209,269	91,048,277	120,116,586	127,487,236
Industrial		69,695,060	70,698,513	70,984,450	71,644,880	74,272,080
Multi-residential(3).....		7,853,337	13,138,862	0	0	0
Railroads.....		767,866	834,438	913,633	1,091,717	1,108,500
Utilities without Gas and Electric.....		246,997	118,953	0	29,948	23,448
Gas and Electric Utility		22,073,348	22,244,617	24,189,070	25,063,675	24,579,922
Less: Exemptions		(340,768)	(337,064)	(311,136)	(2,017,750)	(3,428,000)
Total		\$495,497,640	\$526,990,158	\$546,742,370	\$659,047,803	\$685,816,334
Percent Change +(-).....		2.08%(4)	6.36%	%3.75	20.54%	4.06%

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

January 1:	2020	2021	2022	2023	2024
TIF Valuation	\$65,612,990	\$68,056,309	\$79,666,422	\$96,105,413	\$114,817,174

- (3) Included in Residential Property Class starting with January 1, 2022 valuations.
(4) Based on 2019 Actual Valuation of \$485,410,745.

For the January 1, 2024 levy year, the City's Taxable Valuation was comprised of approximately 56% residential, 27% commercial, 17% industrial, 1% utilities, 1% agriculture and less than 1% railroads and exemptions.

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

Property Class	Fiscal Year: Levy Year:	2021/22 2020	2022/23 2021	2023/24 2022	2024/25 2023	2025/26 2024
Residential		\$176,171,342	\$180,185,845	\$195,423,124	\$203,997,304	\$217,674,871
Agricultural		1,967,621	1,965,688	2,133,666	2,102,331	2,104,481
Commercial		72,496,549	76,688,345	72,699,087	96,139,645	102,991,151
Industrial		62,725,554	63,628,662	61,898,775	62,054,816	64,494,218
Multi-residential(3)		5,301,005	8,376,012	0	0	0
Railroads		691,080	750,994	816,659	975,617	990,894
Utilities without Gas and Electric		243,412	118,953	0	29,948	23,448
Gas and Electric Utility		3,031,116	2,857,491	3,187,558	3,078,514	2,980,950
Less: Military Exemption		(340,768)	(337,064)	(311,136)	(2,017,750)	(3,428,000)
Total		\$322,286,911	\$334,234,926	\$335,847,733	\$366,360,425	\$387,832,013
Percent Change +(-)		3.64%(4)	3.71%	0.48%	9.09%	5.86%

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

January 1:	2020	2021	2022	2023	2024
TIF Valuation	\$65,612,990	\$68,056,309	\$79,666,422	\$91,584,746	\$93,666,214

- (3) Included in Residential Property Class starting with January 1, 2022 valuations.
(4) Based on 2019 Actual Valuation of \$310,977,553.

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
2014	2015-16	\$2,065,078	\$2,170,818	105.12%
2015	2016-17	1,951,619	2,053,839	105.24%
2016	2017-18	2,080,541	2,176,537	104.61%
2017	2018-19	2,095,279	2,211,305	105.54%
2018	2019-20	2,109,366	2,200,200	104.31%
2019	2020-21	2,553,098	2,660,349	104.20%
2020	2021-22	2,449,743	2,603,965	106.30%
2021	2022-23	2,682,701	2,816,027	104.97%
2022	2023-24	2,872,188	3,100,877	107.96%
2023	2024-25	3,019,008	- In Collection - -	

- Notes: (1) Source: the State of Iowa Department of Management and the City.
Includes amounts 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 2023 Taxable Valuation(2)
Big River United Energy, LLC	Ethanol Production	\$ 29,058,798
Advanced Properties, LLC	Real Estate	14,418,036
C & G Partnership LLP	Real Property	7,975,407
Interstate Power & Light Co	Utility	7,029,223
Wal-Mart Realty Company	Real Estate	4,706,147
Tomy International Inc	Collectible/Toy Manufacturer	4,580,674
Bodensteiner Implement Co.	Farm Equipment Dealer	4,301,585
Wall Leasing, LLC	Real Estate	4,207,097
Manchester Enterprises Inc	Real Estate	3,874,712
Crop Production Services, Inc	Agricultural Services	3,713,178
Total		\$ 83,864,857
Ten Largest Taxpayers as Percent of City's 2023 Taxable Valuation (366,360,425)		22.89%

- Notes: (1) Source: the Counties.
(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.

Property Tax Rates

The property tax rates for the City from levy year 2020 through levy year 2024 are shown below:

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

	Fiscal Year: Levy Year:	2021/22 2020	2022/23 2021	2023/24 2022	2024/25 2023	2025/26 2024
City:						
General Fund		\$ 7.93007	\$ 7.93007	\$ 8.02114	\$ 7.78752	\$ 7.56070
Emergency Levy		0.00000	0.00000	0.00000	0.00000	0.00000
Debt Service Fund		1.41206	1.83427	2.58253	2.35488	2.24146
Employee Benefits		0.00000	0.00000	0.00000	0.00000	0.00000
Capital Improvement		0.00000	0.00000	0.00000	0.00000	0.00000
Liability, Property & Self Insurance		0.00000	0.00000	0.00000	0.23251	0.45932
Other		0.00000	0.00000	0.00000	0.00000	0.00000
Total City		\$ 9.34213	\$ 9.76434	\$10.60367	\$10.37491	\$10.26148

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

FINANCIAL INFORMATION

Financial Reports

The City's financial statements are audited annually by certified public accountants. The City's financial statements are prepared in conformity with accounting principles generally accepted in the United States (GAAP) as prescribed by the Governmental Accounting Standards Board. See **APPENDIX A** 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, 2024 (the "2024 Audit"). The 2024 Audit has been prepared by Bergan KDV, Ltd., Certified Public Accountants, Minneapolis, Minnesota, (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 2024 Audit; nor has the City requested that the Auditor consent to the use of the Excerpted Financial Information and the 2024 Audit in this Official Statement. The inclusion of the Excerpted Financial Information and the 2024 Audit in this Official Statement in and of itself is not intended to demonstrate the fiscal condition of the City since the date of the 2024 Audit. Questions or inquiries relating to financial information of the City since the date of the 2024 Audit 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 2024 Audit. The City's expects its General Fund balance for the fiscal year ending June 30, 2025 to increase by approximately \$39,000. The City has approved a budget for fiscal year 2026 with an anticipated increase to the General Fund balance of approximately \$132,000.

Statement of Net Position Governmental Activities(1)

	Audited as of June 30				
	2020	2021	2022	2023	2024
Assets:					
Cash and Pooled Cash Investments	\$ 3,855,793	\$ 2,470,495	\$ 3,999,998	\$ 2,131,896	\$ 2,192,536
Receivables:					
Property Tax:					
Delinquent	35,851	10,488	6,541	6,782	10,487
Succeeding Year	3,851,162	4,225,668	4,416,145	4,889,649	6,365,720
Accounts and Other	33,476	44,785	71,415	208,160	102,242
Special Assessments	16,017	10,494	5,466	0	0
Due from Other Governments	585,121	199,975	175,812	688,677	1,640,701
Internal Balances	0	0	0	3,270,412	2,075,344
Prepaid Items	83,813	86,068	101,095	110,835	125,276
Restricted Assets:					
Cash and Pooled Cash Investments	97,892	94,627	110,278	85,541	98,593
Net Pension Asset	0	0	392,456	0	0
Capital Assets:					
Land and Construction in Progress	10,601,232	12,862,529	11,010,973	8,398,601	7,628,704
Other Capital Assets, Net of Accumulated Depreciation ...	11,663,143	13,853,677	16,053,813	18,935,911	21,169,107
Total Assets	<u>\$30,823,500</u>	<u>\$33,858,806</u>	<u>\$36,343,992</u>	<u>\$38,726,464</u>	<u>\$41,408,710</u>
Deferred Outflows of Resources:					
Pension Related Deferred Outflows	\$ 184,790	\$ 233,933	\$ 199,329	\$ 207,417	\$ 336,879
Liabilities:					
Accounts Payable	\$ 473,201	\$ 349,969	\$ 452,054	\$ 478,554	\$ 716,775
Accrued Interest Payable	17,874	16,821	17,999	64,104	37,654
Grants Received In Advance	0	0	222,562	546,204	220,605
Salaries and Benefits Payable	41,231	53,954	60,357	30,138	45,688
Long-Term Liabilities:					
Portion Due or Payable Within One Year:					
Equipment Purchase Agreements	0	0	9,042	18,843	19,289
Capital Lease Purchase Agreements	6,207	8,625	0	0	0
Lease Payable	0	0	9,964	10,138	10,315
General Obligation Bonds	610,000	935,000	930,000	1,030,000	1,077,500
Compensated Absences	244,516	274,369	315,716	353,055	368,648
Portion Due or Payable After One Year:					
Equipment Purchase Agreements	0	0	21,974	76,104	56,977
Capital Lease Purchase Agreements	39,641	31,016	0	0	0
Lease Payable	0	0	63,551	53,413	43,098
General Obligation Bonds	7,935,986	7,832,800	8,644,613	9,896,426	8,815,739
Net Pension Liability	407,927	577,861	0	126,015	282,448
Total OPEB Liability	40,453	44,678	0	0	0
Total Liabilities	<u>\$ 9,817,036</u>	<u>\$10,125,093</u>	<u>\$10,747,832</u>	<u>\$12,682,994</u>	<u>\$11,694,736</u>
Deferred Inflows of Resources:					
Succeeding Year Property Tax	\$ 3,851,162	\$ 4,225,668	\$ 4,416,145	\$ 4,889,649	\$ 6,365,720
Pension Related Deferred Inflows	110,509	17,604	774,227	114,908	39,911
Total Deferred Inflows of Resources	<u>\$ 3,961,671</u>	<u>\$ 4,243,272</u>	<u>\$ 5,190,372</u>	<u>\$ 5,004,557</u>	<u>\$ 6,405,631</u>
Net Position:					
Net Investment in Capital Assets	\$15,134,487	\$17,908,765	\$17,385,642	\$16,894,783	\$18,774,893
Restricted for:					
Economic Development	1,597,934	2,117,189	2,379,715	2,820,827	3,341,334
Local Option Sales Tax	117,014	223,821	256,000	519,730	818,605
Library	97,878	94,548	108,776	85,252	97,611
Debt Service	395,502	464,562	487,566	542,919	906,586
Capital Improvements	22,144	57,785	29,019	790,810	374,380
Unrestricted	(135,376)	(1,142,296)	(41,601)	(407,991)	(668,187)
Total Net Assets	<u>\$17,229,583</u>	<u>\$19,724,374</u>	<u>\$20,605,117</u>	<u>\$21,246,330</u>	<u>\$23,645,222</u>

Note: (1) Source: Audited financial statements of the City for the fiscal years ended June 30, 2020 through 2024.

Statement of Activities Governmental Activities(1)

	Audited as of June 30				
	2020	2021	2022	2023	2024
Functions/Programs:					
Governmental Activities:					
Public Safety	\$ (967,778)	\$ (1,064,395)	\$ (1,280,594)	\$ (1,202,853)	\$ (1,535,726)
Public Works	(1,241,394)	714,097	(997,624)	(746,259)	(118,287)
Health and Social Services	(5,000)	0	0	0	0
Culture and Recreation	(952,349)	(998,439)	(940,376)	(929,921)	(1,221,585)
Community and Economic Development	(450,799)	(366,523)	(849,543)	(1,387,988)	(406,225)
General Government	(659,920)	(816,024)	(590,062)	(713,677)	(670,404)
Debt Service	(223,238)	(204,764)	(246,639)	(241,310)	(276,599)
Total Governmental Activities	<u>\$ (4,500,478)</u>	<u>\$ (2,736,048)</u>	<u>\$ (4,904,838)</u>	<u>\$ (5,222,008)</u>	<u>\$ (4,228,826)</u>
General Revenues:					
Property Tax and Other City Tax Levied for:					
General Purposes	\$ 2,030,048	\$ 2,137,682	\$ 2,130,783	\$ 2,205,072	\$ 2,172,266
Debt Service	170,152	522,667	469,656	610,824	928,067
Tax Increment Financing	1,141,824	1,301,647	1,659,090	1,691,806	1,966,121
Utility Franchise Fees	151,522	153,093	174,170	182,634	291,536
Local Option Sales Tax	602,816	707,763	819,461	803,001	821,263
Hotel/Motel Tax	80,004	92,808	150,539	158,956	138,916
Unrestricted Investment Earnings	72,866	8,453	19,666	69,348	91,300
Gain on Sale of Capital Assets	31,000	10,396	60,000	0	0
Other	103,788	156,555	87,216	78,595	85,653
Transfers	0	139,775	215,000	62,985	0
Total General Revenues and Transfers	<u>\$ 4,384,020</u>	<u>\$ 5,230,839</u>	<u>\$ 5,785,581</u>	<u>\$ 5,863,221</u>	<u>\$ 6,495,122</u>
Change in Net Position	\$ (116,458)	\$ 2,494,791	\$ 880,743	\$ 641,213	\$ 2,319,299
Net Position, Beginning of Year	<u>\$17,346,041</u>	<u>\$17,229,583</u>	<u>\$19,724,374</u>	<u>\$20,605,117</u>	<u>\$21,325,923(2)</u>
Net Position, End of Year	<u>\$17,229,583</u>	<u>\$19,724,374</u>	<u>\$20,605,117</u>	<u>\$21,246,330</u>	<u>\$23,645,222</u>

Notes: (1) Source: Audited financial statements of the City for the fiscal years ended June 30, 2020 through 2024.
(2) Restated.

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Balance Sheet General Fund(1)

	Audited as of June 30				
	2020	2021	2022	2023	2024
Assets:					
Cash and Pooled Cash Investments	\$ 751,047	\$ 640,558	\$ 709,580	\$ 0	\$ 192,110
Receivables:					
Property Tax:					
Delinquent	22,687	8,160	5,353	5,025	4,111
Succeeding Year:	2,043,026	2,019,840	2,095,228	2,037,752	2,186,849
Accounts and Other	33,476	44,785	71,415	108,160	102,242
Due from Other Governments	32,626	44,564	55,402	55,286	49,901
Due from Other Funds	0	0	0	569,969	313,697
Prepaid Expenditures	83,813	86,068	101,095	110,835	125,276
Restricted Cash	35,401	35,401	35,401	0	0
Total Assets	<u>\$3,002,076</u>	<u>\$2,879,376</u>	<u>\$3,073,474</u>	<u>\$2,887,027</u>	<u>\$2,974,186</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts Payable	\$ 19,719	\$ 76,162	\$ 137,679	\$ 117,197	\$ 117,775
Salaries and Benefits Payable	32,399	42,158	56,460	25,372	41,206
Total Liabilities	<u>\$ 52,118</u>	<u>\$ 118,320</u>	<u>\$ 194,139</u>	<u>\$ 142,569</u>	<u>\$ 158,981</u>
Deferred Inflows of Resources:					
Unavailable Revenues:					
Succeeding Year Property Tax	<u>\$2,043,026</u>	<u>\$2,019,840</u>	<u>\$2,095,228</u>	<u>\$2,037,752</u>	<u>\$2,186,849</u>
Total Deferred Inflows of Resources	<u>\$2,043,026</u>	<u>\$2,019,840</u>	<u>\$2,095,228</u>	<u>\$2,037,752</u>	<u>\$2,186,849</u>
Fund Balances:					
Nonspendable	\$ 83,813	\$ 86,068	\$ 101,095	\$ 110,835	\$ 125,276
Restricted	35,401	35,401	35,401	0	0
Unassigned	787,718	619,747	647,611	595,871	503,080
Total Fund Balances	<u>906,932</u>	<u>741,216</u>	<u>784,107</u>	<u>706,706</u>	<u>628,356</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$3,002,076</u>	<u>\$2,879,376</u>	<u>\$3,073,474</u>	<u>\$2,887,027</u>	<u>\$2,974,186</u>

(1) Source: Audited financial statements of the City for the fiscal years ended June 30, 2020 through 2024.

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

	Audited Fiscal Year Ended June 30				
	2020	2021	2022	2023	2024
Revenues:					
Property Tax	\$2,030,048	\$2,137,682	\$2,130,783	\$2,205,072	\$2,172,266
Other City Tax	384,202	429,058	523,744	543,164	636,386
Licenses and Permits	17,174	13,392	19,773	16,110	20,683
Use of Money and Property	105,741	129,007	58,525	113,769	136,313
Intergovernmental	41,068	133,874	40,502	29,798	31,222
Charges for Service	147,165	141,203	232,231	283,603	243,800
Miscellaneous	144,675	70,114	140,236	64,118	86,489
Total Revenues	<u>\$2,870,073</u>	<u>\$3,054,330</u>	<u>\$3,145,794</u>	<u>\$3,255,634</u>	<u>\$3,327,159</u>
Expenditures:					
Current:					
Public Safety	\$ 944,290	\$1,028,634	\$1,027,554	\$1,116,829	\$1,119,627
Public Works	334,063	294,129	342,823	442,132	529,812
Health and Social Services	5,000	0	0	0	0
Culture and Recreation	1,019,843	974,630	1,093,851	1,394,353	1,277,426
Community and Economic Development	61,785	20,322	141,250	27,864	101,000
General Government	610,743	644,147	508,943	564,261	519,300
Debt Service	20,851	0	0	0	0
Total Expenditures	<u>\$2,996,575</u>	<u>\$2,961,862</u>	<u>\$3,114,421</u>	<u>\$3,545,439</u>	<u>\$3,547,165</u>
Revenues Over (Under) Expenditures	<u>\$ (126,502)</u>	<u>\$ 92,468</u>	<u>\$ 31,373</u>	<u>\$ (289,805)</u>	<u>\$ (220,006)</u>
Other Financing Sources (Uses)	<u>\$ (406,440)</u>	<u>\$ (258,184)</u>	<u>\$ 11,518</u>	<u>\$ 212,404</u>	<u>\$ 141,656</u>
Net Change in Fund Balance	<u>\$ (542,942)</u>	<u>\$ (165,716)</u>	<u>\$ 42,891</u>	<u>\$ (77,401)</u>	<u>\$ (78,350)</u>
Fund Balance, Beginning of the Year	<u>\$1,449,874</u>	<u>\$ 906,932</u>	<u>\$ 741,216</u>	<u>\$ 784,107</u>	<u>\$ 706,706</u>
Fund Balance, End of the Year	<u>\$ 906,932</u>	<u>\$ 741,216</u>	<u>\$ 784,107</u>	<u>\$ 706,706</u>	<u>\$ 628,356</u>

Note: (1) Source: Audited financial statements for the City for the fiscal years ended June 30, 2020 through 2024.

REGISTRATION, TRANSFER AND EXCHANGE

See also **APPENDIX B – DESCRIBING BOOK-ENTRY-ONLY ISSUANCE** 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 EXEMPTION AND RELATED TAX MATTERS

Federal Income Tax Exemption

The opinion of Bond Counsel will state that under present laws and rulings, interest on the Bonds is excluded 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 noncorporate taxpayers under the Code.

The opinion set forth in the preceding sentence will be subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. In the resolution authorizing the issuance of the Bonds, the Issuer will covenant to comply with all such requirements.

There may be certain other federal tax consequences to the ownership of the Bonds by 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 and Railroad Retirement benefits, taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations, and corporations that may be subject to the alternative minimum tax. Bond Counsel will express no opinion with respect to other federal tax consequences to owners of the Bonds. Prospective purchasers of the Bonds should consult with their tax advisors as to such matters.

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.

Proposed Changes in Federal and State Tax Law

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or 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. No prediction is made whether such provisions will be enacted as proposed or concerning other future legislation affecting the tax treatment of interest on the Bonds. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax exempt 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.

Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. 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.

Qualified Tax-Exempt Obligations

In the resolution authorizing the issuance of the Bonds, the Issuer will designate the Bonds as “qualified tax exempt obligations” within the meaning of Section 265(b)(3) of the Code relating to the ability of financial institutions to deduct from income for federal income tax purposes a portion of the interest expense that is allocable to tax-exempt obligations. In the opinion of Bond Counsel, the Bonds are “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code.

Original Issue Premium

The Bonds maturing in the years _____ are being issued at a premium to the principal amount payable at maturity. Except in the case of dealers, which are subject to special rules, Bondholders who acquire the Bonds at a premium must, from time to time, reduce their federal tax bases for the Bonds for purposes of determining gain or loss on the sale or payment of such Bonds. Premium generally is amortized for federal income tax purposes on the basis of a bondholder’s constant yield to maturity or to certain call dates with semiannual compounding. Bondholders who acquire any Bonds at a premium might recognize taxable gain upon sale of the Bonds, even if such Bonds are sold for an amount equal to or less than their original cost. Amortized premium is not deductible for federal income tax purposes. Bondholders who acquire any Bonds at a premium should consult their tax advisors concerning the calculation of bond premium and the timing and rate of premium amortization, as well as the state and local tax consequences of owning and selling the Bonds acquired at a premium.

Original Issue Discount

The Bonds maturing in the years _____ (collectively, the “Discount Bonds”) are being sold at a discount from the principal amount payable on such Discount Bonds at maturity. The difference between the price at which a substantial amount of the Discount Bonds of a given maturity is first sold to the public (the “Issue Price”) and the principal amount payable at maturity constitutes “original issue discount” under the Code. The amount of original issue discount that accrues to a holder of a Discount Bond under section 1288 of the Code (“Section 1288”) is excluded from federal gross income to the same extent that stated interest on such Discount Bond would be so excluded. The amount of the original issue discount that accrues with respect to a Discount Bond under section 1288 is added to the owner’s federal tax basis in determining gain or loss upon disposition of such Discount Bond (whether by sale, exchange, redemption or payment at maturity).

Interest in the form of original issue discount accrues under section 1288 pursuant to a constant yield method that reflects semiannual compounding on dates that are determined by reference to the maturity date of the Discount Bond. The amount of original issue discount that accrues for any particular semiannual accrual period generally is equal to the excess of (1) the product of (a) one-half of the yield on such Discount Bonds (adjusted as necessary for an initial short period) and (b) the adjusted issue price of such Discount Bonds, over (2) the amount of stated interest actually payable. For purposes of the preceding sentence, the adjusted issue price is determined by adding to the Issue Price for such Discount Bonds the original issue discount that is treated as having accrued during all prior semiannual accrual periods. If a Discount Bond is sold or otherwise disposed of between semiannual compounding dates, then the original issue discount that would have accrued for that semiannual accrual period for federal income tax purposes is allocated ratably to the days in such accrual period.

An owner of a Discount Bond who disposes of such Discount Bond prior to maturity should consult owner’s tax advisor as to the amount of original issue discount accrued over the period held and the amount of taxable gain or loss upon the sale or other disposition of such Discount Bond prior to maturity.

Owners who purchase Discount Bonds in the initial public offering but at a price different than the Issue Price should consult their own tax advisors with respect to the tax consequences of the ownership of Discount Bonds.

The Code contains provisions relating to the accrual of original issue discount in the case of subsequent purchasers of bonds such as the Discount Bonds. Owners who do not purchase Discount Bonds in the initial offering should consult their own tax advisors with respect to the tax consequences of the ownership of the Discount Bonds.

Original issue discount that accrues in each year to an owner of a Discount Bond may result in collateral federal income tax consequences to certain taxpayers. No opinion is expressed as to state and local income tax treatment of original issue discount. All owners of Discount Bonds should consult their own tax advisors with respect to the federal, state, local and foreign tax consequences associated with the purchase, ownership, redemption, sale or other disposition of Discount Bonds.

CONTINUING DISCLOSURE

For the purpose of complying with paragraph (b)(5) of 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 D – 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.

The following disclosure is being provided by the Issuer for the sole purpose of assisting the Underwriter in complying with the Rule. During the previous five years, the Issuer did not timely file notice of rating change. The Issuer filed the missing filings on June 9, 2025.

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, 2027 - 2032 inclusive, are not subject to optional redemption. The Issuer reserves the right to optionally prepay part or all of the Bonds maturing in each of the years 2033 through 2036, prior to and in any order of maturity, on June 1, 2032, or any date thereafter, upon terms of par and accrued interest. If less than all of the Bonds of any like maturity are to be redeemed, the particular part of those Bonds to be redeemed shall be selected by the Bond Registrar by lot. The Bonds may be called in part in one or more units of \$5,000.

If less than the entire principal amount of any Bond in a denomination of more than \$5,000 is to be redeemed, the Bond Registrar will issue and deliver to the registered owner thereof, upon surrender of such original Bond, a new Bond or Bonds, in any authorized denomination, in a total aggregate principal amount equal to the unredeemed balance of the original Bond. Notice of such redemption as aforesaid identifying the Bond or Bonds (or portion thereof) to be redeemed shall be sent by electronic means or mailed by certified mail to the registered owners thereof at the addresses shown on the City's registration books not less than 30 days prior to such redemption date. Any notice of redemption may contain a statement that the redemption is conditioned upon the receipt by the Bond Registrar of funds on or before the date fixed for redemption sufficient to pay the redemption price of the Bonds so called for redemption, and that if funds are not available, such redemption shall be cancelled by written notice to the owners of the Bonds called for redemption in the same manner as the original redemption notice was sent, provided that such notice of cancellation is to be made at least five days prior to the date fixed for redemption.

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

Legal matters incident to the authorization, issuance and sale of the Bonds and with regard to the tax-exempt status of the interest thereon (see “**TAX EXEMPTION AND RELATED TAX MATTERS**” herein) are subject to the approving legal opinion of Dorsey & Whitney LLP, Des Moines, Iowa, Bond Counsel, a form of which is attached hereto as **APPENDIX C**. Signed copies of the opinion, dated and premised on law in effect as of the date of original delivery of the Bonds, will be delivered to the Underwriter at the time of such original delivery. The Bonds are offered subject to prior sale and to the approval of legality of the Bonds by Bond Counsel.

The legal opinion to be delivered will express the professional judgment of Bond Counsel and by rendering a legal opinion, Bond Counsel does not become an insurer or guarantor of the result indicated by that expression of professional judgment or of the transaction or the future performance of the parties to the transaction.

Bond Counsel has not been engaged, nor has it undertaken, to prepare or to independently verify the accuracy of the Official Statement, including but not limited to financial or statistical information of the City and risks associated with the purchase of the Bonds, except Bond Counsel has reviewed the information and statements contained in the Official Statement under, “**TAX EXEMPTION AND RELATED TAX MATTERS**” and “**LEGAL MATTERS**”, insofar as such statements contained under such captions purport to summarize certain provisions of the Internal Revenue Code of 1986, the Bonds and any opinions rendered by Bond Counsel. Bond Counsel has prepared the documents contained in **APPENDIX C** and **APPENDIX D**.

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.

UNDERWRITING

UMB Bank, n.a., West Des Moines, Iowa (the “Underwriter”) has agreed to purchase all but not less than all of the Bonds at a price of \$_____ (reflecting the par amount of \$_____, plus a reoffering premium of \$_____, and less an Underwriter’s discount of \$_____). It is anticipated that delivery of the Bonds will occur on the date shown on the cover page hereof. The Bonds may be offered and sold to certain dealers (including the Underwriter or other dealers depositing Bonds into investment trusts) at prices or yields other than such public offering prices or yields shown on the cover of the Final Official Statement, and such public offering prices or yields may be changed, from time to time, by the Underwriter.

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.

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 entirety 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/ **MICK J. MICHEL**
City Administrator
CITY OF DYERSVILLE
Delaware and Dubuque Counties, Iowa

/s/ **JEFF JACQUE**
Mayor
CITY OF DYERSVILLE
Delaware and Dubuque Counties, Iowa

APPENDIX A

**CITY OF DYERSVILLE
DELAWARE AND DUBUQUE COUNTIES, IOWA**

FISCAL YEAR 2024 AUDITED FINANCIAL STATEMENTS

CITY OF DYERSVILLE, IOWA

FINANCIAL STATEMENTS

JUNE 30, 2024

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Officials

Name	Title	Term Expires
Elected Officials (Before January 1, 2024)		
Jeff Jacque	Mayor	December 31, 2023
Michael English	Council Member	December 31, 2023
Jenni Ostwinkle Silva	Council Member	December 31, 2023
Tom Westhoff	Council Member	December 31, 2025
Jim Gibbs	Council Member	December 31, 2025
Mike Oberbroeckling	Council Member	December 31, 2025
Elected Officials (After January 1, 2024)		
Jeff Jacque	Mayor	December 31, 2025
Michael English	Council Member	December 31, 2027
Mark Singsank	Council Member	December 31, 2027
Tom Westhoff	Council Member	December 31, 2025
Jim Gibbs	Council Member	December 31, 2025
Mike Oberbroeckling	Council Member	December 31, 2025
Appointed Officials		
Mick Michel	City Administrator	Appointed
Tricia Maiers	City Clerk/Treasurer	Appointed
George Davis	City Attorney	Appointed
Jenny Weiss	City Attorney	Appointed



Independent Auditor's Report

Honorable Mayor and Members
of the City Council
City of Dyersville
Dyersville, Iowa

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dyersville, Iowa, as of and for the year ended June 30, 2024, and the related notes to the basic financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

In our opinion, the basic financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dyersville, Iowa, as of June 30, 2024, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Dyersville 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.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, which follows this report letter, and Required Supplementary Information as listed in the Table of Contents 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 (GASB), 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 supplementary information identified in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and is also 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 accompanying supplementary information and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

BerganKDV, Ltd.

Minneapolis, Minnesota
January 20, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Dyersville provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2024. We encourage readers to consider this information in conjunction with the City's financial statements, which follow.

2024 FINANCIAL HIGHLIGHTS

Revenue of the City's governmental and business-type activities decreased 16.3%, or approximately \$2,980,000, from fiscal 2024 to fiscal 2023. Overall capital grants and contributions decreased approximately \$3,860,000, operating grants and contributions increased by approximately \$36,000, while charges for services increased approximately \$47,000 and property taxes increased by approximately \$284,000.

Program expenses of the City's governmental activities decreased 3.7%, or approximately \$320,000, in fiscal 2023 from fiscal 2024. Public safety increased \$347,000. Community and economic development decreased by \$826,000. Culture and recreation expenses increased \$241,000 and public works expense decreased by \$75,000. General government expenses decreased \$43,000.

The City's total net position increased 9.5%, or approximately \$4,350,000, from June 30, 2023 to June 30, 2024.

USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements and other information, as follows:

Management's discussion and analysis introduces the basic financial statements and provides an analytical overview of the City's financial activities.

Government-wide financial statements consist of a statement of net position and a statement of activities. These provide information about the activities of the City of Dyersville as a whole and present an overall view of the City's finances.

The fund financial statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report the City's operations in more detail than the government-wide statements by providing information about the most significant funds.

Notes to financial statements provide additional information essential to a full understanding of the data provided in the basic 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 and related contributions.

Other supplementary information provides detailed information about the nonmajor special revenue funds, as well as a ten-year history of revenues and expenditures for all governmental funds.

REPORTING THE CITY'S FINANCIAL ACTIVITIES

Government-Wide Financial Statements

One of the most important questions asked about the City's finances is, "whether the City as a whole is better or worse off as a result of the year's activities?" The statement of net position and the statement of activities report information which helps answer this question. These statements include all assets, deferred outflows, liabilities and deferred inflows using the accrual basis of accounting and the economic resources measurement focus, which is similar to the accounting used by most private sector companies. All of the current year's revenue and expenses are taken into account, regardless of when cash is received or paid.

The statement of net position presents all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as "net position." Over time, increases or decreases in the City's net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the change occurs, regardless of the timing of related cash flows. Thus, revenue and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods.

The statement of net position and the statement of activities report two kinds of activities:

- Governmental activities include public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service and capital projects. Property tax and intergovernmental receipts finance most of these activities.
- Business-type activities include the City's utility services, such as waterworks, sanitation and sanitary sewer systems. These activities are financed primarily by user charges.

Fund Financial Statements

The City has two kinds of funds:

1. Governmental funds account for most of the City's basic services. These focus on how money flows into and out of those funds and the balances at year end that are available for spending. Governmental funds include: the General Fund, the Special Revenue Funds, the Debt Service Fund and the Capital Projects Fund. These funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund financial statements provide a detailed, short-term view of the City's general governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs.

The required financial statements for governmental funds include a balance sheet and a statement of revenue, expenditures and changes in fund balances.

2. Proprietary funds account for the City's enterprise funds. These funds report services for which the City charges customers for the service it provides. Proprietary funds are reported in the same way all activities are reported in the statement of net position and the statement of activities. The major difference between the proprietary funds and the business-type activities included in the government-wide statements is the detail and additional information, such as cash flows, provided in the proprietary fund statements. The enterprise funds include the City's utility services, such as water utility, sewage disposal works and solid waste. The City is responsible for ensuring the assets reported in these funds are used only for their intended purposes.

The financial statements required for proprietary funds include a statement of net position, a statement of revenue, expenses and changes in fund net position and a statement of cash flows.

Government-Wide Financial Analysis

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

	Net Position at End of Year					
	Governmental Activities		Business-Type Activities		Total Government	
	2024	2023 (As Restated)	2024	2023 (As Restated)	2024	2023 (As Restated)
Current and other assets	\$ 12,610,899	\$ 11,471,545	\$ (1,117,354)	\$ (747,544)	\$ 11,493,545	\$ 10,724,001
Capital assets	<u>28,797,811</u>	<u>27,334,512</u>	<u>36,725,966</u>	<u>35,524,889</u>	<u>65,523,777</u>	<u>62,859,401</u>
Total Assets	<u>41,408,710</u>	<u>38,806,057</u>	<u>35,608,612</u>	<u>34,777,345</u>	<u>77,017,322</u>	<u>73,583,402</u>
Deferred Outflows of Resources						
Pension-related deferred outflows	<u>336,879</u>	<u>207,417</u>	<u>91,509</u>	<u>57,692</u>	<u>428,388</u>	<u>265,109</u>
Long-term liabilities	9,198,262	10,151,958	7,795,218	8,605,649	16,993,480	18,757,607
Other liabilities	<u>2,496,474</u>	<u>2,531,036</u>	<u>1,586,448</u>	<u>1,919,809</u>	<u>4,082,922</u>	<u>4,450,845</u>
Total Liabilities	<u>11,694,736</u>	<u>12,682,994</u>	<u>9,381,666</u>	<u>10,525,458</u>	<u>21,076,402</u>	<u>23,208,452</u>
Deferred Inflows of Resources						
Succeeding year property tax	6,365,720	4,889,649	—	—	6,365,720	4,889,649
Pension related	<u>39,911</u>	<u>114,908</u>	<u>2,190</u>	<u>26,623</u>	<u>42,101</u>	<u>141,531</u>
Total Deferred Inflows of Resources	<u>6,405,631</u>	<u>5,004,557</u>	<u>2,190</u>	<u>26,623</u>	<u>6,407,821</u>	<u>5,031,180</u>
Net Position						
Net investment in capital assets	18,774,893	16,894,783	28,087,896	26,616,196	46,862,789	43,510,979
Restricted	5,538,516	4,759,538	—	—	5,538,516	4,759,538
Unrestricted	<u>(668,187)</u>	<u>(328,398)</u>	<u>(1,771,631)</u>	<u>(2,333,240)</u>	<u>(2,439,818)</u>	<u>(2,661,638)</u>
Total Net Position	<u>\$ 23,645,222</u>	<u>\$ 21,325,923</u>	<u>\$ 26,316,265</u>	<u>\$ 24,282,956</u>	<u>\$ 49,961,487</u>	<u>\$ 45,608,879</u>

Net position of governmental activities increased during fiscal year 2024 by \$2,320,000, or 10.9%, and net position of business activities increased from fiscal year 2023 by \$2,033,000, or 8.4%. The largest portion of the City's net position is the invested in capital assets (e.g., land, infrastructure, buildings and equipment), less the related debt. Restricted net position represents resources that are subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, legislation or other legal requirements, is a deficit balance of approximately \$2,400,000 at the end of this year.

A summary version of the statement of activities follows:

	Changes in Net Position for the Year Ended June 30,					
	Governmental Activities		Business-Type Activities		Total Government	
	2024	2023 (As Restated)	2024	2023 (As Restated)	2024	2023 (As Restated)
Revenue						
Program Revenue						
Charges for service	\$ 264,563	\$ 311,268	\$ 2,878,685	\$ 2,785,012	\$ 3,143,248	\$ 3,096,280
Operating grants and contributions	757,974	722,230	—	—	757,974	722,230
Capital grants and contributions	3,030,572	2,425,737	1,810,897	6,275,066	4,841,469	8,700,803
General Revenue						
Property Tax Levied for						
General purposes	2,172,266	2,205,072	—	—	2,172,266	2,205,072
Debt service	928,067	610,824	—	—	928,067	610,824
Tax increment financing	1,966,121	1,691,806	—	—	1,966,121	1,691,806
Utility franchise fees	291,536	182,634	—	—	291,536	182,634
Local option sales tax	821,263	803,001	—	—	821,263	803,001
Hotel/motel tax	138,916	158,956	—	—	138,916	158,956
Unrestricted investment earnings	91,300	69,348	—	—	91,300	69,348
Gain on sale of capital assets	—	—	90,000	—	90,000	—
Miscellaneous	85,653	78,595	25,909	17,011	111,562	95,606
Total Revenue	10,548,231	9,259,471	4,805,491	9,077,089	15,353,722	18,336,560
Program Expenses						
Public safety	1,565,909	1,218,625	—	—	1,565,909	1,218,625
Public works	1,330,246	1,404,998	—	—	1,330,246	1,404,998
Culture and recreation	1,452,628	1,211,179	—	—	1,452,628	1,211,179
Community and economic development	2,986,149	3,811,861	—	—	2,986,149	3,811,861
General government	670,404	713,677	—	—	670,404	713,677
Interest on long-term debt	276,599	241,310	—	—	276,599	241,310
Water utility	—	—	1,164,926	1,048,327	1,164,926	1,048,327
Sewage disposal works	—	—	1,119,984	1,151,465	1,119,984	1,151,465
Solid waste	—	—	434,269	430,697	434,269	430,697
Total Expenses	8,281,935	8,601,650	2,719,179	2,630,489	11,001,114	11,232,139
Transfers	53,003	62,985	(53,003)	(62,985)	—	—
Change in Net Position	2,319,299	720,806	2,033,309	6,383,615	4,352,608	7,104,421
Net Position - Beginning of Year	21,325,923	20,605,117	24,282,956	17,899,341	45,608,879	38,504,458
Net Position - End of Year	\$ 23,645,222	\$ 21,325,923	\$ 26,316,265	\$ 24,282,956	\$ 49,961,487	\$ 45,608,879

INDIVIDUAL MAJOR FUND ANALYSIS

Governmental Fund Highlights

As the City of Dyersville completed the year, its governmental funds reported a combined fund balance of \$4,735,351, which is less than the \$5,447,407 total fund balance as of June 30, 2023. The following are the major reasons for the changes in fund balances of the major governmental funds from the prior year.

The General Fund expenditures decreased from the prior year in the culture and recreational function by approximately \$117,000. Community and economic development expenses increased approximately \$73,000 which related to the funding of building grants. The General Fund showed a decrease in fund balance of \$78,350 from the prior year to a fund balance of \$628,356, compared to prior year ending fund balance of \$706,706.

The Dyersville Economic Development TIF Fund is used to account for revenue from the tax authorized by ordinance in the urban renewal district and used to pay the principal and interest on the general obligation capital loan notes and other indebtedness incurred for urban renewal redevelopment projects. This fund ended fiscal 2024 with a \$3,341,334 fund balance compared to the prior year ending fund balance of \$2,820,827. The increase in fund balance is attributable to increases in TIF revenue.

The Special Projects Fund is used to account for all revenue and expenses funded by special projects or grants. The fund started fiscal year 2024 with a deficit fund balance of \$18,837. The Special Projects Fund ended with a deficit balance of \$548,827. The fund incurred large revenue and expenditures in 2024 related to a special project.

The Capital Improvements Fund is used to account for the resources and costs related to infrastructure and building construction and major improvements. This fund started fiscal year 2024 with a fund balance of \$724,788. The Capital Improvement Fund ended with a deficit fund balance of \$882,694. The fund incurred large expenses in 2024 relating to the following projects: Field of Dreams project and miscellaneous repairs and maintenance.

The Debt Service Fund is used to account for the payment of interest and principal on the City's general long-term debt. The fund ended fiscal year 2024 with a balance of \$906,586, compared to prior year ending fund balance of \$542,919.

Proprietary Fund Highlights

The Water Utility Fund, which accounts for the operation and maintenance of the City's water system, ended fiscal 2024 with net position of \$13,501,438 compared to the prior year ending net position of \$12,528,010. The increase in net position is mostly related to the Dyersville East project.

The Sewage Disposal Works Fund, which accounts for the operation and maintenance of the City's wastewater treatment and sanitary sewer system, ended fiscal 2024 with a \$12,929,389 net position balance compared to the prior year ending net position balance of \$11,809,456. The increase in net position is mostly related to the Dyersville East project.

Budgetary Highlights

Over the course of the year, the City of Dyersville amended its budget once. The amendment was done on May 20, 2024. The amendment was needed to adjust expenditures for general government and capital projects.

The City's receipts were \$52,010,388 less than final budgeted receipts.

Total disbursements were \$51,934,216 less than budgeted disbursements. The public safety, public works, culture and recreation, community and economic development functional expenses and business-type activities were over budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets include land, buildings and improvements, equipment, streets, sewer systems, lighting systems, traffic signals and other infrastructure. Capital assets for governmental activities totaled \$28,797,811 (net of accumulated depreciation/amortization) as of June 30, 2024. Capital assets for business-type activities totaled \$36,725,966 (net of accumulated depreciation) as of June 30, 2024. See Note 4 to the financial statements for more information about the City's capital assets.

The major capital outlays for governmental activities during the year included expenses for city square pavement project, Heritage Trail expenses, Field of Dreams stormwater wetland project, sanitary sewer extension project, pool upgrades, dugouts and lights for softball and baseball fields and various equipment purchases.

For business-type activities, fiscal year 2024 included large outlays for the Dyersville East road projects.

Long-Term Debt

As of June 30, 2024, the City had \$10,022,918 in total long-term debt outstanding for governmental activities. Total long-term debt outstanding for business-type activities was \$8,632,480 as of June 30, 2024. The long term debt includes equipment purchase agreements for four trucks with a remaining balance of \$284,738 as of June 30, 2024, of which a portion is recorded in governmental activities and a portion is recorded in business-type activities. The long term debt also includes lease agreements for the lease of Commercial Club Park in the amount of \$53,413.

The City does not have a general obligation bond rating assigned by national rating agencies to the City's debt. The Constitution of the State of Iowa limits the amount of general obligation debt cities can issue to 5% of the assessed value of all taxable property within the City's corporate limits. The City's outstanding general obligation debt is significantly below its constitutional debt limit of approximately \$27.3 million. Other obligations include accrued vacation pay, sick leave and net pension liability. Additional information about the City's long-term debt is presented in Note 5 to the financial statements. Additional information about the City's net pension liability is presented in Note 8 to the financial statements.

ECONOMIC FACTORS BEARING ON THE CITY'S FUTURE

Several economic factors affected decisions made by the City in setting its fiscal 2025 budget. The City's General Fund property tax revenue will remain consistent with prior years.

The tax levy rates per \$1,000 of taxable valuation for fiscal 2025 are provided below:

General levy	\$ 7.78752
Debt service levy	2.35488
Total	<u>\$ 10.14240</u>

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to present our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and operating activities. If you have any questions or require additional information, please contact Mick J. Michel, City Administrator, 340 1st Avenue East, Dyersville, Iowa 52040.

Basic Financial Statements

Statement of Net Position

As of June 30, 2024

	Governmental Activities	Business-Type Activities	Total
Assets and Deferred Outflows of Resources			
Assets			
Cash and pooled cash investments.....	\$ 2,192,536	\$ —	\$ 2,192,536
Receivables			
Property Tax			
Delinquent	10,487	—	10,487
Succeeding year.....	6,365,720	—	6,365,720
Accounts and other	102,242	375,934	478,176
Due from other governments.....	1,640,701	383,295	2,023,996
Internal balances	2,075,344	(2,075,344)	—
Inventories	—	72,208	72,208
Prepaid items.....	125,276	77,942	203,218
Restricted Assets			
Cash and pooled cash investments	98,593	48,611	147,204
Capital Assets			
Land and construction in progress	7,628,704	8,713,367	16,342,071
Other capital assets, net of accumulated depreciation/amortization	21,169,107	28,012,599	49,181,706
Total Assets	<u>41,408,710</u>	<u>35,608,612</u>	<u>77,017,322</u>
 Deferred Outflows of Resources			
Pension-related deferred outflows.....	<u>336,879</u>	<u>91,509</u>	<u>428,388</u>
 Total Assets and Deferred Outflows of Resources	<u>\$ 41,745,589</u>	<u>\$ 35,700,121</u>	<u>\$ 77,445,710</u>

See accompanying notes to the financial statements.

	Governmental Activities	Business-Type Activities	Total
Liabilities, Deferred Inflows of Resources and Net Position			
Liabilities			
Accounts payable	\$ 716,775	\$ 316,342	\$ 1,033,117
Accrued interest payable	37,654	13,822	51,476
Grants received in advance	220,605	—	220,605
Salaries and benefits payable	45,688	17,302	62,990
Long-Term Liabilities			
Portion Due Within One Year			
Customer deposits	—	57,823	57,823
Equipment purchase and agreements	19,289	54,836	74,125
Lease liability	10,315	—	10,315
General obligation bonds	1,077,500	552,500	1,630,000
Revenue notes	—	443,000	443,000
Compensated absences	368,648	130,823	499,471
Portion Due or Payable After One Year			
Equipment purchase agreements	56,977	153,636	210,613
Lease liability	43,098	—	43,098
General obligation bonds	8,815,739	1,657,500	10,473,239
Revenue notes	—	5,771,008	5,771,008
Net pension liability	282,448	213,074	495,522
Total Liabilities	<u>11,694,736</u>	<u>9,381,666</u>	<u>21,076,402</u>
Deferred Inflows of Resources			
Succeeding year property tax	6,365,720	—	6,365,720
Pension-related deferred inflows	39,911	2,190	42,101
Total Deferred Inflows of Resources	<u>6,405,631</u>	<u>2,190</u>	<u>6,407,821</u>
Net Position			
Net investment in capital assets	18,774,893	28,087,896	46,862,789
Restricted for			
Economic development	3,341,334	—	3,341,334
Local option sales tax	818,605	—	818,605
Library	97,611	—	97,611
Debt service	906,586	—	906,586
Capital improvements	374,380	—	374,380
Unrestricted	(668,187)	(1,771,631)	(2,439,818)
Total Net Position	<u>23,645,222</u>	<u>26,316,265</u>	<u>49,961,487</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 41,745,589</u>	<u>\$ 35,700,121</u>	<u>\$ 77,445,710</u>

Statement of Activities

Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenue			Net Revenue (Expense) and Changes in Net Position		
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Primary Government							
Governmental Activities							
Public safety	\$ 1,565,909	\$ 15,536	\$ 14,647	\$ —	\$ (1,535,726)	\$ —	\$ (1,535,726)
Public works	1,330,246	37,319	633,014	541,626	(118,287)	—	(118,287)
Culture and recreation	1,452,628	211,708	19,335	—	(1,221,585)	—	(1,221,585)
Community and economic development	2,986,149	—	90,978	2,488,946	(406,225)	—	(406,225)
General government.....	670,404	—	—	—	(670,404)	—	(670,404)
Debt service.....	276,599	—	—	—	(276,599)	—	(276,599)
Total Governmental Activities	8,281,935	264,563	757,974	3,030,572	(4,228,826)	—	(4,228,826)
Business-Type Activities							
Water utility.....	1,164,926	1,050,177	—	1,235,008	—	1,120,259	1,120,259
Sewage disposal works.....	1,119,984	1,454,291	—	575,889	—	910,196	910,196
Solid waste	434,269	374,217	—	—	—	(60,052)	(60,052)
Total Business-Type Activities	2,719,179	2,878,685	—	1,810,897	—	1,970,403	1,970,403
Total Primary Government	\$ 11,001,114	\$ 3,143,248	\$ 757,974	\$ 4,841,469	(4,228,826)	1,970,403	(2,258,423)
General Revenue							
Property Tax Levied for							
General purposes.....					2,172,266	—	2,172,266
Debt service					928,067	—	928,067
Tax increment financing					1,966,121	—	1,966,121
Utility franchise fees					291,536	—	291,536
Local option sales tax					821,263	—	821,263
Hotel/motel					138,916	—	138,916
Unrestricted investment earnings					91,300	—	91,300
Gain on sale of capital assets.....					—	90,000	90,000
Other.....					85,653	25,909	111,562
Total General Revenue					6,495,122	115,909	6,611,031
Transfers					53,003	(53,003)	—
Change in Net Position					2,319,299	2,033,309	4,352,608
Net Position - Beginning of Year, as Previously Reported					21,246,330	24,362,549	45,608,879
Error correction.....					79,593	(79,593)	—
Net Position - Beginning of Year, as Restated					21,325,923	24,282,956	45,608,879
Net Position - End of Year					\$ 23,645,222	\$ 26,316,265	\$ 49,961,487

Balance Sheet - Governmental Funds

As of June 30, 2024

		Special Revenue					
	General	Dyersville Economic Development TIF	Special Projects	Capital Projects Capital Improvements	Debt Service	Nonmajor Governmental Funds	Total
Assets							
Cash and pooled cash investments.....	\$ 192,110	\$ —	\$ —	\$ —	\$ 905,073	\$ 1,095,353	\$ 2,192,536
Receivables							
Property Tax							
Delinquent	4,111	2,103	—	2,760	1,513	—	10,487
Succeeding year.....	2,186,849	3,321,087	—	—	857,784	—	6,365,720
Accounts and other	102,242	—	—	—	—	—	102,242
Due from other governments.....	49,901	—	1,182,453	300,658	—	107,689	1,640,701
Due from other funds.....	313,697	3,339,231	—	—	—	—	3,652,928
Prepaid items.....	125,276	—	—	—	—	—	125,276
Restricted cash.....	—	—	—	—	—	98,593	98,593
Total Assets	\$ 2,974,186	\$ 6,662,421	\$ 1,182,453	\$ 303,418	\$ 1,764,370	\$ 1,301,635	\$ 14,188,483
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities							
Accounts payable	\$ 117,775	\$ —	\$ 400,000	\$ 192,443	\$ —	\$ 6,557	\$ 716,775
Grants received in advance.....	—	—	220,605	—	—	—	220,605
Salaries and benefits payable	41,206	—	—	—	—	4,482	45,688
Due to other funds	—	—	586,675	990,909	—	—	1,577,584
Total Liabilities	158,981	—	1,207,280	1,183,352	—	11,039	2,560,652
Deferred Inflows of Resources							
Unavailable Revenue							
Succeeding year property tax	2,186,849	3,321,087	—	2,760	857,784	—	6,368,480
Other	—	—	524,000	—	—	—	524,000
Total Deferred Inflows of Resources	2,186,849	3,321,087	524,000	2,760	857,784	—	6,892,480
Fund Balances							
Nonspendable							
Prepaid items	125,276	—	—	—	—	—	125,276
Restricted for							
Economic development.....	—	3,341,334	—	—	—	—	3,341,334
Local option sales tax.....	—	—	—	—	—	818,605	818,605
Library	—	—	—	—	—	97,611	97,611
Debt service	—	—	—	—	906,586	—	906,586
Capital improvements	—	—	—	—	—	374,380	374,380
Unassigned.....	503,080	—	(548,827)	(882,694)	—	—	(928,441)
Total Fund Balances	628,356	3,341,334	(548,827)	(882,694)	906,586	1,290,596	4,735,351
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 2,974,186	\$ 6,662,421	\$ 1,182,453	\$ 303,418	\$ 1,764,370	\$ 1,301,635	\$ 14,188,483

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position

As of June 30, 2024

Total Fund Balances for Governmental Funds (Page 13)..... \$ 4,735,351

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.

Cost of capital assets	\$ 39,483,338	
Accumulated depreciation	<u>(10,685,527)</u>	28,797,811

Some of the City's revenue will be collected after year end but is not available soon enough to pay for the current period's expenditures and, therefore, is unavailable in the funds. This revenue consists of:

Special assessments	2,760	
Other	<u>524,000</u>	526,760

Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Those liabilities consist of:

General obligation bonds	\$ (9,893,239)	
Equipment purchase agreement	(76,266)	
Lease payables	(53,413)	
Accrued interest	(37,654)	
Compensated absences	(368,648)	
Net pension liability	<u>(282,448)</u>	(10,711,668)

Pension-related deferred outflows and inflows are not considered current financial resources and, therefore, are not part of the governmental fund analysis

296,968

Net Position of Governmental Activities (Page 11) \$ 23,645,222

Statement of Revenue, Expenditures and Changes in Fund Balances -
Governmental Funds

Year Ended June 30, 2024

		Special Revenue					
	General	Dyersville Economic Development TIF	Special Projects	Capital Projects Capital Improvements	Debt Service	Nonmajor Governmental Funds	Total
Revenue							
Property tax	\$ 2,172,266	\$ —	\$ —	\$ —	\$ 928,067	\$ —	\$ 3,100,333
Tax increment financing	—	1,966,121	—	—	—	—	1,966,121
Other city tax	636,386	—	—	—	—	615,330	1,251,716
Licenses and permits.....	20,683	—	—	—	—	—	20,683
Use of money and property	136,313	—	—	—	—	434	136,747
Intergovernmental.....	31,222	—	1,964,946	541,629	—	633,015	3,170,812
Charges for service	243,800	—	—	—	—	44,669	288,469
Miscellaneous.....	86,489	—	—	—	—	—	86,489
Total Revenue	3,327,159	1,966,121	1,964,946	541,629	928,067	1,293,448	10,021,370
Expenditures							
Current							
Public safety.....	1,119,627	—	175,103	—	—	52,213	1,346,943
Public works	529,812	—	—	—	—	346,562	876,374
Culture and recreation.....	1,277,426	—	—	—	—	32,744	1,310,170
Community and economic development.....	101,000	738,137	2,147,012	—	—	—	2,986,149
General government	519,300	—	—	—	—	—	519,300
Debt Service							
Principal	—	—	—	—	1,030,000	—	1,030,000
Interest and other charges	—	—	—	—	300,355	—	300,355
Capital projects.....	—	—	—	2,496,731	—	—	2,496,731
Total Expenditures	3,547,165	738,137	2,322,115	2,496,731	1,330,355	431,519	10,866,022
Revenue Over (Under) Expenditures	(220,006)	1,227,984	(357,169)	(1,955,102)	(402,288)	861,929	(844,652)
Other Financing Sources (Uses)							
Transfers in.....	141,656	—	—	347,620	765,955	—	1,255,231
Transfers out	—	(707,477)	(172,821)	—	—	(321,930)	(1,202,228)
Total Other Financing Sources (Uses)	141,656	(707,477)	(172,821)	347,620	765,955	(321,930)	53,003
Net Change in Fund Balances	(78,350)	(520,507)	(529,990)	(1,607,482)	363,667	539,999	(791,649)
Fund Balances - Beginning of Year, as Previously Reported.....	706,706	2,820,827	(18,837)	645,195	542,919	750,597	5,447,407
Error correction.....	—	—	—	79,593	—	—	79,593
Fund Balances - Beginning of Year, as Restated.....	706,706	2,820,827	(18,837)	724,788	542,919	750,597	5,527,000
Fund Balances - End of Year	\$ 628,356	\$ 3,341,334	\$ (548,827)	\$ (882,694)	\$ 906,586	\$ 1,290,596	\$ 4,735,351

Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities

Year Ended June 30, 2024

Change in Fund Balances - Total Governmental Funds **\$ (791,649)**

Amounts reported for governmental activities in the statement of activities are different because:

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

Acquisition of capital assets	\$ 2,482,992	
Depreciation expense	<u>(1,012,269)</u>	1,470,723

The net book value of capital assets disposed of during the year:		(7,424)
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Because some revenue will not be collected for several months after the City's fiscal year end, it is not considered available revenue and is unavailable in the governmental funds, as follows:

Grants	524,000	
Special assessments	<u>2,760</u>	526,760

Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of the long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities. The effect of these items is as follows:

Repaid		<u>1,051,868</u>
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds, as follows:

Compensated absences	\$ (15,593)	
Lease liability	10,138	
Interest on long-term debt	26,450	
Pension expense	<u>48,026</u>	<u>69,021</u>

Change in Net Position of Governmental Activities **\$ 2,319,299**

See accompanying notes to the financial statements.

Statement of Net Position - Proprietary Funds

As of June 30, 2024

	Business-Type Activities - Enterprise Funds			
	Water Utility	Sewage Disposal Works	Nonmajor Solid Waste	Total
Assets and Deferred Outflows of Resources				
Current Assets				
Accounts receivable	\$ 123,069	\$ 203,058	\$ 49,807	\$ 375,934
Due from other governments	11,355	371,940	—	383,295
Inventories	64,505	7,703	—	72,208
Prepaid items	28,152	49,790	—	77,942
Total Current Assets	227,081	632,491	49,807	909,379
Noncurrent Assets				
Restricted assets - cash and pooled cash investments	48,611	—	—	48,611
Capital Assets				
Land	135,918	134,530	—	270,448
Improvements other than buildings	399,262	318,426	45,237	762,925
Machinery and equipment	519,335	1,407,552	113,173	2,040,060
Wells	1,597,965	—	—	1,597,965
Distribution system	15,215,771	—	—	15,215,771
Sewer system	—	19,956,705	—	19,956,705
Construction in progress	3,957,991	4,484,928	—	8,442,919
Accumulated depreciation	(4,973,647)	(6,439,889)	(147,291)	(11,560,827)
Net Capital Assets	16,852,595	19,862,252	11,119	36,725,966
Total Noncurrent Assets	16,901,206	19,862,252	11,119	36,774,577
Total Assets	17,128,287	20,494,743	60,926	37,683,956
Deferred Outflows of Resources				
Pension-related deferred outflows	43,519	38,947	9,043	91,509
Total Assets and Deferred Outflows of Resources	\$ 17,171,806	\$ 20,533,690	\$ 69,969	\$ 37,775,465
Liabilities, Deferred Inflows of Resources and Net Position				
Current Liabilities				
Accounts payable	\$ 152,932	\$ 129,255	\$ 34,155	\$ 316,342
Accrued interest payable	4,931	8,891	—	13,822
Salaries and benefits payable	4,877	7,877	4,548	17,302
Equipment purchase agreement	19,289	35,547	—	54,836
General obligation bonds	242,500	310,000	—	552,500
Revenue bonds	86,000	357,000	—	443,000
Compensated absences	72,162	39,100	19,561	130,823
Due to other funds	1,059,111	909,952	106,281	2,075,344
Total Current Liabilities	1,641,802	1,797,622	164,545	3,603,969
Current Liabilities Payable				
From Restricted Assets				
Customer deposits payable	57,823	—	—	57,823
Noncurrent Liabilities				
Equipment purchase agreement	56,977	96,659	—	153,636
General obligation bonds	602,500	1,055,000	—	1,657,500
Revenue bonds	1,213,008	4,558,000	—	5,771,008
Net pension liability	97,274	96,030	19,770	213,074
Total Noncurrent Liabilities	1,969,759	5,805,689	19,770	7,795,218
Total Liabilities	3,669,384	7,603,311	184,315	11,457,010
Deferred Inflows of Resources				
Pension-related deferred inflows	984	990	216	2,190
Net Position				
Net investment in capital assets	14,329,526	13,747,251	11,119	28,087,896
Unrestricted	(828,008)	(817,862)	(125,681)	(1,771,631)
Total Net Position	13,501,438	12,929,389	(114,562)	26,316,265
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 17,171,806	\$ 20,533,690	\$ 69,969	\$ 37,775,465

See accompanying notes to the financial statements.

Statement of Revenue, Expenses and Changes in Fund Net Position - Proprietary Funds

Year Ended June 30, 2024

	Business-Type Activities - Enterprise Funds			
	Water Utility	Sewage Disposal Works	Nonmajor Solid Waste	Total
Operating Revenue				
Charges for sales and services	\$ 1,050,177	\$ 1,454,291	\$ 374,217	\$ 2,878,685
Miscellaneous.....	24,045	1,864	—	25,909
Total Operating Revenue	<u>1,074,222</u>	<u>1,456,155</u>	<u>374,217</u>	<u>2,904,594</u>
Operating Expenses				
Employee expense.....	292,694	225,259	59,609	577,562
Utilities.....	127,376	57,407	781	185,564
Repairs and maintenance.....	146,902	35,842	37,625	220,369
Supplies and services	155,001	132,603	333,992	621,596
Insurance.....	36,686	60,180	—	96,866
Depreciation	349,760	499,137	2,262	851,159
Total Operating Expenses.....	<u>1,108,419</u>	<u>1,010,428</u>	<u>434,269</u>	<u>2,553,116</u>
Operating Income (Loss)	<u>(34,197)</u>	<u>445,727</u>	<u>(60,052)</u>	<u>351,478</u>
Nonoperating Expenses				
Interest expense.....	<u>(56,507)</u>	<u>(109,556)</u>	<u>—</u>	<u>(166,063)</u>
Income (Loss) Before Contributions and Transfers	<u>(90,704)</u>	<u>336,171</u>	<u>(60,052)</u>	<u>185,415</u>
Capital contributions	1,235,008	575,889	—	1,810,897
Gain on sale of equipment.....	90,000	—	—	90,000
Transfers in	—	207,873	—	207,873
Transfers out	<u>(260,876)</u>	<u>—</u>	<u>—</u>	<u>(260,876)</u>
Changes in Net Position	<u>973,428</u>	<u>1,119,933</u>	<u>(60,052)</u>	<u>2,033,309</u>
Net Position - Beginning of Year, as Previously Reported.....	13,209,211	11,207,848	(54,510)	24,362,549
Error correction.....	<u>(681,201)</u>	<u>601,608</u>	<u>—</u>	<u>(79,593)</u>
Net Position - Beginning of Year, as Restated	<u>12,528,010</u>	<u>11,809,456</u>	<u>(54,510)</u>	<u>24,282,956</u>
Net Position - Ending of Year	<u>\$ 13,501,438</u>	<u>\$ 12,929,389</u>	<u>\$ (114,562)</u>	<u>\$ 26,316,265</u>

See accompanying notes to the financial statements.

Statement of Cash Flows - Proprietary Funds

Year Ended June 30, 2024

	Business-Type Activities - Enterprise Funds			
	Water Utility	Sewage Disposal Works	Nonmajor Solid Waste	Total
Cash Flows From Operating Activities				
Cash received from customers.....	\$ 1,067,333	\$ 1,429,129	\$ 365,312	\$ 2,861,774
Cash paid to suppliers for goods and services	(819,556)	(311,080)	(364,360)	(1,494,996)
Cash paid to employees for services.....	(294,428)	(219,029)	(56,926)	(570,383)
Other operating receipts	24,045	1,864	—	25,909
Net Cash Provided by (Used in) Operating Activities	<u>(22,606)</u>	<u>900,884</u>	<u>(55,974)</u>	<u>822,304</u>
Cash Flows From Noncapital Financing Activities				
Advances from other funds.....	261,968	—	55,974	317,942
Repayments to other funds	—	(1,592,603)	—	(1,592,603)
Transfers in	—	207,873	—	207,873
Transfers out	(260,876)	—	—	(260,876)
Net Cash Provided By (Used in) Noncapital and Related Financing Activities	<u>1,092</u>	<u>(1,384,730)</u>	<u>55,974</u>	<u>(1,327,664)</u>
Cash Flows From Capital and Related Financing Activities				
Acquisition and construction of capital assets...	(1,372,623)	(679,613)	—	(2,052,236)
Proceeds from sale of assets.....	90,000	—	—	90,000
Repayment of debt	(338,681)	(728,739)	—	(1,067,420)
Proceeds from issuance of debt	17,294	173,913	—	191,207
Payment of interest.....	(56,507)	(109,556)	—	(166,063)
Capital grants.....	1,689,256	1,827,841	—	3,517,097
Net Cash Provided by Capital and Related Financing Activities	<u>28,739</u>	<u>483,846</u>	<u>—</u>	<u>512,585</u>
Net Increase in Cash and Cash Equivalents	7,225	—	—	7,225
Cash and Cash Equivalents - Beginning of Year..	41,386	—	—	41,386
Cash and Cash Equivalents - End of Year	<u>\$ 48,611</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 48,611</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Operating income (loss).....	\$ (34,197)	\$ 445,727	\$ (60,052)	\$ 351,478
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Depreciation	349,760	499,137	2,262	851,159
Change in Assets and Liabilities				
Accounts receivable	9,431	(25,162)	(8,905)	(24,636)
Inventory and prepaids	(23,099)	(6,769)	—	(29,868)
Accounts payable	(330,492)	(18,279)	8,038	(340,733)
Deposits payable	7,725	—	—	7,725
Accrued liabilities.....	3,778	6,691	3,996	14,465
Deferred outflows	(17,561)	(12,586)	(3,670)	(33,817)
Deferred inflows	(11,097)	(11,166)	(2,170)	(24,433)
Pension liability.....	23,146	23,291	4,527	50,964
Total Adjustments	11,591	455,157	4,078	470,826
Net Cash Provided by (Used in) Operating Activities	<u>\$ (22,606)</u>	<u>\$ 900,884</u>	<u>\$ (55,974)</u>	<u>\$ 822,304</u>

See accompanying notes to the financial statements.

Statement of Cash Flows - Proprietary Funds

Year Ended June 30, 2024

	Business-Type Activities - Enterprise Funds			Total
	Water Utility	Sewage Disposal Works	<u>Nonmajor</u> Solid Waste	
Reconciliation of Cash and Cash Equivalents at Year End to Specific Assets Included on the Statement of Net Position				
Restricted Assets				
Cash and pooled investments	<u>\$ 48,611</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 48,611</u>

See accompanying notes to the financial statements.

Notes to the Financial Statements

(1) Summary of Significant Accounting Policies

The City of Dyersville, Iowa, is a political subdivision of the State of Iowa located in Dubuque and Delaware counties. It was first incorporated in 1872 and operates under the Home Rule provisions of the Constitution of Iowa. The City operates under the Mayor-Council form of government with the Mayor and Council members elected on a nonpartisan basis. The City provides numerous services to citizens including public safety, public works, culture and recreation, community and economic development and general government services. It also operates and provides water, sewer and sanitation utilities.

The financial statements of the City of Dyersville have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

Reporting Entity

For financial reporting purposes, the City of Dyersville 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 GASB 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 (a) the ability of the City to impose its will on that organization or (b) 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 Dyersville (the primary government) excluding the component unit discussed below.

Excluded Component Unit

The Friends of the Library (Iowa nonprofit corporation) is legally separate from the City. Friends of the Library is governed by a separate board but was formed for the direct benefit of the City. Economic resources received by Friends of the Library are used for the direct benefit of the James Kennedy Public Library. Friends of the Library does not prepare financial statements; therefore, audited financial statements are not available. Management has elected to exclude the transactions of Friends of the Library from the City's financial statements as they are not material.

Jointly Governed Organization

The City also participates in jointly governed organizations that provide goods or services to the citizenry of the City but does not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. City officials are members of the following boards: Bi-County Ambulance, Dubuque County Assessor's Board, Dubuque County Emergency Management Commission and the Dubuque County E911 Board.

Notes to the Financial Statements

(1) Summary of Significant Accounting Policies

Basis of Presentation

Government-Wide Financial Statements

The statement of net position and the statement of activities report information on all of the nonfiduciary activities of the City. 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 revenue, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services.

The statement of net position presents the City's nonfiduciary assets, deferred outflows, 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 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 are 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.

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenue reported for the various functions concerned.

Fund Financial Statements

Separate financial statements are provided for governmental and proprietary funds. Major individual governmental and proprietary funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

Notes to the Financial Statements

(1) Summary of Significant Accounting Policies

The City reports the following major governmental funds:

The General Fund is the general operating fund of the City. All general tax revenue and other revenue not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenditures, the fixed charges and the capital improvement costs not paid from other funds.

The Special Revenue Fund, Dyersville Economic Development Tax Increment Financing Fund is used to account for revenue from the tax authorized by ordinance in the urban renewal district and used to pay the principal and interest on the general obligation capital loan notes and other indebtedness incurred for urban renewal redevelopment projects.

The Special Revenue Fund, Special Projects Fund is used to account for all revenue and expenses funded by special projects or grants.

The Capital Improvements Fund is used to account for the resources and costs related to infrastructure and building construction and major improvements.

The Debt Service Fund is utilized to account for the payment of interest and principal on the City's general long-term debt.

The City reports the following major proprietary funds:

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

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

Measurement Focus and Basis of Accounting

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is 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. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenue to be available if it is collected within 60 days after year end.

Property tax, local option sales tax, intergovernmental revenue (shared revenue, 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.

Notes to the Financial Statements

(1) Summary of Significant Accounting Policies

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 and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue. 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 revenue.

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

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

The City maintains its financial records on the cash basis. The financial statements of the City are prepared by making memorandum adjusting entries to the cash basis financial records.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity

The following accounting policies are followed in preparing the financial statements:

Cash, Pooled Investments and Cash Equivalents

The cash balances of most City funds are pooled and invested. Interest earned on investments is recorded in the General Fund, unless otherwise provided by law. Investments consist of money market and savings accounts.

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

Property Tax Receivable, Including Tax Increment Financing

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

Notes to the Financial Statements

(1) Summary of Significant Accounting Policies

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 as of June 30, 2024, 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 31 of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is unavailable 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 becomes 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, 2022, assessed property valuations; is for the tax accrual period July 1, 2023 through June 30, 2024; and reflects tax asking contained in the budget certified by the County Board of Supervisors in March, 2023.

Customer Accounts and Unbilled Usage

Accounts receivable are recorded in the Enterprise Funds at the time the service is billed. Unbilled usage for service consumed between periodic scheduled billing dates is estimated and is recognized as revenue in the period in which the service is provided.

Due From Other Governments

Due from other governments represents amounts due from the State of Iowa, various shared revenue, grants and reimbursements from other governments.

Inventories

Inventories are valued at cost using the first-in/first-out method. Inventories in the Enterprise Funds consist of materials and supplies. Inventories are recorded as expenses when consumed rather than when purchased.

Restricted Assets

Funds set aside for payment of Enterprise Fund revenue notes are classified as restricted assets since their use is restricted by applicable note indentures. Other restricted assets include customer deposits restricted for application to unpaid customer accounts or for refund to customers.

Capital Assets

Capital assets, which include property, equipment and vehicles and infrastructure assets (e.g. roads, bridges, curbs, gutters, sidewalks and similar items which are immovable and of value only to the government) are reported in the applicable governmental or business-type activities columns in the government-wide statement of net position and in the proprietary funds statement of net position. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. The costs of normal maintenance and repair not adding to the value of the asset or materially extending asset lives are not capitalized. Reportable capital assets are defined by the City as assets with initial, individual costs in excess of the following thresholds and estimated useful lives in excess of two years.

Notes to the Financial Statements

(1) Summary of Significant Accounting Policies

Asset Class	Amount
Infrastructure	\$ 5,000
Land, buildings and improvements	5,000
Equipment and vehicles	5,000
Right-to-use assets	5,000

Asset Class	Estimated Useful Lives
Buildings.....	10 - 50 Years
Building improvements.....	10 - 20 Years
Infrastructure	15 - 50 Years
Equipment.....	5 - 20 Years
Vehicles.....	5 - 15 Years
Right-to-use assets	8 Years

Right-to-use leased assets are recognized at the lease commencement date and represent the City's right to use an underlying asset for the lease term. Right-to-use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right-to-use leased assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method.

Unavailable Revenue

Although certain revenue is measurable, it is not available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Unavailable revenue in the governmental fund financial statements represents 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 period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Unavailable revenue consists of the succeeding year property tax receivable, as well as delinquent property tax receivable and other receivables not collected within 60 days after year end.

Compensated Absences

City employees accumulate a limited amount of earned but unused vacation and sick leave 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 as of June 30, 2024. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund.

Notes to the Financial Statements

(1) Summary of Significant Accounting Policies

Long-Term Liabilities

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental or business-type activities column in the statement of net position and the proprietary fund statement of net position.

In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pensions

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense (income), information about the fiduciary net position of the Iowa Public Employees' Retirement System (IPERS) and additions to/deductions from IPERS' fiduciary net position have been determined on the same basis as they are reported by IPERS. 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 (asset) attributable to the governmental activities will be paid primarily by the General Fund.

Leases

When a lease transaction is material, the City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

At the commencement of the 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 its useful life.

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

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

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

Notes to the Financial Statements

(1) Summary of Significant Accounting Policies

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.

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 revenue is measurable, it is not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources consist of property tax receivable and other receivables not collected within 60 days after year end. Deferred inflows of resources in the statement of net position consist of succeeding year property tax and tax increment financing receivable that will not be recognized as revenue until the year for which they are levied and the unamortized portion of components of pension expense.

Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of net assets that applies to 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.

Fund Equity

In the governmental fund financial statements, restrictions of fund balance are reported for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Assignments of fund balance represent tentative management plans that are subject to change.

Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2024, disbursements exceeded the amount budgeted in the public safety, public works, culture and recreation, community and economic development functions and business-type activities.

Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Notes to the Financial Statements

(2) Cash and Pooled Investments

The City's deposits as of June 30, 2024 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The 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 and the Treasurer of the State of Iowa; prime eligible bankers acceptances; certain high-rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

The City has no investments meeting the disclosure requirements of GASB Statement No. 72.

(3) Interfund Receivables and Payables

The composition of interfund balances as of June 30, 2024 is as follows:

Due From/To	Interfund Receivables	Interfund Payables
General Fund.....	\$ 313,697	\$ —
Special Revenue Funds		
Dyersville Economic Development TIF	3,339,231	—
Special Projects	—	586,675
Capital Improvements.....	—	990,909
Proprietary Funds		
Water Utility.....	—	1,059,111
Sewage Disposal Works	—	909,952
Solid Waste	—	106,281
	<u>\$ 3,652,928</u>	<u>\$ 3,652,928</u>

These balances result from projects and other uses which resulted in negative cash balances in certain funds at year end. Repayments will be made from future revenue (including grant revenue), debt proceeds and transfers.

Notes to the Financial Statements

(4) Capital Assets

Capital assets activity for the year ended June 30, 2024 was as follows:

	Balance - Beginning of Year	Increases	Decreases	Balance - End of Year
Governmental Activities				
Capital Assets Not Being Depreciated/Amortized				
Land	\$ 7,008,339	\$ —	\$ —	\$ 7,008,339
Construction in progress	<u>1,390,262</u>	<u>1,545,550</u>	<u>2,315,447</u>	<u>620,365</u>
Total Capital Assets Not Being Depreciated/ Amortized	<u>8,398,601</u>	<u>1,545,550</u>	<u>2,315,447</u>	<u>7,628,704</u>
Capital Assets Being Depreciated/Amortized				
Buildings.....	4,289,736	9,439	—	4,299,175
Improvements other than buildings	5,950,598	102,188	—	6,052,786
Right-of-use assets	83,307	—	—	83,307
Machinery and equipment...	3,982,470	644,397	31,818	4,595,049
Infrastructure	<u>14,327,452</u>	<u>2,496,865</u>	<u>—</u>	<u>16,824,317</u>
Total Capital Assets Being Depreciated/ Amortized	<u>28,633,563</u>	<u>3,252,889</u>	<u>31,818</u>	<u>31,854,634</u>
Less Accumulated Depreciation/ Amortization for				
Buildings.....	2,464,155	86,536	—	2,550,691
Improvements other than buildings	1,532,860	222,772	—	1,755,632
Right-of-use assets	20,826	10,413	—	31,239
Machinery and equipment...	2,915,672	360,055	24,394	3,251,333
Infrastructure	<u>2,764,139</u>	<u>332,493</u>	<u>—</u>	<u>3,096,632</u>
Total Accumulated Depreciation/Amortization	<u>9,697,652</u>	<u>1,012,269</u>	<u>24,394</u>	<u>10,685,527</u>
Net Capital Assets Being Depreciated/Amortized.....	<u>18,935,911</u>	<u>2,240,620</u>	<u>7,424</u>	<u>21,169,107</u>
Net Governmental Activities Capital Assets	<u>\$ 27,334,512</u>	<u>\$ 3,786,170</u>	<u>\$ 2,322,871</u>	<u>\$ 28,797,811</u>

Notes to the Financial Statements

(4) Capital Assets

	Balance - Beginning of Year	Increases	Decreases	Balance - End of Year
Business-Type Activities				
Capital Assets Not Being Depreciated				
Land	\$ 210,280	\$ 60,168	\$ —	\$ 270,448
Construction in progress	<u>8,750,639</u>	<u>1,848,416</u>	<u>2,156,136</u>	<u>8,442,919</u>
Total Capital Assets Not Being Depreciated.....	<u>8,960,919</u>	<u>1,908,584</u>	<u>2,156,136</u>	<u>8,713,367</u>
Capital Assets Being Depreciated				
Improvements other than buildings	667,093	95,832	—	762,925
Equipment and vehicles	2,082,296	—	42,236	2,040,060
Infrastructure, water and sewer network	<u>34,566,485</u>	<u>2,203,956</u>	<u>—</u>	<u>36,770,441</u>
Total Capital Assets Being Depreciated	<u>37,315,874</u>	<u>2,299,788</u>	<u>42,236</u>	<u>39,573,426</u>
Less Accumulated Depreciation for Improvements other than buildings	100,240	25,494	—	125,734
Equipment and vehicles	1,354,316	130,015	42,236	1,442,095
Infrastructure, water and sewer network	<u>9,297,348</u>	<u>695,650</u>	<u>—</u>	<u>9,992,998</u>
Total Accumulated Depreciation	<u>10,751,904</u>	<u>851,159</u>	<u>42,236</u>	<u>11,560,827</u>
Net Capital Assets Being Depreciated.....	<u>26,563,970</u>	<u>1,448,629</u>	<u>—</u>	<u>28,012,599</u>
Net Business-Type Activities				
Capital Assets	<u>\$ 35,524,889</u>	<u>\$ 3,357,213</u>	<u>\$ 2,156,136</u>	<u>\$ 36,725,966</u>

Depreciation/amortization expense was charged to functions of the primary government as follows for the year ended June 30, 2024:

Governmental Activities

Public safety	\$ 220,471
Public works	493,388
Culture and recreation	147,663
General government.....	<u>150,747</u>
Total Depreciation/Amortization Expense - Governmental Activities	<u>\$ 1,012,269</u>

Business-Type Activities

Water	\$ 349,760
Sewage disposal works	499,137
Solid waste	<u>2,262</u>
Total Depreciation/Amortization Expense - Business-Type Activities	<u>\$ 851,159</u>

Notes to the Financial Statements

(5) Long-Term Liabilities

Changes in long-term liabilities for the year ended June 30, 2024 are summarized as follows:

	Balance - Beginning of Year	Additions	Deletions	Balance - End of Year	Due Within One Year
Governmental Activities					
General obligation bonds	\$ 10,885,000	\$ —	\$ 1,030,000	\$ 9,855,000	\$ 1,077,500
General obligation premiums	41,426	—	3,187	38,239	—
Direct Placements					
Equipment purchase agreements ..	94,947	—	18,681	76,266	19,289
Lease agreement	63,551	—	10,138	53,413	10,315
Compensated absences	353,055	15,593	—	368,648	368,648
Net pension liability	126,015	156,433	—	282,448	—
Total.....	<u>\$ 11,563,994</u>	<u>\$ 172,026</u>	<u>\$ 1,062,006</u>	<u>\$ 10,674,014</u>	<u>\$ 1,475,752</u>

For the governmental activities, compensated absences are generally liquidated by the General Fund.

	Balance - Beginning of Year	Additions	Deletions	Balance - End of Year	Due Within One Year
Business-Type Activities					
General obligation bonds	\$ 2,780,000	\$ —	\$ 570,000	\$ 2,210,000	\$ 552,500
Direct Placements					
Revenue notes	6,467,391	191,207	444,590	6,214,008	443,000
Equipment purchase agreements ..	261,302	—	52,830	208,472	54,836
Compensated absences	122,403	8,420	—	130,823	130,823
Net pension liability	162,110	50,964	—	213,074	—
Total.....	<u>\$ 9,793,206</u>	<u>\$ 250,591</u>	<u>\$ 1,067,420</u>	<u>\$ 8,976,377</u>	<u>\$ 1,181,159</u>

Equipment Purchase Agreement

During the year ended June 30, 2019, the City entered into an equipment purchase agreement to purchase two trucks with historical costs of \$183,801, accumulated depreciation of \$180,738 and a net book value of \$3,063. The agreement has an interest rate of 3.75% per annum.

During the year ended June 30, 2023, the City entered into two separate equipment purchase agreements to purchase trucks. One has a historical cost of \$87,205, accumulated depreciation of \$15,988 and a net book value of \$71,217. The agreement has an interest rate of 4.99% per annum. The second has a historical cost of \$218,917, accumulated depreciation of \$3,649 and a net book value of \$215,268. The agreement has an interest rate of 5.58% per annum.

Notes to the Financial Statements

(5) Long-Term Liabilities

The present value of net minimum payments under these agreements in effect as of June 30, 2024 is as follows:

Governmental Activities

Year Ending June 30,

2025.....	\$ 22,355
2026.....	15,136
2027.....	12,547
2028.....	12,547
2029.....	12,547
2030.....	<u>12,547</u>
Total Minimum Payments	87,679
Less amount representing interest	<u>(11,413)</u>
Present Value of Net Minimum Payments	<u>\$ 76,266</u>

Business-Type Activities

Year Ending June 30,

2025.....	\$ 63,469
2026.....	49,031
2027.....	43,853
2028.....	29,783
2029.....	25,093
2030.....	<u>25,093</u>
Total Minimum Payments	236,322
Less amount representing interest	<u>(27,850)</u>
Present Value of Net Minimum Payments	<u>\$ 208,472</u>

General Obligation Bonds/Notes

Governmental Activities

Six issues of unmatured general obligation bonds totaling \$9,855,000 were outstanding as of June 30, 2024. General obligation bonds bear interest at rates ranging from 1.05% to 3.80% per annum and mature in varying annual amounts, ranging from \$60,000 to \$420,000, with the final maturities due in the year ending June 30, 2038.

Business-Type Activities

Ten issues of unmatured general obligation bonds totaling \$2,210,000 were outstanding as of June 30, 2024. General obligation bonds bear interest at rates ranging from 1.05% to 3.80% per annum and mature in varying annual amounts, ranging from \$35,000 to \$335,000, with the final maturities due in the year ending June 30, 2038.

Notes to the Financial Statements

(5) Long-Term Liabilities

Details of the City's governmental activities general obligation bonds payable as of June 30, 2024 are as follows:

	Date of Issue	Interest Rates	Final Due Date	Annual Payments	Amount Originally Issued	Outstanding 6-30-24
General obligation corporate purpose	1-28-14	2.85 - 3.40%	6-1-29	\$ 65,000 - \$ 70,000	\$ 1,350,000	\$ 340,000
Refunding and economic development	3-15-18	2.65 - 2.90	6-1-27	290,000 - 295,000	2,487,570	880,000
General obligation corporate purpose	6-13-19	2.00 - 3.00	6-1-36	175,000 - 420,000	5,680,000	4,335,000
Refunding and general obligation corporate purpose	8-31-21	1.00 - 1.90	6-1-37	110,000 - 335,000	1,685,000	1,350,000
General obligation corporate purpose	8-31-21	1.05 - 2.30	6-1-37	60,000 - 85,000	920,000	805,000
General obligation corporate purpose	3-7-23	3.00 - 3.80	6-1-38	90,000 - 265,000	2,285,000	2,145,000
Total						<u>\$ 9,855,000</u>

A summary of the general obligation bond principal and interest requirements to maturity by year is as follows:

	Principal	Interest	Total
2025	\$ 1,077,500	\$ 248,333	\$ 1,325,833
2026	1,107,500	224,713	1,332,213
2027	1,085,000	200,018	1,285,018
2028	805,000	174,428	979,428
2029	820,000	156,330	976,330
2030-2034	3,530,000	488,792	4,018,792
2035-2038	1,430,000	76,068	1,506,068
Total	<u>\$ 9,855,000</u>	<u>\$ 1,568,682</u>	<u>\$ 11,423,682</u>

Details of the City's business-type activities general obligation bonds payable as of June 30, 2024 are as follows:

	Date of Issue	Interest Rates	Final Due Date	Annual Payments	Amount Originally Issued	Outstanding 6-30-24
Sewer improvements...	1-28-14	2.85 - 3.40%	6-1-28	\$ 60,000 - \$ 70,000	\$ 875,000	\$ 260,000
Water improvements ...	1-28-14	2.85 - 3.40	6-1-28	35,000 - 40,000	510,000	155,000
Sewer improvements...	3-15-18	2.65 - 2.90	6-1-27	70,000 - 75,000	584,535	215,000
Water improvements ...	3-15-18	2.65 - 2.90	6-1-27	150,000 - 160,000	1,322,895	470,000
Refunding water improvements	8-31-21	1.00 - 1.90	6-1-37	110,000 - 335,000	185,000	75,000
Refunding sewer improvements	8-31-21	1.00 - 1.90	6-1-37	110,000 - 335,000	555,000	230,000
Sewer improvements...	8-31-21	1.00 - 1.90	6-1-37	110,000 - 335,000	460,000	400,000
Sewer improvements...	8-31-21	1.05 - 2.30	6-1-37	60,000 - 85,000	130,000	100,000
Water improvements ...	3-7-23	3.00 - 3.80	6-1-38	90,000 - 265,000	160,000	145,000
Sewer improvements...	3-7-23	3.00 - 3.80	6-1-38	90,000 - 265,000	180,000	160,000
Total						<u>\$ 2,210,000</u>

Notes to the Financial Statements

(5) Long-Term Liabilities

A summary of the general obligation bond principal and interest requirements to maturity by year is as follows:

	Principal	Interest	Total
2025.....	\$ 552,500	\$ 51,135	\$ 603,635
2026.....	572,500	39,440	611,940
2027.....	425,000	26,808	451,808
2028.....	200,000	14,975	214,975
2029.....	85,000	9,360	94,360
2030-2034	275,000	21,710	296,710
2035-2037	100,000	3,835	103,835
Total	<u>\$ 2,210,000</u>	<u>\$ 167,263</u>	<u>\$ 2,377,263</u>

Revenue Bonds

The City has pledged future sewer customer revenue, net of specified operating expenses, to repay sewer revenue bonds. The bonds are payable solely from sewer customer net receipts and are payable through 2038. The total principal and interest remaining to be paid on the bonds was \$5,480,093. For the current year, principal and interest paid and total customer net revenue before depreciation expense was \$437,471 and \$944,864, respectively. Annual principal and interest payments on the above sewer revenue bonds are expected to require 50% of net revenue before depreciation expense.

The City has pledged future water customer revenue, net of specified operating expenses, to repay water revenue bonds. The bonds are payable solely from water customer net receipts and are payable through 2038. The total principal and interest remaining to be paid on the bonds is \$1,472,971. For the current year, principal and interest paid and total customer net revenue before depreciation expense was \$112,567 and \$315,563, respectively. Annual principal and interest payments on the above water revenue bonds are expected to require 20% of net revenue before depreciation expense.

Five issues of unmatured revenue bonds totaling \$6,214,008 were outstanding as of June 30, 2024. These bonds bear interest at 1.75% and mature in varying annual amounts, ranging from \$15,000 to \$197,000, with the final maturity due in the year ending June 30, 2040.

The resolutions providing for the issuance of the revenue bonds include the following provisions:

The bonds will only be redeemed from the future earnings of the enterprise activity, and the bond holders hold a lien on the future earnings of the funds.

User rates shall be established at a level which produces and maintains net revenue at a level not less than 110% of the amount of principal and interest on the bonds falling due in the same year.

During the year ended June 30, 2024, the City was in compliance with the revenue bond provisions.

Notes to the Financial Statements

(5) Long-Term Liabilities

Details of the revenue bonds payable as of June 30, 2024 are as follows:

	Date of Issue	Interest Rates	Final Due Date	Annual Payments	Amount Originally Issued	Outstanding 6-30-24
Sewer improvements...	2-10-10	1.75%	6-1-30	\$ 66,000 - \$ 78,000	\$ 1,192,000	\$ 433,000
Sewer improvements...	4-18-16	1.75	6-1-37	180,000 - 197,000	4,000,000	2,454,000
Well improvements.....	8-5-16	1.75	6-1-36	15,000 - 19,000	343,250	204,000
Well improvements.....	3-6-20	1.75	6-1-38	48,008 - 90,000	1,600,000	1,095,008
Sewer improvements...	10-9-20	1.75	6-1-37	111,000 - 144,000	2,800,000	2,028,000
Total						<u>\$ 6,214,008</u>

A summary of the revenue bond principal and interest requirements to maturity by year is as follows:

	Principal	Interest	Total
2025.....	\$ 443,000	\$ 98,371	\$ 541,371
2026.....	453,000	90,120	543,120
2027.....	459,000	83,064	542,064
2028.....	467,000	75,898	542,898
2029.....	474,000	68,599	542,599
2030-2034	2,152,000	238,652	2,390,652
2035-2039	1,481,008	75,773	1,556,781
2040.....	285,000	8,580	293,580
Total	<u>\$ 6,214,008</u>	<u>\$ 739,057</u>	<u>\$ 6,953,065</u>

(6) Leases

As of July 1, 2021, the City entered into a lease agreement as lessee for the use of park space. As of June 30, 2024, the value of the lease liability was \$53,413. The City is required to make annual principal and interest payments of \$11,250 through July, 2028. The lease has an interest rate of 1.75%.

(7) Interfund Transfers

Transfer to	Transfer From	Amount
General	Special Projects	\$ 31,917
	Nonmajor	109,739
		<u>141,656</u>
Capital Improvements	Special Projects	140,904
	Nonmajor	206,716
		<u>347,620</u>
Debt Service	Dyersville Economic Development Tax Increment Financing	707,477
	Nonmajor	5,475
	Water	53,003
		<u>765,955</u>
Sewer	Water	207,873
		<u>\$ 1,463,104</u>

Notes to the Financial Statements

(7) Interfund Transfers

Transfers generally move resources from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.

(8) Pension and Retirement Benefits

Plan Description

IPERS membership is mandatory for employees of the City, except for those covered by another retirement system. Employees of the City are provided with pensions through a cost-sharing multiple-employer defined benefit pension plan administered by 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. 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 will be used 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.

Notes to the Financial Statements

(8) Pension and Retirement Benefits

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

In fiscal year 2024 pursuant to the required rate, regular 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 6.21% of covered payroll and the City contributed 9.31% of covered payroll, for a total rate of 15.52%.

The City's contributions to IPERS for the year ended June 30, 2024 were \$152,614.

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

As of June 30, 2024, the City reported a liability of \$495,522 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions to IPERS relative to the contributions of all IPERS participating employers. As of June 30, 2023, the City's proportion was 0.010978% which was an increase of 0.003352% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the City recognized pension (income) expense of \$97,306. As of June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Notes to the Financial Statements

(8) Pension and Retirement Benefits

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 125,388	\$ 2,397
Changes of assumptions	—	23,232
Net difference between projected and actual earnings on IPERS' investments	80,507	—
Changes in proportion and differences between City contributions and proportionate share of contributions	69,879	16,472
City contributions subsequent to the measurement date	152,614	—
Total	<u>\$ 428,388</u>	<u>\$ 42,101</u>

\$152,614 reported as deferred outflows of resources related to pensions resulting from the City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. 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,	
2025	\$ 5,105
2026	(43,404)
2027	212,953
2028	48,139
2029	10,880
Total	<u>\$ 233,673</u>

There were no nonemployer contributing entities to IPERS.

Actuarial Assumptions

The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of a quadrennial experience study covering the period of July 1, 2017 through June 30, 2021.

Mortality rates used in the 2023 valuation were based on the PubG-2010 mortality tables with future mortality improvements modeled using Scale MP-2021.

Notes to the Financial Statements

(8) Pension and Retirement Benefits

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 geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	21.0%	4.56%
International equity	16.5	6.22
Global smart beta equity	5.0	5.22
Core plus fixed income	23.0	2.69
Public credit	3.0	4.38
Cash	1.0	1.59
Private equity	17.0	10.44
Private real assets	9.0	3.88
Private credit	4.5	4.60
Total	<u>100.0%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that contributions from the City will be made at contractually required rates, actuarially determined. Based on those assumptions, 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.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
City's proportionate share of the net pension liability	\$1,461,833	\$495,522	(\$314,398)

IPERS' Fiduciary Net Position

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

Payables to IPERS

All legally required employer contributions and legally required employee contributions which had been withheld from employee wages were remitted by the City to IPERS by June 30, 2024.

Notes to the Financial Statements

(9) Industrial Development Revenue Bonds

The City issued a total of \$5,500,000 of industrial development revenue bonds under the provisions of Chapter 419 of the Code of Iowa, of which \$1,362,702 was outstanding as of June 30, 2024. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The bond principal and interest do not constitute liabilities of the City.

(10) Risk Management

The City of Dyersville 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 deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(11) Construction Commitments

The City has recognized as a liability only that portion of construction contracts representing construction progress completed through June 30, 2024. The City has additional commitments for construction and engineering contracts of approximately \$2,200,000 as of June 30, 2024, to be paid as work progresses.

(12) Tax Abatements

GASB Statement No. 77 defines tax abatements as a reduction in tax revenue 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 revenue to which they are otherwise entitled and (b) the individual or entity promise 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 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, 2024, the City abated \$738,137 of property tax under the urban renewal and economic development projects.

Notes to the Financial Statements

(13) Urban Renewal Development Agreements

The City has entered into tax increment financing agreements. The City agreed to assist in urban renewal projects by rebating incremental taxes paid by the participating companies with respect to the improvements set forth in the urban renewal plan. The incremental taxes to be received by the City under Chapter 403.19 of the Code of Iowa from the participating companies will be rebated beginning with the tax year in which the property taxes on the completed value of the improvements are first paid. The City has agreed to provide tax increment payments in a total amount not exceeding \$19,721,631.

(14) Prospective Accounting Changes

The GASB has issued the following statement not yet implemented by the City. The statement which might impact the City is as follows:

GASB Statement No. 101, *Compensated Absences*, issued in June, 2022, will be effective for the fiscal year ending June 30, 2025. This Statement was issued to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences.

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

(15) Deficit Fund Balance

As of June 30, 2024, the Solid Waste Fund had a deficit balance of \$114,562, the Special Projects Fund had a deficit balance of \$548,827 and the Capital Projects Fund had a deficit balance of \$882,694. The deficit balances are the result of capital projects where permanent financing was not in place. The deficits will be eliminated upon receipt of funding in future periods.

(16) Subsequent Events

Management has evaluated subsequent events through January 20, 2025, the date which the financial statements were available to be issued.

Notes to the Financial Statements

(17) Restatements and Adjustments of Beginning Net Position and Fund Balances

During the year ended June 30, 2024, the City determined that revenue from capital grants was not reported in the correct fund. The effect of correcting that error is shown in column A of the table below. The error correction resulted in adjustments to and restatements of beginning net position and fund net position, as follows:

	Previously Reported	Error Correction (A)	Restated
Government-Wide			
Governmental activities	\$ 21,246,330	\$ 79,593	\$ 21,325,923
Business-type activities	24,362,549	(79,593)	24,282,956
Total Government-Wide	<u>\$ 45,608,879</u>	<u>\$ —</u>	<u>\$ 45,608,879</u>
Governmental Fund			
Major Fund			
Capital Improvements.....	<u>\$ 645,195</u>	<u>\$ 79,593</u>	<u>\$ 724,788</u>
Proprietary Funds			
Major Funds			
Water	\$ 13,209,211	\$ (681,201)	\$ 12,528,010
Sewer	11,207,848	601,608	11,809,456
Total Proprietary Funds	<u>\$ 24,417,059</u>	<u>\$ (79,593)</u>	<u>\$ 24,337,466</u>

Required Supplementary Information



Schedule of Budgetary Comparison of Receipts, Disbursements and Changes in Balances - Budget to Actual (Cash Basis) - Governmental Funds and Proprietary Funds

Year Ended June 30, 2024

	<u>Actual</u>			<u>Budgeted Amounts</u>		<u>Over</u>
	<u>Governmental</u>	<u>Enterprise</u>	<u>Total</u>	<u>Original</u>	<u>Final</u>	<u>(Under)</u>
	<u>Funds</u>	<u>Funds</u>				<u>Budget</u>
Receipts						
Property tax.....	\$ 3,100,877	\$ —	\$ 3,100,877	\$ 2,872,188	\$ 2,872,188	\$ 228,689
Tax increment financing...	1,964,633	—	1,964,633	1,990,070	1,990,070	(25,437)
Other city tax	1,184,657	2,949	1,187,606	1,515,376	1,515,376	(327,770)
Licenses and permits	22,466	—	22,466	19,425	19,425	3,041
Use of money and property	138,392	—	138,392	93,000	93,000	45,392
Intergovernmental	2,523,483	3,708,303	6,231,786	55,738,411	58,338,411	(52,106,625)
Charges for service	193,005	2,852,970	3,045,975	3,063,700	3,063,700	(17,725)
Special assessments	—	—	—	10,000	10,000	(10,000)
Miscellaneous	245,279	116,768	362,047	162,000	162,000	200,047
Total Receipts	<u>9,372,792</u>	<u>6,680,990</u>	<u>16,053,782</u>	<u>65,464,170</u>	<u>68,064,170</u>	<u>(52,010,388)</u>
Disbursements						
Public safety.....	1,368,530	—	1,368,530	1,245,450	1,245,450	123,080
Public works	876,992	—	876,992	729,620	729,620	147,372
Culture and recreation	1,307,021	—	1,307,021	1,161,525	1,161,525	145,496
Community and economic development.....	2,882,689	—	2,882,689	1,568,574	1,568,574	1,314,115
General government	500,006	—	500,006	504,846	514,846	(14,840)
Debt service	1,330,830	—	1,330,830	2,019,234	2,019,234	(688,404)
Capital projects	2,326,711	—	2,326,711	55,595,000	58,115,000	(55,788,289)
Business-type activities....	—	5,380,115	5,380,115	2,552,861	2,552,861	2,827,254
Total Disbursements ..	<u>10,592,779</u>	<u>5,380,115</u>	<u>15,972,894</u>	<u>65,377,110</u>	<u>67,907,110</u>	<u>(51,934,216)</u>
Receipts Over (Under)						
Disbursements.....	(1,219,987)	1,300,875	80,888	87,060	157,060	(76,172)
Other Financing						
Sources (Uses), Net	<u>53,003</u>	<u>(53,003)</u>	<u>—</u>	<u>1,000</u>	<u>1,000</u>	<u>(1,000)</u>
Receipts and Other Financing Sources (Uses) Over (Under) Disbursements and Other Financing Uses	(1,166,984)	1,247,872	80,888	88,060	158,060	(77,172)
Balances - Beginning of Year	<u>5,487,880</u>	<u>(3,229,026)</u>	<u>2,258,854</u>	<u>2,650,459</u>	<u>2,650,459</u>	<u>(391,605)</u>
Balances - End of Year ..	<u>\$ 4,320,896</u>	<u>\$ (1,981,154)</u>	<u>\$ 2,339,742</u>	<u>\$ 2,738,519</u>	<u>\$ 2,808,519</u>	<u>\$ (468,777)</u>

Schedule of Budgetary Comparison - Budget to GAAP Reconciliation

Year Ended June 30, 2024

	Governmental Funds		
	Cash Basis	Accrual Adjustments	GAAP Basis
Revenue	\$ 9,372,792	\$ 648,578	\$ 10,021,370
Expenditures.....	<u>10,592,779</u>	<u>273,243</u>	<u>10,866,022</u>
Net	(1,219,987)	375,335	(844,652)
Other financing sources, net.....	53,003	—	53,003
Beginning fund balances, as restated	<u>5,487,880</u>	<u>39,120</u>	<u>5,527,000</u>
Ending Fund Balances.....	<u>\$ 4,320,896</u>	<u>\$ 414,455</u>	<u>\$ 4,735,351</u>

	Proprietary Funds		
	Cash Basis	Accrual Adjustments	GAAP Basis
Revenue	\$ 6,680,990	\$ (3,776,396)	\$ 2,904,594
Expenditures.....	<u>5,380,115</u>	<u>(2,659,936)</u>	<u>2,719,179</u>
Net	1,300,875	(1,116,460)	185,415
Other financing sources (uses), net.....	(53,003)	1,900,897	1,847,894
Beginning fund balances, as restated	<u>(3,229,026)</u>	<u>27,511,982</u>	<u>24,282,956</u>
Ending Fund Balances.....	<u>\$ (1,981,154)</u>	<u>\$ 28,296,419</u>	<u>\$ 26,316,265</u>

Notes to Required Supplementary Information - Budgetary Reporting ---

Year Ended June 30, 2024

The budgetary comparison is presented as required supplementary information in accordance with Government 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. The annual budget 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 disbursements known as functions, not by fund or fund type. These nine functions are: public safety, public works, health and social services, culture and recreation, community and economic development, 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 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 \$2,530,000. The budget amendment is reflected in the final budgeted amounts.

During the year ended June 30, 2024, disbursements in the public safety, public works, culture and recreation, community and economic development functions and business-type activities exceeded the amounts budgeted.

Schedule of Proportionate Share of the Net Pension Liability
Iowa Public Employees' Retirement System

Last Ten Years*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	0.010978%	0.007626%	0.112180%	0.011717%	0.010448%	0.010644%	0.010939%	0.010559%	0.009771%	0.009269%
City's proportionate share of the net pension liability.....	\$495,522	\$288,125	(\$387,275)	\$823,117	\$604,983	\$673,605	\$728,676	\$664,484	\$482,753	\$367,582
City's covered-employee payroll.....	\$1,656,000	\$1,475,500	\$1,434,728	\$1,267,514	\$1,203,488	\$1,130,916	\$1,124,860	\$1,056,968	\$1,046,526	\$1,019,999
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll.....	29.92%	19.53%	(26.99%)	64.94%	50.27%	59.56%	64.78%	62.87%	46.13%	36.04%
Plan fiduciary net position as a percentage of the total pension liability.....	90.13%	91.41%	100.81%	82.90%	85.45%	83.62%	82.21%	81.82%	85.19%	87.61%

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

Schedule of Contributions

Iowa Public Employees' Retirement System

Last Ten Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution.....	\$ 152,614	\$ 155,620	\$ 138,630	\$ 136,161	\$ 121,512	\$ 116,443	\$ 103,984	\$ 103,724	\$ 97,313	\$ 97,306
Contributions in relation to the statutorily required contributions	<u>(152,614)</u>	<u>(155,620)</u>	<u>(138,630)</u>	<u>(136,161)</u>	<u>(121,512)</u>	<u>(116,443)</u>	<u>(103,984)</u>	<u>(103,724)</u>	<u>(97,313)</u>	<u>(97,306)</u>
Contribution Deficiency (Excess).....	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
City's covered-employee payroll.....	\$ 1,624,000	\$ 1,656,000	\$ 1,475,500	\$ 1,434,728	\$ 1,267,514	\$ 1,203,488	\$ 1,130,916	\$ 1,124,860	\$ 1,056,968	\$ 1,046,526
Contributions as a percentage of covered-employee payroll	9.40%	9.40%	9.40%	9.49%	9.59%	9.68%	9.19%	9.22%	9.21%	9.30%

Notes to Required Supplementary Information - Pension Liability

Iowa Public Employees' Retirement System

Year Ended June 30, 2024

Changes of Benefit Terms

There were no significant changes in benefit terms.

Changes of Assumptions

The 2022 valuation incorporated the following refinements after a quadrennial experience study:

- Changed mortality assumptions to the PubG-2010 mortality tables with mortality improvements modeled using Scale MP-2021.
- Adjusted retirement rates for regular members
- Lowered disability rates for regular members.
- Adjusted termination rates for all membership groups.

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

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

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

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

Supplementary Information



Nonmajor Governmental Funds

Library Trust - This fund is used to account for the donations received for the library and for the use of such donations for library equipment and improvements.

Local Option Sales Tax - This fund is used to account for proceeds from the City's 1% local option sales tax. Funds are used to reduce future borrowings and for general property tax relief.

Road Use Tax - This fund is used to account for road use tax revenue and the expenditures allowed by statute to be paid from the funds received.

Combining Balance Sheet - Nonmajor Governmental Funds

As of June 30, 2024

	Special Revenue			
	Library Trust	Local Option Sales Tax	Road Use Tax	Total
Assets				
Cash and pooled cash investments.....	\$ —	\$ 761,857	\$ 333,496	\$ 1,095,353
Due from other governments.....	—	56,748	50,941	107,689
Restricted cash.....	<u>98,593</u>	<u>—</u>	<u>—</u>	<u>98,593</u>
Total Assets	<u>\$ 98,593</u>	<u>\$ 818,605</u>	<u>\$ 384,437</u>	<u>\$ 1,301,635</u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 982	\$ —	\$ 5,575	\$ 6,557
Salaries and benefits payable	<u>—</u>	<u>—</u>	<u>4,482</u>	<u>4,482</u>
Total Liabilities	<u>982</u>	<u>—</u>	<u>10,057</u>	<u>11,039</u>
Fund Balances				
Restricted for				
Local option sales tax	—	818,605	—	818,605
Library	<u>97,611</u>	<u>—</u>	<u>—</u>	<u>97,611</u>
Capital improvements	<u>—</u>	<u>—</u>	<u>374,380</u>	<u>374,380</u>
Total Fund Balances	<u>97,611</u>	<u>818,605</u>	<u>374,380</u>	<u>1,290,596</u>
Total Liabilities and Fund Balances	<u>\$ 98,593</u>	<u>\$ 818,605</u>	<u>\$ 384,437</u>	<u>\$ 1,301,635</u>

Combining Schedule of Revenue, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds

Year Ended June 30, 2024

	Special Revenue			
	Library Trust	Local Option Sales Tax	Road Use Tax	Total
Revenue				
Other city tax	\$ —	\$ 615,330	\$ —	\$ 615,330
Use of money and property	434	—	—	434
Intergovernmental	—	—	633,015	633,015
Charges for service	44,669	—	—	44,669
Total Revenue	<u>45,103</u>	<u>615,330</u>	<u>633,015</u>	<u>1,293,448</u>
Expenditures				
Operating				
Public safety	—	—	52,213	52,213
Public works	—	—	346,562	346,562
Culture and recreation	32,744	—	—	32,744
Total Expenditures	<u>32,744</u>	<u>—</u>	<u>398,775</u>	<u>431,519</u>
Revenue Over Expenditures	12,359	615,330	234,240	861,929
Other Financing Uses				
Transfers out	<u>—</u>	<u>(316,455)</u>	<u>(5,475)</u>	<u>(321,930)</u>
Net Changes in Fund Balances	12,359	298,875	228,765	539,999
Fund Balances - Beginning of Year	<u>85,252</u>	<u>519,730</u>	<u>145,615</u>	<u>750,597</u>
Fund Balances - End of Year	<u>\$ 97,611</u>	<u>\$ 818,605</u>	<u>\$ 374,380</u>	<u>\$ 1,290,596</u>

Schedule of Revenue by Source and Expenditures by Function -
All Governmental Funds

Last Ten Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenue										
Property tax	\$ 3,100,333	\$ 2,815,896	\$ 2,600,439	\$ 2,660,349	\$ 2,200,200	\$ 2,211,305	\$ 2,176,537	\$ 2,053,839	\$ 2,170,818	\$ 2,192,886
Tax increment financing	1,966,121	1,691,806	1,659,090	1,301,647	1,141,824	994,589	755,366	955,457	628,651	514,708
Other city tax	1,251,716	1,144,990	1,147,930	961,097	835,969	805,500	790,735	797,763	807,984	806,905
Licenses and permits.....	20,683	16,110	19,773	13,392	17,174	16,313	21,412	23,745	21,808	21,189
Use of money and property	136,747	114,428	59,475	129,904	107,014	71,742	68,944	57,437	56,419	49,146
Intergovernmental.....	3,170,812	2,994,967	777,955	1,812,820	827,297	559,622	539,231	658,406	1,131,944	1,028,030
Charges for service	288,469	329,525	273,786	177,905	183,439	262,131	211,439	199,144	193,209	188,371
Special assessments.....	—	4,315	4,673	3,957	4,481	10,007	7,170	5,727	4,445	5,756
Miscellaneous.....	<u>86,489</u>	<u>64,118</u>	<u>140,236</u>	<u>70,114</u>	<u>144,675</u>	<u>110,652</u>	<u>77,014</u>	<u>54,634</u>	<u>215,815</u>	<u>63,838</u>
Total Revenue	<u>\$ 10,021,370</u>	<u>\$ 9,176,155</u>	<u>\$ 6,683,357</u>	<u>\$ 7,131,185</u>	<u>\$ 5,462,073</u>	<u>\$ 5,041,861</u>	<u>\$ 4,647,848</u>	<u>\$ 4,806,152</u>	<u>\$ 5,231,093</u>	<u>\$ 4,870,829</u>
Expenditures										
Operating										
Public safety.....	\$ 1,346,943	\$ 1,373,819	\$ 1,192,974	\$ 1,093,555	\$ 1,025,535	\$ 946,473	\$ 927,844	\$ 923,469	\$ 995,527	\$ 833,124
Public works.....	876,374	868,277	853,898	797,645	910,922	754,982	749,145	634,155	504,912	527,001
Health and social services	—	—	—	—	5,000	1,300	1,300	—	1,300	1,300
Culture and recreation	1,310,170	1,428,821	1,121,341	1,014,959	1,048,443	1,075,488	958,779	952,063	836,880	843,487
Community and economic development...	2,986,149	3,811,861	1,039,199	432,379	517,320	1,308,832	546,036	406,022	344,543	199,562
General government	519,300	564,261	508,943	644,147	610,743	423,998	435,768	373,278	318,785	296,770
Debt service.....	1,330,355	1,147,397	1,107,065	825,210	588,562	497,537	529,493	533,932	623,973	729,587
Capital projects.....	<u>2,496,731</u>	<u>694,627</u>	<u>1,444,651</u>	<u>4,577,040</u>	<u>4,405,936</u>	<u>2,574,845</u>	<u>841,192</u>	<u>978,127</u>	<u>942,790</u>	<u>302,574</u>
Total Expenditures	<u>\$ 10,866,022</u>	<u>\$ 9,889,063</u>	<u>\$ 7,268,071</u>	<u>\$ 9,384,935</u>	<u>\$ 9,112,461</u>	<u>\$ 7,583,455</u>	<u>\$ 4,989,557</u>	<u>\$ 4,801,046</u>	<u>\$ 4,568,710</u>	<u>\$ 3,733,405</u>

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients	Expenditures
U.S. Department of Treasury				
Direct				
Pass-Through Program From Iowa Economic Development Authority				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		\$ —	\$ 360,000
Pass-Through Program From Iowa Finance Authority				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		—	2,136,200
Pass-Through Program from Dubuque County COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		—	1,747,012
Total U.S. Department of Treasury ..			<u>—</u>	<u>4,243,212</u>
U.S. Department of Homeland Security				
Indirect				
Pass-Through Iowa Department of Homeland Security and Emergency Management				
Hazard Mitigation Grant	97.039		—	340,301
Building Resilient Infrastructure and Communities Grant.....	97.047		—	147,513
Total U.S. Department of Homeland Security			<u>—</u>	<u>487,814</u>
U.S. Department of Transportation				
Indirect				
Pass-Through Iowa Department of Transportation Highway Planning and Construction.....	20.205	TAP-R-2160(617)-8T-31	—	240,968
Total U.S. Department of Transportation			<u>—</u>	<u>240,968</u>
Total Expenditures of Federal Awards			<u>\$ —</u>	<u>\$ 4,971,994</u>

Basis of Presentation

The accompanying schedule of expenditures of federal awards (schedule) includes the federal award activity of the City of Dyersville under programs of the federal government for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City of Dyersville, it is not intended to and does not present the financial position, changes in financial position or cash flows of the City of Dyersville.

Summary of Significant Accounting Policies

Expenditures reported in the schedule are reported on the modified accrual basis of accounting, except for subrecipient expenditures, which are recorded on the cash basis. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City of Dyersville has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Indirect Cost Rate

The City of Dyersville has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.



**Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of
Basic Financial Statements Performed in Accordance with
*Government Auditing Standards***

Independent Auditor's Report

Honorable Mayor and Members
of the City Council
City of Dyersville
Dyersville, Iowa

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dyersville, Iowa as of and for the year ended June 30, 2024, and the related notes to basic financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 20, 2025.

Report on Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's basic 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 did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as Audit Finding 2024-001 to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's basic 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 basic 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, 2024, are based exclusively on knowledge obtained from procedures performed during our audit of the basic 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's Response to Finding

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result 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.

BerganKDV, Ltd.

Minneapolis, Minnesota
January 20, 2025



**Report on Compliance for each Major Federal Program
and Report on Internal Control over Compliance in Accordance
with the Uniform Guidance**

Independent Auditor's Report

Honorable Mayor and Members
of the City Council
City of Dyersville
Dyersville, Iowa

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City's compliance with the types of compliance requirements identified as subject to audit in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2024. The City's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

- ◆ Exercise professional judgment and maintain professional skepticism throughout the audit.
- ◆ Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- ◆ Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

Report on Internal Control over Compliance (Continued)

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

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

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

BerganKDV, Ltd.

Minneapolis, Minnesota
January 20, 2025

City of Dyersville
Schedule of Findings and Questioned Costs

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	We issued an unmodified opinion on the fair presentation of the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information in accordance with accounting principles generally accepted in the United States of America (GAAP).
Internal control over financial reporting:	
◆ Material weakness(es) identified?	Yes, Audit Finding 2024-001
◆ Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Type of auditor's report issued on compliance for major programs:	Unmodified
Internal control over major programs:	
◆ Material weakness(es) identified?	No
◆ Significant deficiency(ies) identified?	None reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of Major Programs

Assistance Listing No.:	21.027
Name of Federal Program or Cluster:	COVID-19 American Rescue Plan
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low risk auditee?	No

City of Dyersville
Schedule of Findings and Questioned Costs

SECTION II - BASIC FINANCIAL STATEMENT FINDINGS

Instances of Noncompliance

There were no reported instances of noncompliance.

Internal Control Deficiencies

Current Internal Control Deficiency

Audit Finding 2024-001

Criteria:

Internal control that supports the City's ability to initiate, record, process and report financial data requires controls to ensure all required adjustments to the financial statements are properly recorded.

Condition:

During the course of our audit, we proposed material audit adjustments that would not have been identified as a result of the City's internal controls, and therefore, could have resulted in a material misstatement of the City's financial statements. In order to ensure the financial statements and Schedule of Expenditures of Federal Awards were free from material misstatement, audit adjustments were required to adjust capital contributions, federal expenditures, and debt. An error in the prior period financial statements was not identified by the City's internal controls to ensure correction in the proper period, and therefore, resulted in a prior period adjustment. In order to ensure financial statements were free from material misstatement, a prior period adjustment was required to adjust capital contribution allocation to the proper fund.

Context:

This finding impacts the internal control over financial reporting.

Effect or Potential Effect:

Internal controls that fail to identify necessary adjustments timely could result in material misstatements to the financial statements.

Cause:

There are a limited number of office employees to identify all necessary adjustments.

Recommendation:

Review City activity and ensure all necessary adjustments to financial data are recorded.

Views of Responsible Officials:

The City will thoroughly review activity throughout the year and ensure all necessary adjustments to financial data are recorded.

Part III: FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS:

Instances of Noncompliance

There were no matters reported.

Internal Control Deficiencies

There were no matters reported.

City of Dyersville
Schedule of Findings and Questioned Costs

Part IV: FINDINGS RELATED TO STATUTORY REPORTING:

- 24-IV-A Certified Budget** - Disbursements in the Public Safety, Public Works, Community and Economic Development, General Government and business-type activities.
- Auditor's Recommendation** - The budget should have been amended in accordance with Chapter 384.18 of the *Code of Iowa* before disbursements were allowed to exceed the budget.
- City's Response** - The City has been making efforts to review the receipts and disbursements in a timely manner.
- Auditor's Conclusion** - Response accepted.
- 24-IV-B Questionable Disbursements** - We noted no material expenditures which did not appear to meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.
- 24-IV-C Travel Expense** - No disbursements of the City of Dyersville's money for travel expenses of spouses of City officials or employees were noted.
- 24-IV-D Business Transactions** - No business transactions between the City and City officials were noted.
- 24-IV-E Restricted Donor Activity** - No transactions were noted between the City, City officials or City employees and restricted donors in compliance with Chapter 68B of the *Code of Iowa* (Government Ethics and Lobbying Act).
- 24-IV-F Bond Coverage** - Surety bond coverage of the City of Dyersville officials and employees is in accordance with statutory provisions and was reviewed and updated during the year. We recommend that the amount of coverage continue to be reviewed annually to ensure that the coverage is adequate for current operations.
- 24-IV-G Council Minutes** - No transactions were found that we believe should have been approved in the Council minutes but were not.
- 24-IV-H 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.
- 24-IV-I Revenue Bonds** - The City has complied with the provisions of the revenue bond indentures and with the provisions of the tax increment revenue bond issues.
- 24-IV-J Tax Increment Financing** - The Special Revenue, Tax Increment Financing (TIF) Fund properly disbursed payments for TIF loans and rebates. Also, the City of Dyersville properly completed the Tax Increment Debt Certificate Forms to request TIF properly taxes.

City of Dyersville
Schedule of Findings and Questioned Costs

Part IV: FINDINGS RELATED TO STATUTORY REPORTING (CONTINUED)

24-IV-K Annual Urban Renewal Report - The Annual Urban Renewal Report was properly approved and certified to the Iowa Department of Management on or before December 1 as required by Chapter 384.22(2)(a) of the *Code of Iowa* and no exceptions were noted.

24-IV-L Financial Condition - The funds listed below had deficit balances as of June 30, 2024, as noted:

Solid Waste Enterprise Fund	\$ 114,562
Capital Improvements Fund	882,694
Special Projects	548,827

Auditor's Recommendation - The City should investigate alternatives to eliminate these deficits in order to return the funds to a sound financial position.

City's Response - The City anticipates that grant funding, bond proceeds and/or transfers from other funds will eliminate the deficits in future periods.

Auditor's Conclusion - Response accepted.

APPENDIX B

DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

The Depository Trust Company, New York, New York (“DTC”), 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.

1. 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 an 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.

2. 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.

3. 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 affect 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.

4. 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 bond registrar and request that copies of notices be provided directly to them.

5. 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.

6. 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).

7. 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.

8. 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.

9. 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.

10. 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.

11. 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

APPENDIX D

DRAFT CONTINUING DISCLOSURE CERTIFICATE

[Form of]

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the City of Dyersville, Iowa (the “Issuer”), in connection with the issuance of \$3,250,000 General Obligation Corporate Purpose Bonds, Series 2025 (the “Bonds”), dated September 2, 2025. The Bonds are being issued pursuant to a resolution of the Issuer approved on August 18, 2025 (the “Resolution”). The Issuer covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. 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.

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 Report” shall mean any Annual Report provided 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.

“Dissemination Agent” shall mean the Dissemination Agent, if any, designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

“EMMA” shall mean the MSRB’s Electronic Municipal Market Access system available at <http://emma.msrb.org>.

“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 either (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 pursuant to the Rule.

“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.

“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 under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” shall mean the State of Iowa.

Section 3. Provision of Annual Reports.

(a) Not later than June 30 (the “Submission Deadline”) of each year following the end of the 2024-2025 fiscal year, the Issuer shall, or shall cause the Dissemination Agent (if any) to, file on EMMA an electronic copy of its Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate in a format and accompanied by such identifying information as prescribed by the MSRB. The Annual Report may be submitted as a single document or as separate documents comprising a package, and 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 Report and later than the Submission Deadline 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), and the Submission Deadline beginning with the subsequent fiscal year will become one year following the end of the changed fiscal year.

(b) If the Issuer has designated a Dissemination Agent, then not later than fifteen (15) business days prior to the Submission Deadline, the Issuer shall provide the Annual Report to the Dissemination Agent.

(c) If the Issuer is unable to provide an Annual Report by the Submission Deadline, in a timely manner thereafter, the Issuer shall, or shall cause the Dissemination Agent (if any) to, file a notice on EMMA stating that there has been a failure to provide an Annual Report on or before the Submission Deadline.

Section 4. Content of Annual Reports. The Issuer’s Annual Report shall contain or include by reference the following:

(a) The **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 audited 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 are not available by the Submission Deadline, the Annual Report shall contain unaudited financial information (which may include any annual filing information required by State law) accompanied by a notice that the audited financial statements are not yet available, and the audited financial statements shall be filed on EMMA when they become available.

(b) Tables, schedules or other information contained in the official statement for the Bonds, under the following captions:

Debt Information:

Debt Limitation

Summary of Outstanding General Obligation Bonded Debt

General Obligation Debt

Statement of Bonded Indebtedness

Property Assessment and Tax Information:

Actual (100%) Valuations for the City

Taxable (Rollback) Valuations for the City

Tax Extensions and Collections

Principal Taxpayers

Delaware County - Property Tax Rates

Dubuque County - Property Tax Rates

Financial Information:

Statement of Net Position – Governmental Activities

Statement of Activities – Governmental Activities

Balance Sheet – General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances – General Fund

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 are available on EMMA or are filed with the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available on EMMA. 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 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds:

- (1) Principal and interest payment delinquencies.
- (2) Non-payment related defaults, if material.
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (5) Substitution of credit or liquidity providers, or their failure to perform.
- (6) 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 status of the security, or other material events affecting the tax status of the security.
- (7) Modifications to rights of security holders, if material.
- (8) Bond calls, if material, and tender offers.
- (9) Defeasances.
- (10) Release, substitution, or sale of property securing repayment of the securities, if material.
- (11) Rating changes.
- (12) Bankruptcy, insolvency, receivership or similar event of the obligated person.

Note to paragraph (12): For the purposes of the event identified in subparagraph (12), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

- (13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, 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.
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(15) Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material.

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(b) If a Listed Event described in Section 5(a) paragraph (2), (7), (8) (but only with respect to bond calls under (8)), (10), (13), (14), or (15) has occurred and the Issuer has determined that such Listed Event is material under applicable federal securities laws, the Issuer shall, in a timely manner but not later than ten business days after the occurrence of such Listed Event, promptly file, or cause to be filed, a notice of such occurrence on EMMA, with such notice in a format and accompanied by such identifying information as prescribed by the MSRB.

(c) If a Listed Event described in Section 5(a) paragraph (1), (3), (4), (5), (6), (8) (but only with respect to tender offers under (8)), (9), (11), (12), or (16) above has occurred the Issuer shall, in a timely manner but not later than ten business days after the occurrence of such Listed Event, promptly file, or cause to be filed, a notice of such occurrence on EMMA, with such notice in a format and accompanied by such identifying information as prescribed by the MSRB. Notwithstanding the foregoing, notice of Listed Events described in Section (5)(a) paragraphs (8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Resolution.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds 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 Annual Report prepared by the Issuer pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be Speer Financial, Inc.

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) (i) the amendment or waiver is 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; (ii) 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 (iii) the amendment or waiver either (1) is approved by a majority of the Holders, or (2) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners; or

(b) the amendment or waiver is necessary to comply with modifications to or interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission.

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 Report, 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 audited 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 Report 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 audited 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 Report 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 Report 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 Report 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 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, if any, 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.

Dated: September 2, 2025

CITY OF DYERSVILLE, IOWA

By _____
Mayor

Attest:

By _____
City Clerk