

FINAL OFFICIAL STATEMENT DATED FEBRUARY 6, 2023

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) for tax years beginning after December 31, 2022. 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

\$2,625,000

CITY OF DYERSVILLE
Delaware and Dubuque Counties, Iowa
General Obligation Corporate Purpose Bonds, Series 2023

Dated Date of Delivery Book-Entry Bank Qualified Due June 1, as Detailed Below

The \$2,625,000 General Obligation Corporate Purpose Bonds, Series 2023 (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, 2023. Interest is calculated based on a 360-day year of twelve 30-day months. The Bonds will be issued using a book-entry system. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The ownership of one fully registered Bond for each maturity will be registered in the name of Cede & Co., as nominee for DTC and no physical delivery of Bonds will be made to purchasers. The Bonds will mature on June 1 in the following years and amounts.

AMOUNTS, MATURITIES, INTEREST RATES, YIELDS AND CUSIP NUMBERS

Principal Amount	Due June 1	Interest Rate	Yield	CUSIP Number(1)	Principal Amount	Due June 1	Interest Rate	Yield	CUSIP Number(1)
\$175,000	2024	3.000%	2.750%	267687 JK8	\$235,000	2028	3.000%	2.700%	267687 JP7
210,000	2025	3.000%	2.700%	267687 JL6	245,000	2029	3.000%	2.700%	267687 JQ5
220,000	2026	3.000%	2.650%	267687 JM4	255,000	2030	3.000%	2.750%	267687 JR3
225,000	2027	3.000%	2.650%	267687 JN2	265,000	2031	3.000%	2.800%	267687 JS1

\$255,000 3.000% Term Bonds due June 1, 2033 Yield..... 3.000% CUSIP Number(1) 267687 JU6

Principal Amount	Due June 1	Interest Rate	Yield	CUSIP Number(1)	Principal Amount	Due June 1	Interest Rate	Yield	CUSIP Number(1)
\$135,000	2034	3.250%	3.250%	267687 JV4	\$140,000	2035	3.500%	3.500%	267687 JW2

\$265,000 3.800% Term Bonds due June 1, 2038 Yield..... 3.800% CUSIP Number(1) 267687 JZ5

For further details see **"MANDATORY REDEMPTION"** herein.

OPTIONAL REDEMPTION

Bonds due June 1, 2024 - 2031, inclusive, are not subject to optional redemption. Bonds due June 1, 2032 - 2038, inclusive, are callable in whole or in part on any date on or after June 1, 2031, at a price of par and accrued interest. If less than all the Bonds are called, they shall be redeemed in such principal amounts and from such maturities as determined by the City and within any maturity by lot. See **"OPTIONAL REDEMPTION"** herein.

PURPOSE, LEGALITY AND SECURITY

The proceeds of the Bonds are expected to be used to pay the costs of: (i) undertaking the Field of Dreams Stadium Project, urban renewal project of the City authorized by action of the City Council on November 21, 2022, consisting of funding an economic development grant in support of the development of baseball stadium facilities, (ii) constructing bridge, water system and sanitary sewer system improvements, (iii) acquiring and equipping a fire truck, and (iv) issuing the Bonds.

In the opinion of Dorsey & Whitney LLP, Des Moines, Iowa, 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. 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 March 7, 2023.



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

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

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

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BOND ISSUE SUMMARY

This Bond Issue Summary is expressly qualified by the entire Final Official Statement which is provided for the convenience of potential investors and should be reviewed in its entirety by potential investors.

Issuer:	City of Dyersville, Delaware and Dubuque Counties, Iowa.
Issue:	\$2,625,000 General Obligation Corporate Purpose Bonds, Series 2023.
Dated Date:	Date of delivery (expected to be on or about March 7, 2023).
Interest Due:	Each June 1 and December 1, commencing December 1, 2023.
Principal Due:	June 1 as detailed on the cover page of this Final Official Statement.
Optional Redemption:	Bonds maturing on or after June 1, 2032, are callable at the option of the City on any date on or after June 1, 2031, at a price of par plus accrued interest. See “OPTIONAL REDEMPTION” herein.
Mandatory Redemption:	The Bonds are subject to mandatory redemption. See “MANDATORY REDEMPTION” herein.
Authorization:	The Bonds are being issued pursuant to authority established in Code of Iowa, 2021 as amended, Chapter 384 (the “Act”), and all laws amendatory thereof and supplementary thereto, and in conformity with a resolution (the “Resolution”) of the City duly passed and approved.
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.
Investment Rating:	The Bonds have been rated “A2” by Moody’s Investors Service, New York, New York. See “INVESTMENT RATING” herein.
Purpose:	The proceeds of the Bonds will be used to pay the costs of: (i) undertaking the Field of Dreams Stadium Project, urban renewal project of the City authorized by action of the City Council on November 21, 2022, consisting of funding an economic development grant in support of the development of baseball stadium facilities, (ii) constructing bridge, water system and sanitary sewer system improvements, (iii) acquiring and equipping a fire truck, and (iv) 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 Final 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 March 7, 2023.
Book-Entry Form:	The Bonds will be registered in the name of Cede & Co. as nominee for The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository of the Bonds. See APPENDIX B herein.
Denomination:	\$5,000 or integral multiples thereof.
Municipal Advisor:	Speer Financial, Inc., Waterloo, Iowa and Chicago, Illinois.

CITY OF DYERSVILLE
Delaware and Dubuque Counties, Iowa

Jeff Jacque
Mayor

Council Members

Mike English	Jim Gibbs	Mike Oberbroeckling
Jenni Ostwinkle Silva		Tom Westhoff

Officials

Mick J. Michel <i>City Administrator</i>	Tricia Maiers <i>City Clerk/Treasurer</i>	George Davis, Esq. <i>City Attorney</i>
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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 Act provides that when an Iowa political subdivision issues general obligation bonds, the governing authority of such political subdivision shall, by resolution adopted before issuing the bonds, provide for the assessment of an annual levy upon all the taxable property in the political subdivision sufficient to pay the interest and principal of the bonds. A certified copy of this resolution shall be filed with the County Auditor in which the City is located, giving rise to a duty of the County Auditor to annually enter this levy for collection from the taxable property within the boundaries of the city, until funds are realized to pay the bonds in full.

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

Pursuant to the provisions of Section 76.4 of the Code of Iowa, each year while the Bonds remain outstanding and unpaid, any funds of the City 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 City'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 Final Official Statement (including the appendices hereto) in order to make a judgement as to whether the Bonds are an appropriate investment.

COVID-19

The City is monitoring developments and directives of federal, state and local officials to determine what precautions and procedures the City may need to implement or revise in light of the spread of COVID-19. Some procedures and precautions resulting from the spread of COVID-19 with respect to operations, personnel and services may be mandated by federal and/or state entities. Because of the unprecedented nature of COVID-19, the behavior of businesses and people is being altered in a manner that cannot fully be determined or predicted but has had negative effects on economic activity, and therefore could adversely affect the financial condition of the City, either directly or indirectly. The continued spread of COVID-19 in the future may: (i) limit the ability of the City to conduct its operations in an historically normal manner, (ii) increase the cost of operations of the City, (iii) impact the ability of the City to provide personnel to carry out the services routinely provided by the City, (iv) impact certain revenues received by the City, as further described below, (v) affect the secondary market with respect to the Bonds, and (vi) affect liquidity sources of the City.

The City did incur additional expenses in fiscal years 2020, 2021 or 2022 to date due to COVID-19-related financial impacts which were not covered by federal and state funding. It is too soon, however, to fully predict what COVID-19-related financial impacts the City may incur and whether any such financial impacts will be material. The City has received support from federal or state COVID-19 related programs. The Bonds are secured by an unlimited ad valorem property tax. See “**SECURITY AND SOURCE OF PAYMENT**” herein.

This information is based on current information available to the City that may be incomplete and unknown. This information is forward-looking and subject to change.

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 impact on the Bonds and the security for the Bonds.

Matters Relating to Enforceability of Agreements

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 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.

Ratings Loss

Moody's Investors Service, Inc. ("Moody's") has assigned a rating of "A2" to the Bonds. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that the rating will continue for any given period of time, or that such rating will not be revised, suspended or withdrawn, if, in the judgment of Moody's, circumstances so warrant. A revision, suspension or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

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

Redemption Prior to Maturity

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

Forward-Looking Statements

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

Tax Matters, Bank Qualification and Loss of Tax Exemption

As discussed under the heading “**TAX 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 City in violation of its covenants in the Resolution. Should such an event of taxability occur, the Bonds would not be subject to a special prepayment and would remain outstanding until maturity or until prepaid under the prepayment provisions contained in the Bonds, and there is no provision for an adjustment of the interest rate on the Bonds.

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

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

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

DTC-Beneficial Owners

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

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

Pension and OPEB Benefits

The City participates in the Iowa Public Employee’s Retirement System (IPERS). Summary descriptions of the IPERS Plan follows, for more detailed information see **APPENDIX A – Note 6**.

In fiscal year 2021, 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 6.41% of covered payroll and the City contributed 9.61% for a total rate of 16.02%. The City’s contributions to IPERS for the year ended June 30, 2021 were \$136,161. 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, 2021, the City reported a liability of \$823,117 for its proportionate share of the IPERS net pension liability. The net pension liability was measured as of June 30, 2020 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 – AUDITED FINANCIAL STATEMENTS”** for additional information on pension and liabilities of the City.

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

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

Total OPEB Liability Beginning of Year	\$53,937
Changes for the year:	
Service Cost.....	3,619
Interest.....	2,015
Differences between expected and actual experiences	0
Changes in Assumptions.....	0
Benefit Payments.....	<u>0</u>
Net Changes.....	<u>5,634</u>
Total OPEB Liability End of Year.....	\$59,571

See **APPENDIX A – Notes (6) and (7)** herein for further discussion of the City’s employee retirement benefit obligations.

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

Continuing Disclosure

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

The City will covenant in a Continuing Disclosure Certificate for the benefit of the Owners and Beneficial Owners of the Bonds to provide annually certain financial information and operating data relating to the City (the “Annual Report”), and to provide notices of the occurrence of certain enumerated events. The Annual Report is to be filed by the City no later than June 30 each fiscal year, commencing with the fiscal year ending June 30, 2022, with the Municipal Securities Rulemaking Board, at its internet repository named “Electronic Municipal Market Access” (“EMMA”). The notices of events, if any, are also to be filed with EMMA. See **“APPENDIX D – FORM OF CONTINUING DISCLOSURE CERTIFICATE.”** The specific nature of the information to be contained in the Annual Report or the notices of events, and the manner in which such materials are to be filed, are summarized in **“APPENDIX D – FORM OF CONTINUING DISCLOSURE CERTIFICATE.”** These covenants have been made in order to assist the Underwriter in complying with SEC Rule 15c2-12(b)(5) (the “Rule”).

Cybersecurity

The City, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurances that any security and operational control measures implemented by the City will be completely successful to guard against and prevent cyber threats and attacks. Failure to properly maintain functionality, control, security, and integrity of the City's information systems could impact business operations and/or digital networks and systems and the costs of remedying any such damage could be significant. Along with significant liability claims or regulatory penalties, any security breach could have a material adverse impact on the City's operations and financial condition. The City cannot predict whether its cyber 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 Final Official Statement and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment for such investor.

Bankruptcy and Insolvency

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

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

Matters Relating to Enforceability of Agreements

There is no bond trustee or similar person to monitor or enforce the provisions of the Bond 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 or of 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 Bond Resolution) may have to be enforced from year to year.

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

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

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

Legislation

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

During the 2019 legislative session, the Iowa General Assembly passed Senate File 634 which was later signed into law by the Governor. This bill modifies the process for hearing and approval of the total maximum property tax dollars under certain levies in the City budget, including levies for the General Fund, the Emergency Fund, Trust and Agency Funds for pensions, insurance, transit, civic centers, certain bridges, sanitary disposal, and emergency management. The bill also includes a provision that requires the affirmative vote of 2/3 of the City Council when the maximum property tax dollars under these levies exceed an amount determined under a prescribed formula. The bill does not change the process for hearing and approval of the Debt Service Levy pledged for repayment of the Bonds.

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 Bond 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.

Federal Funds Orders and State Funds Legislation

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

Other Factors

An investment in the Bonds involves an element of risk. The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Bonds. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should become thoroughly familiar with this entire Final 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 23 full-time employees and 67 part-time and/or seasonal. Of the 23 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 Mercy 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 3,200 for school year 2021-22. 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.

Population

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

Population Comparison(1)

Year	The City	Percent Change	Delaware County	Percent Change	Dubuque County	Percent Change	The State	Percent Change
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)

Name	Product/Service	Approximate Employment
Dyersville Die Cast	Aluminum Die-Casting	400
FarmTek	Horticultural Specialists	300
Modernfold Inc.	Folding Door Manufacturer	250
Lumber Specialists-USLBM, Ltd.	Roof and Floor Trusses	220
Tomy Corp	Toy Distributor	200
Spireon	GPS Vehicle Tracking and Fleet Management	170
Mercy Medical Center	Health Care	130

Note: (1) Source: Area Chamber of Commerce, selected telephone surveys and the 2022 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	2,830
Dubuque	Dubuque Community School District.....	Education.....	2,000
Dubuque	MercyOne Dubuque Medical Center	Health Care.....	1,440
Dubuque	Medical Associates Clinic, P.C.	Health Care.....	1,100
Dubuque	UnityPoint Health – Finley Hospital	Health Care.....	1,010
Dubuque	Cottingham and Butler	Health Care Insurance and Brokerage	800
Dubuque	City of Dubuque	Government.....	735
Dubuque	Sedgwick	Claims/Benefits Management and Processing.....	700
Dubuque	Dupaco Community Credit Union	Financial Services	640
Dubuque	Medline Industries, Inc.	Manufacturing	600
Dubuque	Progressive Processing.....	Meat Packing and Processing	600
Dubuque	Dubuque Bank and Trust, Co. & Heartland Financial	Financial Services	590
Varies.....	Northeast Iowa Community College.	Higher Education.....	550
Farley	Western Dubuque County Community School District.....	Education.....	550

Note: (1) Source: Greater Dubuque Development Corp and the 2022 Iowa Manufacturers Database.

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

Employment By Industry(1)

<u>Classification</u>	<u>The City</u>		<u>Delaware County</u>		<u>Dubuque County</u>		<u>The State</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Agriculture, forestry, fishing and hunting, and mining.....	38	1.7%	935	9.8%	904	1.8%	59,850	3.7%
Construction.....	245	10.8%	831	8.7%	2,910	5.7%	108,302	6.7%
Manufacturing.....	674	29.7%	1,644	17.3%	8,554	16.7%	240,629	14.8%
Wholesale trade	79	3.5%	337	3.5%	1,768	3.5%	44,676	2.8%
Retail trade.....	298	13.1%	935	9.8%	6,433	12.6%	189,043	11.7%
Transportation and warehousing, and utilities.....	102	4.5%	671	7.0%	2,140	4.2%	81,066	5.0%
Information	17	0.7%	51	0.5%	886	1.7%	23,698	1.5%
Finance and insurance, and real estate and rental and leasing	160	7.0%	497	5.2%	3,577	7.0%	124,930	7.7%
Professional, scientific, and management, and administrative and waste management services.....	52	2.3%	472	5.0%	3,737	7.3%	121,124	7.4%
Educational services, and health care and social assistance	411	18.1%	2,161	22.7%	12,645	24.7%	392,076	24.2%
Arts, entertainment, and recreation, and accommodation and food services.....	40	1.8%	305	3.2%	4,124	8.1%	115,503	7.1%
Other services, except public administration.....	114	5.0%	392	4.1%	2,293	4.5%	68,951	4.3%
Public administration	42	1.8%	297	3.1%	1,195	2.3%	50,948	3.1%
Total	2,272	100.0%	9,528	100.0%	51,166	100.0%	1,620,796	100.0%

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

Employment By Occupation(1)

<u>Classification</u>	<u>The City</u>		<u>Delaware County</u>		<u>Dubuque County</u>		<u>The State</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Management, business, science, and arts occupations ..	533	23.5%	3,124	32.8%	19,153	37.4%	609,180	37.6%
Service occupations	201	8.8%	1,406	14.8%	8,129	15.9%	253,347	15.6%
Sales and office occupations	663	29.2%	1,734	18.2%	10,936	21.4%	326,164	20.1%
Natural resources, construction, and maintenance occupations	309	13.6%	1,140	12.0%	3,909	7.6%	155,994	9.6%
Production, transportation, and material moving occupations	566	24.9%	2,124	22.3%	9,039	17.7%	276,111	17.1%
Total	2,272	100.0%	9,528	100.0%	51,166	100.0%	1,620,796	100.0%

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

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

Annual Average Unemployment Rates(1)(2)

Calendar Year	Delaware County	Dubuque County	The State	United States
2013	4.3%	4.5%	4.7%	7.4%
2014	3.8%	4.1%	4.2%	6.2%
2015	3.3%	3.6%	3.7%	5.3%
2016	3.4%	3.5%	3.6%	4.9%
2017	2.6%	2.9%	3.1%	4.4%
2018	2.1%	2.4%	2.5%	3.9%
2019	2.2%	2.5%	2.6%	3.7%
2020(3)	3.9%	5.7%	5.1%	8.1%
2021	3.3%	4.4%	4.2%	5.4%
2022(4)	2.2%	2.8%	2.8%	3.4%

- Notes: (1) Source: Iowa Workforce Development.
(2) Not seasonally adjusted.
(3) The increase in unemployment rates may be attributable to the COVID-19 pandemic.
See "BONDHOLDERS RISKS – COVID-19" herein.
(4) Preliminary rates for the month of November 2022.

Building Permits

Residential building permits have averaged \$4,868,000 over the last five calendar years in the City, excluding the value of land.

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	
2013	16	\$4,169,000	3	\$ 412,300	11	\$ 1,886,000	26	\$ 994,350	\$ 7,461,650
2014	21	5,784,000	2	255,500	9	12,132,106	33	750,970	18,922,576
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

Note: (1) Source: the City.

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Housing

The U.S. Census Bureau 5-year estimated values reported that the median value of the City's owner-occupied homes was \$179,700. This compares to \$146,400 for Delaware County, \$183,700 for Dubuque County and \$160,700 for the State. The following table represents the five year average market value of specified owner-occupied units for the City, the Counties and the State at the time of the 2017 - 2021 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.....	31	2.0%	346	6.0%	1,746	6.0%	73,899	8.1%
\$50,000 to \$99,999.....	102	6.6%	1,299	22.6%	2,632	9.0%	163,749	17.9%
\$100,000 to \$149,999.....	493	31.8%	1,320	23.0%	6,128	21.1%	178,001	19.5%
\$150,000 to \$199,999.....	251	16.2%	994	17.3%	5,944	20.4%	158,080	17.3%
\$200,000 to \$299,999.....	420	27.1%	1,076	18.7%	6,838	23.5%	184,443	20.2%
\$300,000 to \$499,999.....	218	14.1%	571	9.9%	4,599	15.8%	118,803	13.0%
\$500,000 to \$999,999.....	33	2.1%	116	2.0%	991	3.4%	30,661	3.4%
\$1,000,000 or more.....	0	0.0%	26	0.5%	217	0.7%	5,333	0.6%
Total.....	1,548	100.0%	5,748	100.0%	29,095	100.0%	912,969	100.0%

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

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.....	905	58.5%	3,382	58.8%	18,360	63.1%	551,824	60.4%
Housing units without a mortgage.....	643	41.5%	2,366	41.2%	10,735	36.9%	361,145	39.6%
Total.....	1,548	100.0%	5,748	100.0%	28,382	100.0%	912,969	100.0%

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

Income and Benefits

The U.S. Census Bureau 5-year estimated values reported that the City had a median family income of \$80,488. This compares to \$84,088 for Delaware County, \$85,862 for Dubuque County and \$83,979 for the State. The following table represents the distribution of family incomes for the City, the Counties and the State at the time of the 2017 - 2021 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.....	24	1.9%	54	1.1%	637	2.5%	20,680	2.6%
\$10,000 to \$14,999.....	0	0.0%	42	0.9%	296	1.2%	12,781	1.6%
\$15,000 to \$24,999.....	43	3.5%	258	5.4%	969	3.8%	35,959	4.5%
\$25,000 to \$34,999.....	81	6.5%	240	5.1%	1,081	4.3%	48,267	6.0%
\$35,000 to \$49,999.....	162	13.1%	367	7.7%	2,888	11.4%	83,603	10.5%
\$50,000 to \$74,999.....	284	22.9%	1,031	21.7%	4,588	18.1%	149,593	18.7%
\$75,000 to \$99,999.....	215	17.3%	946	19.9%	4,751	18.7%	134,689	16.8%
\$100,000 to \$149,999.....	294	23.7%	1,100	23.2%	5,874	23.1%	177,047	22.1%
\$150,000 to \$199,999.....	72	5.8%	405	8.5%	2,239	8.8%	72,140	9.0%
\$200,000 or more.....	65	5.2%	307	6.5%	2,067	8.1%	65,143	8.2%
Total.....	1,240	100.0%	4,750	100.0%	25,390	100.0%	799,902	100.0%

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

The U.S. Census Bureau 5-year estimated values reported that the City had a median household income of \$66,081. This compares to \$69,319 for Delaware County, \$68,198 for Dubuque County and \$65,429 for the State. The following table represents the distribution of household incomes for the City, the Counties and the State at the time of the 2017 - 2021 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.....	47	2.6%	199	2.9%	1,932	4.9%	59,741	4.7%
\$10,000 to \$14,999	11	0.6%	254	3.7%	1,354	3.4%	48,339	3.8%
\$15,000 to \$24,999	162	8.9%	534	7.7%	2,976	7.5%	104,101	8.2%
\$25,000 to \$34,999	125	6.9%	584	8.4%	3,207	8.1%	110,075	8.6%
\$35,000 to \$49,999	249	13.7%	907	13.1%	4,941	12.5%	160,679	12.6%
\$50,000 to \$74,999	478	26.4%	1,340	19.3%	7,134	18.0%	240,122	18.8%
\$75,000 to \$99,999	293	16.2%	1,088	15.7%	6,210	15.7%	181,264	14.2%
\$100,000 to \$149,999.....	294	16.2%	1,246	17.9%	6,994	17.7%	216,340	17.0%
\$150,000 to \$199,999.....	78	4.3%	470	6.8%	2,544	6.4%	81,830	6.4%
\$200,000 or more.....	76	4.2%	322	4.6%	2,242	5.7%	73,402	5.7%
Total	1,813	100.0%	6,915	100.0%	38,655	100.0%	1,275,893	100.0%

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

Agriculture

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

Average Value Per Acre(1)

	2018	2019	2020	2021	2022
Average Value Per Acre:					
Delaware County	\$8,575	\$8,467	\$8,622	\$11,572	\$13,614
Dubuque County.....	7,744	7,607	7,678	10,425	12,351
State of Iowa.....	7,264	7,432	7,559	9,751	11,411

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

Local Option Sales 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 of Iowa Director of Revenue (the "Director") administers collection and disbursement of all local option sales and services taxes in conjunction with administration of the State-wide sales, services and use tax. The Director credits the LOSST receipts to the City's account in the local option sales and services tax fund. Historically, by August 15 of each fiscal year, the Director 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 LOSST payment, the administration of local government LOSST distribution payments will change per legislation passed during the 2021-22 legislative session (Senate File 2367). The Iowa Department of Revenue will move away from the old "annual estimated payments" process, and will begin making distributions based on actual LOSST receipts in the preceding month. July, August, and September 2022 will be the final months that will use estimated payments; any adjustments or reconciliations to those will be made by December 30, 2022.

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

The following table shows the trend of City Local Option tax receipts.

Local Option Tax Receipts(1)

Fiscal Year Ending June 30	Local Option Sales Tax Receipts(2)	Percent Change +(-)
2014.....	\$525,758	n/a
2015.....	547,165	4.07%
2016.....	552,414	0.96%
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.....	763,109	5.22%
2023.....	687,729(3)	(9.88%)

- Notes: (1) Source: Iowa Department of Revenue.
(2) Includes a reconciliation payment in November attributable to the previous fiscal year for fiscal years 2014 - 2022.
(3) Collections received or expected to be received.

Retail Sales

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

Retail Taxable Sales(1)

Fiscal Year Ending June 30	Taxable Sales	Annual Percent Change + (-)
2012.....	\$ 72,783,835	n/a
2013.....	72,921,905	0.19%
2014.....	76,924,971	5.49%
2015.....	82,341,763	7.04%
2016.....	82,443,485	0.12%
2017.....	84,858,693	2.93%
2018.....	88,170,597	3.90%
2019.....	89,381,751	1.37%
2020.....	91,379,251	2.23%
2021.....	103,013,257	12.73%

Growth from 2012 to 2021 41.53%

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

THE PROJECT

Bond proceeds will be used to pay the costs of: (i) undertaking the Field of Dreams Stadium Project, urban renewal project of the City authorized by action of the City Council on November 21, 2022, consisting of funding an economic development grant in support of the development of baseball stadium facilities, (ii) constructing bridge, water system and sanitary sewer system improvements, (iii) acquiring and equipping a fire truck, and (iv) issuing the Bonds.

SHORT-TERM BORROWING

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

DEBT INFORMATION

After issuance of the Bonds, the City will have outstanding \$15,125,000 principal amount of general obligation debt. In addition, the City has outstanding approximately \$5,450,000 principal amount of sewer revenue debt and \$1,701,000 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 of Iowa can incur is controlled by the constitutional debt limit, which is an amount equal to 5% of the actual value of taxable property within the corporate limits, taken from the last County Tax list. According to and based upon the January 1, 2021 property valuations, for taxes payable in September 2022 and March 2023, the City's debt limit, based upon said valuation, amounts to the following:

2021 100% Actual Valuation of Property	\$526,990,158
Constitutional Debt Limit	\$ 26,349,508
Outstanding Bonds/Notes Applicable to Debt Limit:	
Total G.O. Debt Subject to Debt Limit.....	\$ 15,125,000
Other Legal Indebtedness (TIF Rebates)	<u>1,871,266</u>
Total Applicable Debt	<u>\$ 16,996,266</u>
Remaining Debt Capacity.....	\$ 9,353,242

The City does not expect to issue any additional general obligation debt in calendar year 2022.

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

Series 2013.....	\$ 1,070,000
Series 2018.....	2,560,000
Series 2019.....	5,125,000
Series 2021A	2,695,000
Series 2021B (Taxable).....	1,050,000
The Bonds.....	<u>2,625,000</u>
Total.....	<u>\$15,125,000</u>

Note: (1) Source: the City.

General Obligation Debt(1)
(Principal Only)

Fiscal Year Ending June 30	Series 2013	Series 2018	Series 2019	Series 2021A	Series 2021B	Total Outstanding GO Debt	The Bonds	Total General Obligation Debt	Cumulative Retirement Amount	Percent
2023.....	\$ 155,000	\$ 495,000	\$ 420,000	\$ 320,000	\$ 70,000	\$ 1,460,000	\$ 0	\$ 1,460,000	\$ 1,460,000	9.65%
2024.....	160,000	500,000	370,000	320,000	75,000	1,425,000	175,000	1,600,000	3,060,000	20.23%
2025.....	160,000	510,000	340,000	330,000	80,000	1,420,000	210,000	1,630,000	4,690,000	31.01%
2026.....	170,000	525,000	350,000	335,000	80,000	1,460,000	220,000	1,680,000	6,370,000	42.12%
2027.....	175,000	530,000	365,000	130,000	85,000	1,285,000	225,000	1,510,000	7,880,000	52.10%
2028.....	180,000	0	380,000	135,000	75,000	770,000	235,000	1,005,000	8,885,000	58.74%
2029.....	70,000	0	380,000	135,000	75,000	660,000	245,000	905,000	9,790,000	64.73%
2030.....	0	0	400,000	135,000	75,000	610,000	255,000	865,000	10,655,000	70.45%
2031.....	0	0	360,000	145,000	65,000	570,000	265,000	835,000	11,490,000	75.97%
2032.....	0	0	375,000	145,000	65,000	585,000	125,000	710,000	12,200,000	80.66%
2033.....	0	0	390,000	110,000	60,000	560,000	130,000	690,000	12,890,000	85.22%
2034.....	0	0	400,000	110,000	60,000	570,000	135,000	705,000	13,595,000	89.88%
2035.....	0	0	420,000	115,000	60,000	595,000	140,000	735,000	14,330,000	94.74%
2036.....	0	0	175,000	115,000	60,000	350,000	85,000	435,000	14,765,000	97.62%
2037.....	0	0	0	115,000	65,000	180,000	90,000	270,000	15,035,000	99.40%
2038.....	0	0	0	0	0	0	90,000	90,000	15,125,000	100.00%
Total.....	\$1,070,000	\$2,560,000	\$5,125,000	\$2,695,000	\$1,050,000	\$12,500,000	\$2,625,000	\$15,125,000		

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

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Statement of Bonded Indebtedness(1)(2)

City Actual Value, January 1, 2021	\$526,990,158
City Taxable Value, January 1, 2021	\$334,234,926

	Total	Applicable Percent	Applicable Amount	Ratio to City Actual Value	Ratio to City Taxable Value	Per Capita (2020 Pop. 4,477)
Direct Bonded Debt	\$15,125,000	100.00%	\$15,125,000	2.87%	4.53%	\$3,378.38
Overlapping Debt:						
Western Dubuque County						
Community School District.....	\$11,895,000	18.88%	\$ 2,245,776	0.43%	0.67%	\$ 501.63
Northeast Iowa Community College(3)	36,735,000	2.37%	870,620	0.17%	0.26%	194.46
Delaware County.....	5,245,000	5.41%	283,755	0.05%	0.08%	63.38
Dubuque County	24,425,000	4.28%	1,045,390	0.20%	0.31%	233.50
Total Overlapping Bonded Debt(3)			\$ 4,445,540	0.85%	1.33%	\$ 992.97
Total Direct and Overlapping Bonded Debt.....			\$19,570,540	3.72%	5.86%	\$4,371.35
Per Capita Actual Value						\$117,710.56
Per Capita Taxable Value.....						\$ 74,656.00

- Notes: (1) Source: the City, Audited Financial Statements and Treasurer of the State of Iowa - Outstanding Obligations Report, debt as of June 30, 2022 for the School District, Community College and Counties.
- (2) As of the date of issuance for the Direct Bonded Debt and June 30, 2022 for Overlapping Debt.
- (3) Excludes \$16,910,000 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 of 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 6/30/22)	Last Payment Date
August 2010	FarmTek	\$ 246,665	6/1/27
September 2010	D.E.D.C. (NuWorld)	198,704	6/1/30
September 2010	Digga North America, Inc.	400,002	6/1/28
December 2013	D.E.D.C. (Dardis)	358,400	6/1/30
May 2014	JEDA Polymers, LLC	218,000	6/1/26
February 2015	D.E.D.C.	849,500	6/1/29
December 2015	Advanced Precast Company	1,246,668	6/1/33
July 2016	Decker Concrete, Inc.	300,000	6/1/28
January 2017	Dyersville Industries	1,000,000	6/1/30
May 2017	Theisen's	228,571	6/1/26
June 2017	Hall of Fame	595,834	6/1/33
March 2018	Rose Garden Properties	392,000	6/1/30
July 2019	D.E.D.C. (Brewery)	188,333	6/1/33
July 2019	Archiprop, L.C.	2,800,000	6/1/36
August 2019	Digga North America, Inc.	315,000	6/1/31
November 2020	Advanced Properties, LLC	3,900,000	6/1/36
July 2022	Go The Distance Baseball	9,500,000	6/1/36
September 2022	WK Dyersville LLC	109,998	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

PROPERTY ASSESSMENT AND TAX INFORMATION

Property Tax Assessment

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

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

Percentages for Taxable Valuation After Rollbacks(1)

<u>Fiscal Year</u>	<u>Residential</u>	<u>Multi- Residential(2)</u>	<u>Ag Land & Buildings</u>	<u>Commercial & Industrial</u>
2014/15.....	54.4002%	N/A	43.3997%	95.0000%
2015/16.....	55.7335%	N/A	44.7021%	90.0000%
2016/17.....	55.6259%	86.2500%	46.1068%	90.0000%
2017/18.....	56.9391%	82.5000%	47.4996%	90.0000%
2018/19.....	55.6209%	78.7500%	54.4480%	90.0000%
2019/20.....	56.9180%	75.0000%	56.1324%	90.0000%
2020/21.....	55.0743%	71.2500%	81.4832%	90.0000%
2021/22.....	56.4094%	67.5000%	84.0305%	90.0000%
2022/23.....	54.1302%	63.7500%	89.0412%	90.0000%
2023/24.....	56.4919%	56.4919%	91.6430%	90.0000%

- Notes: (1) Source: the Iowa Department of Revenue.
(2) New category beginning with fiscal year 2017, to be phased into residential category with valuations beginning January 1, 2022.

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

Property Tax Collection

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

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

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

Property Class	Fiscal Year: Levy Year:	2018/19 2017	2019/20 2018	2020/21 2019	2021/22 2020	2022/23 2021
Residential		\$270,077,691	\$273,049,533	\$308,134,892	\$312,308,532	\$332,874,950
Agricultural		3,826,538	3,813,302	2,592,549	2,341,550	2,207,620
Commercial		59,620,333	66,549,791	76,408,454	80,551,718	85,209,269
Industrial		69,902,788	70,058,697	69,268,112	69,695,060	70,698,513
Multi-residential		4,407,281	8,167,551	5,635,248	7,853,337	13,138,862
Railroads		880,747	730,998	740,005	767,866	834,438
Utilities without Gas and Electric(3)		443,630	465,773	385,981	246,997	118,953
Gas and Electric Utility(3)		19,179,812	22,002,544	22,608,496	22,073,348	22,244,617
Less: Military Exemption		(414,848)	(401,884)	(362,992)	(340,768)	(337,064)
Total		\$427,923,972	\$444,436,305	\$485,410,745	\$495,497,640	\$526,990,158
Percent Change +/-		6.31%(4)	3.86%	9.22%	2.08%	6.36%

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

January 1:	2017	2018	2019	2020	2021
TIF Valuation	\$38,615,883	\$44,000,592	\$51,232,579	\$65,612,990	\$68,056,309

- (3) See "PROPERTY TAX INFORMATION - Utility Property Tax Replacement" herein.
(4) Based on 2016 Actual Valuation of \$402,509,664

For the January 1, 2021 levy year, the City's Taxable Valuation was comprised of approximately 54% residential, 23% commercial, 19% industrial, 3% multi-residential, 1% agriculture, 1% utilities and less than 1% railroad and military exemption.

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

Property Class	Fiscal Year: Levy Year:	2018/19 2017	2019/20 2018	2020/21 2019	2021/22 2020	2022/23 2021
Residential		\$150,219,654	\$155,414,360	\$169,703,176	\$176,171,342	\$180,185,845
Agricultural		2,083,475	2,140,506	2,112,498	1,967,621	1,965,688
Commercial		53,658,300	59,894,812	68,767,612	72,496,549	76,688,345
Industrial		62,912,509	63,052,828	62,341,301	62,725,554	63,628,662
Multi-residential		3,470,731	6,125,686	4,015,114	5,301,005	8,376,012
Railroads		792,672	657,899	666,005	691,080	750,994
Utilities without Gas and Electric(3)		443,630	465,773	385,981	243,412	118,953
Gas and Electric Utility(3)		3,279,060	3,238,054	3,348,858	3,031,116	2,857,491
Less: Military Exemption		(414,848)	(401,884)	(362,992)	(340,768)	(337,064)
Total		\$263,620,161	\$276,445,183	\$290,588,034	\$322,286,911	\$334,234,926
Percent Change +/-		4.86%(4)	5.12%	7.02%	3.64%	3.71%

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

January 1:	2017	2018	2019	2020	2021
TIF Valuation	\$38,615,883	\$44,000,592	\$51,232,579	\$65,612,990	\$68,056,309

- (3) See "PROPERTY TAX INFORMATION - Utility Property Tax Replacement" herein.
(4) Based on 2016 Taxable Valuation of \$253,090,425.

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

Tax Extensions and Collections(1)

Levy Year	Fiscal Year	Amount Levied	Amount Collected(2)	Percent Collected
2012.....	2013-14.....	\$1,780,838	\$1,780,816	100.00%
2013.....	2014-15.....	2,144,425	2,192,886	102.26%
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	2,220,200	104.31%
2019.....	2020-21.....	2,553,098	2,660,349	104.20%
2020.....	2021-22.....	2,478,060	2,603,965	105.08%
2021.....	2022-23.....	2,710,603	- 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 2020 Taxable Valuation(2)
Big River United Energy, LLC.....	Ethanol Production.....	\$29,824,560
C & G Partnership LLP.....	Real Property.....	7,260,120
Tomy International Inc.....	Toy Manufacturing.....	4,646,133
Advanced Properties LLC.....	Real Property.....	4,136,850
Crop Production Services Inc.....	Fertilizer Chemical Seed.....	3,366,000
Modernfold Inc.....	Folding Door Manufacturer.....	3,043,179
Theisen's of Dyersville LLC.....	Retail.....	2,823,822
JEDA Properties, LLC.....	Real Property.....	2,493,990
Store SPE USLBM 2017-6 LLC.....	Lumber Specialists.....	2,315,673
The Ellen Kennedy Living Center.....	Retirement Community.....	<u>2,295,525</u>
Total.....		\$62,205,852
Ten Largest Taxpayers as Percent of City's 2020 Taxable Valuation (322,286,911).....		19.30%

- 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.

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Levy Limits

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

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

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

	Fiscal Year: Levy Year:	2018/19 2017	2019/20 2018	2020/21 2019	2021/22 2020	2022/23 2021
City:						
General Fund		\$ 7.95000	\$ 7.93000	\$ 7.93000	\$ 7.93007	\$ 7.93007
Emergency Levy.....		0.00000	0.00000	0.00000	0.00000	0.00000
Debt Service Fund.....		0.78306	0.57019	1.63090	1.41206	1.83427
Employee Benefits		0.00000	0.00000	0.00000	0.00000	0.00000
Capital Improvement		0.00000	0.00000	0.00000	0.00000	0.00000
Other		0.00000	0.00000	0.00000	0.00000	0.00000
Total City		\$ 8.73306	\$ 8.50019	\$ 9.56090	\$ 9.34213	\$ 9.76434
Delaware County		\$ 5.87295	\$ 5.87300	\$ 5.92300	\$ 5.86568	\$ 5.78000
Western Dubuque Community School District		11.53406	11.50542	11.23215	11.26131	11.20071
Northeast Iowa Community College.....		1.09993	1.03168	0.94734	0.90520	0.90520
Other		2.24185	2.29294	2.22789	2.28421	2.40922
Total Tax Rate.....		\$29.48185	\$29.20323	\$29.89128	\$29.65853	\$30.05947

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

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

	Fiscal Year: Levy Year:	2018/19 2017	2019/20 2018	2020/21 2019	2021/22 2020	2022/23 2021
City:						
General Fund		\$ 7.95000	\$ 7.93000	\$ 7.93000	\$ 7.93007	\$ 7.93007
Emergency Levy.....		0.00000	0.00000	0.00000	0.00000	0.00000
Debt Service Fund.....		0.78306	0.57019	1.63090	1.41206	1.83427
Employee Benefits		0.00000	0.00000	0.00000	0.00000	0.00000
Capital Improvement		0.00000	0.00000	0.00000	0.00000	0.00000
Other		0.00000	0.00000	0.00000	0.00000	0.00000
Total City		\$ 8.73306	\$ 8.50019	\$ 9.56090	\$ 9.34213	\$ 9.76434
Dubuque County		\$ 5.97760	\$ 5.94098	\$ 5.91098	\$ 5.74009	\$ 5.35009
Western Dubuque Community School District		11.53406	11.50542	11.23215	11.26131	11.20071
Northeast Iowa Community College.....		1.09993	1.03168	0.94734	0.90520	0.90520
Other		0.65448	0.68587	0.68626	0.68638	0.67521
Total Tax Rate.....		\$27.99913	\$27.66414	\$28.33763	\$27.93511	\$27.89555

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

Tax Levy Procedures

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

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

Utility Property Tax Replacement

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

By statute, the replacement tax collected by the State and allocated among local taxing bodies (including the City) shall be treated as property tax when received and shall be disposed of by the county treasurer as taxes on real estate. It is possible that the general obligation debt capacity of the City could be adjudicated to be proportionately reduced in future years if Utility property were determined to be other than “taxable property” for purposes of computing the City’s debt limit under Article XI of the Constitution of the State of Iowa. There can be no assurance that future legislation will not (i) operate to reduce the amount of debt the City can issue or (ii) adversely affect the City’s ability to levy taxes in the future for the payment of the principal of and interest on its outstanding debt obligations, including the Bonds. Approximately 1% of the City’s levy year 2021 taxable valuation currently is utility property.

Tax Increment Financing

The Code of Iowa currently authorizes the use of two types of tax increment financing by local taxing districts in the State of Iowa. The first type allows local governments to establish TIF districts for the purposes of financing designated urban renewal projects which contribute to the urban redevelopment and economic development of the immediate area. The taxable valuation used for this type of TIF district in the City for levy year 2021 is \$68,056,309.

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

Legislation

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

During the 2019 legislative session, the Iowa General Assembly enacted Senate File 634 (the “2019 Act”). The 2019 Act modifies the process for hearing and approval of the total maximum property tax dollars under certain levies in the City’s budget. The 2019 Act also includes a provision that will require the affirmative vote of 2/3 of the City Council when the maximum property tax dollars under these levies exceed an amount determined under a prescribed formula. The 2019 Act does not change the process for hearing and approval of the Debt Service Levy pledged for repayment of the Bonds.

During the 2013 legislative session, the Iowa General Assembly enacted Senate File 295 (the “2013 Act”). Among other things, the Act (i) reduced the maximum annual taxable value growth percent, due to revaluation of existing residential and agricultural property to 3%, (ii) assigned a “rollback” (the percentage of a property’s value that is subject to tax) to commercial, industrial and railroad property of 90%, (iii) created a new property tax classification for multi-residential properties (apartments, nursing homes, assisted living facilities and certain other rental property) and assigned a declining rollback percentage to such properties for each year until the residential rollback percentage is reached in the 2022 assessment year, after which the rollback percentage for such properties will be equal to the residential rollback percentage each assessment year, and (iv) exempted a specified portion of the assessed value of telecommunication properties.

During the 2021 Iowa Legislative session, House File 418 (“2021 Act”) was signed into law on March 8, 2021, applicable to valuations beginning January 1, 2022. The 2021 Act removes the multi-residential property classification by reclassifying certain properties as subdivision of “residential” property. The multi-residential classification was created as part of the January 1, 2015 valuations and became unnecessary due to the equalization of the residential and multi-residential classifications as of January 1, 2022.

The 2013 Act included a standing appropriation to replace some of the tax revenues lost by local governments, including tax increment district, resulting from the new rollback for commercial and industrial property. During the 2021 legislative session, Senate File 619 (“SF 619”) was signed into law on June 17, 2021, which phases out the standing appropriation payments over time to the City starting in Fiscal Year 2022-23 through Fiscal year 2025-2026. The appropriation does not replace losses to local governments resulting from the 2013 Act’s provisions that reduce the annual revaluation growth limit for residential and agricultural properties to 3%, the gradual transition for multi-residential properties from the residential rollback percentage, or the reduction in the percentage of telecommunications property that is subject to taxation.

Notwithstanding any modifications to property tax revenues that may result from the 2013 Act, the 2019 Act, the 2021 Act or SF 619, the Bonds are secured by an unlimited ad valorem property tax as described more fully in the **“SECURITY AND SOURCE OF PAYMENT”** herein.

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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 of America (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, 2021 (the "2021 Audit"). The 2021 Audit has been prepared by Hogan - Hansen, P.C., Certified Public Accountants, Waterloo, Iowa, (the "Auditor"), and received by the City Council. The City has not requested the Auditor to update information contained in the Excerpted Financial Information and the 2021 Audit; nor has the City requested that the Auditor consent to the use of the Excerpted Financial Information and the 2021 Audit in this Final Official Statement. The inclusion of the Excerpted Financial Information and the 2021 Audit in this Final Official Statement in and of itself is not intended to demonstrate the fiscal condition of the City since the date of the 2021 Audit. Questions or inquiries relating to financial information of the City since the date of the 2021 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 2021 Audit. The City expects its General Fund balance for the fiscal year ending June 30, 2022 to decrease by approximately \$392,000. The City has approved a budget for fiscal year 2023 with an anticipated decrease to the General Fund balance of approximately \$53,000. To date, revenues and expenditures are generally within budgeted amounts.

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Statement of Net Position Governmental Activities(1)

	Audited as of June 30				
	2017	2018	2019	2020	2021
Assets:					
Cash and Pooled Cash Investments.....	\$ 4,256,117	\$ 3,913,382	\$ 8,999,829	\$ 3,855,793	\$ 2,470,495
Receivables:					
Property Tax:					
Delinquent	23,196	13,930	26,600	35,851	10,488
Succeeding Year	2,830,441	3,088,367	3,203,354	3,851,162	4,225,668
Accounts and Other	34,541	42,479	42,237	33,476	44,785
Special Assessments	43,072	32,091	21,845	16,017	10,494
Due from Other Governments.....	137,694	123,021	367,960	585,121	199,975
Prepaid Expenses	128,376	95,455	81,326	83,813	86,068
Restricted Assets:					
Cash and Pooled Cash Investments.....	87,862	91,843	103,571	97,892	94,627
Capital Assets:					
Land and Construction in Progress.....	5,519,162	5,737,369	7,897,036	10,601,232	12,862,529
Other Capital Assets, Net of Accumulated Depreciation ...	11,830,501	11,619,930	11,410,964	11,663,143	13,853,677
Total Assets.....	<u>\$24,890,962</u>	<u>\$24,757,867</u>	<u>\$32,054,722</u>	<u>\$30,823,500</u>	<u>\$33,858,806</u>
Deferred Outflows of Resources:					
Pension Related Deferred Outflows.....	<u>\$ 205,624</u>	<u>\$ 231,497</u>	<u>\$ 205,231</u>	<u>\$ 184,790</u>	<u>\$ 233,933</u>
Liabilities:					
Accounts Payable.....	\$ 210,806	\$ 112,257	\$ 1,846,481	\$ 473,201	\$ 349,969
Accrued Interest Payable.....	12,724	9,494	6,815	17,874	16,821
Salaries and Benefits Payable	73,240	97,132	40,064	41,231	53,954
Long-Term Liabilities:					
Portion Due or Payable Within One Year:					
Capital Lease Purchase Agreements.....	7,105	7,376	13,576	6,207	8,625
General Obligation Notes	220,000	0	0	0	0
General Obligation Bonds.....	135,000	383,380	355,000	610,000	935,000
Compensated Absences.....	153,723	282,138	309,606	244,516	274,369
Portion Due or Payable After One Year:					
Capital Lease Purchase Agreements.....	22,549	12,760	50,468	39,641	31,016
General Obligation Notes	2,460,000	0	0	0	0
General Obligation Bonds.....	1,070,000	3,174,190	8,549,173	7,935,986	7,832,800
Net Pension Liability	464,562	508,058	464,271	407,927	577,861
Total OPEB Liability.....	22,608	27,720	28,386	40,453	44,678
Total Liabilities.....	<u>\$ 4,852,317</u>	<u>\$ 4,614,505</u>	<u>\$11,663,840</u>	<u>\$ 9,817,036</u>	<u>\$10,125,093</u>
Deferred Inflows of Resources:					
Succeeding Year Property Tax	\$ 2,830,441	\$ 3,088,367	\$ 3,203,354	\$ 3,851,162	\$ 4,225,668
Pension Related Deferred Inflows.....	26,186	27,409	46,718	110,509	17,604
Total Deferred Inflows of Resources	<u>\$ 2,856,627</u>	<u>\$ 3,115,776</u>	<u>\$ 3,250,072</u>	<u>\$ 3,961,671</u>	<u>\$ 4,243,272</u>
Net Position:					
Net Investment in Capital Assets	\$13,435,009	\$13,779,593	\$14,314,918	\$15,134,487	\$17,908,765
Restricted for:					
Economic Development.....	1,804,386	1,724,318	1,241,872	1,597,934	2,117,189
Local Option Sales Tax.....	716,377	395,105	364,902	117,014	223,821
Library	87,862	91,843	103,546	97,878	94,548
Debt Service.....	426,000	451,947	462,725	395,502	464,562
Capital Improvements.....	0	0	0	22,144	57,785
Other Purposes	221,332	144,380	94,170	0	0
Unrestricted.....	696,676	671,897	763,908	(135,376)	(1,142,296)
Total Net Assets	<u>\$17,387,642</u>	<u>\$17,259,083</u>	<u>\$17,346,041</u>	<u>\$17,229,583</u>	<u>\$19,724,374</u>

Note: (1) Source: Audited financial statements of the City for the fiscal years ended June 30, 2017 through 2021.

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Statement of Activities **Governmental Activities(1)**

	Audited as of June 30				
	2017	2018	2019	2020	2021
Functions/Programs:					
Governmental Activities:					
Public Safety	\$ (909,856)	\$ (1,019,928)	\$ (1,038,743)	\$ (967,778)	\$ (1,064,395)
Public Works	(428,150)	(355,589)	(246,030)	(1,241,394)	714,097
Health and Social Services	0	(1,300)	(1,300)	(5,000)	0
Culture and Recreation	(886,951)	(939,383)	(1,001,181)	(952,349)	(998,439)
Community and Economic Development	(382,834)	(534,920)	(1,223,478)	(450,799)	(366,523)
General Government	(460,105)	(572,519)	(534,707)	(659,920)	(816,024)
Debt Service	(163,910)	(161,745)	(89,930)	(223,238)	(204,764)
Total Governmental Activities	<u>\$ (3,231,806)</u>	<u>\$ (3,585,384)</u>	<u>\$ (4,135,369)</u>	<u>\$ (4,500,478)</u>	<u>\$ (2,736,048)</u>
General Revenues:					
Property Tax and Other City Tax Levied for:					
General Purposes	\$ 1,815,691	\$ 1,954,423	\$ 1,984,868	\$ 2,030,048	\$ 2,137,682
Debt Service	238,148	222,114	226,437	170,152	522,667
Tax Increment Financing	955,457	755,366	994,589	1,141,824	1,301,647
Utility Franchise Fees	145,213	149,537	155,102	151,522	153,093
Local Option Sales Tax	555,920	539,396	557,462	602,816	707,763
Hotel/Motel Tax	90,204	95,272	89,857	80,004	92,808
Unrestricted Investment Earnings	19,898	26,124	29,827	72,866	8,453
Gain on Sale of Capital Assets	078,067	0	0	31,000	10,396
Other	106,111	111,398	114,837	103,788	156,555
Transfers	(430,919)	(391,547)	6,294	0	139,775
Total General Revenues and Transfers	<u>\$ 3,573,790</u>	<u>\$ 3,462,083</u>	<u>\$ 4,159,373</u>	<u>\$ 4,384,020</u>	<u>\$ 5,230,839</u>
Change in Net Position	\$ 341,984	\$ (123,301)	\$ 24,004	\$ (116,458)	\$ 2,494,791
Net Position, Beginning of Year	<u>\$17,045,658</u>	<u>\$17,382,384(2)</u>	<u>\$17,322,037(2)</u>	<u>\$17,346,041</u>	<u>\$17,229,583</u>
Net Position, End of Year	<u>\$17,387,642</u>	<u>\$17,259,083</u>	<u>\$17,346,041</u>	<u>\$17,229,583</u>	<u>\$19,724,374</u>

Notes: (1) Source: Audited financial statements of the City for the fiscal years ended June 30, 2017 through 2021.
(2) Restated.

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Balance Sheet General Fund(1)

	Audited as of June 30				
	2017	2018	2019	2020	2021
Assets:					
Cash and Pooled Cash Investments.....	\$1,133,463	\$1,325,819	\$1,362,004	\$ 751,047	\$ 640,558
Receivables:					
Property Tax:					
Delinquent.....	14,917	12,597	15,143	22,687	8,160
Succeeding Year:.....	1,861,800	1,874,180	1,938,465	2,043,026	2,019,840
Accounts and Other.....	34,541	42,479	42,237	33,476	44,785
Due from Other Governments.....	37,039	35,205	35,140	32,626	44,564
Prepaid Expenditures.....	128,376	95,455	81,326	83,813	86,068
Restricted Cash.....	35,401	35,401	34,401	35,401	35,401
Total Assets.....	<u>\$3,245,537</u>	<u>\$3,421,136</u>	<u>\$3,509,716</u>	<u>\$3,002,076</u>	<u>\$2,879,376</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance:					
Liabilities:					
Accounts Payable.....	\$ 41,619	\$ 75,626	\$ 83,260	\$ 19,719	\$ 76,162
Salaries and Benefits Payable.....	56,899	77,697	38,117	32,399	42,158
Total Liabilities.....	<u>\$ 98,518</u>	<u>\$ 153,323</u>	<u>\$ 121,377</u>	<u>\$ 52,118</u>	<u>\$ 118,320</u>
Deferred Inflows of Resources:					
Unavailable Revenues:					
Succeeding Year Property Tax.....	<u>\$1,861,800</u>	<u>\$1,874,180</u>	<u>\$1,938,465</u>	<u>\$2,043,026</u>	<u>\$2,019,840</u>
Total Deferred Inflows of Resources.....	<u>\$1,861,800</u>	<u>\$1,874,180</u>	<u>\$1,938,465</u>	<u>\$2,043,026</u>	<u>\$2,019,840</u>
Fund Balance:					
Nonspendable.....	\$ 128,376	\$ 95,455	\$ 81,326	\$ 83,813	\$ 86,068
Restricted.....	35,401	35,401	34,401	35,401	35,401
Unassigned.....	<u>1,121,442</u>	<u>1,262,777</u>	<u>1,333,147</u>	<u>787,718</u>	<u>619,747</u>
Total Fund Balance.....	<u>1,285,219</u>	<u>1,393,633</u>	<u>1,449,874</u>	<u>906,932</u>	<u>741,216</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance.....	<u>\$3,245,537</u>	<u>\$3,421,136</u>	<u>\$3,509,716</u>	<u>\$3,002,076</u>	<u>\$2,879,376</u>

Note: (1) Source: Audited financial statements of the City for the fiscal years ended June 30, 2017 through 2021.

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

	Audited Fiscal Year Ended June 30				
	2017	2018	2019	2020	2021
Revenues:					
Property Tax.....	\$1,836,654	\$1,815,691	\$1,984,868	\$2,030,048	\$2,137,682
Other City Tax.....	380,713	386,162	387,591	384,202	429,058
Licenses and Permits.....	23,745	21,412	16,313	17,174	13,392
Use of Money and Property.....	55,365	66,750	70,084	105,741	129,007
Intergovernmental.....	38,018	34,037	30,648	41,068	133,874
Charges for Service.....	174,684	180,158	238,762	147,165	141,203
Miscellaneous.....	54,634	67,206	110,652	144,675	70,114
Total Revenues.....	<u>\$2,542,850</u>	<u>\$2,710,148</u>	<u>\$2,838,918</u>	<u>\$2,870,073</u>	<u>\$3,054,330</u>
Expenditures:					
Current:					
Public Safety.....	\$ 854,219	\$ 854,341	\$ 888,402	\$ 944,290	\$1,028,634
Public Works.....	215,924	227,824	240,820	334,063	294,129
Health and Social Services.....	0	1,300	1,300	5,000	0
Culture and Recreation.....	936,046	931,311	1,063,557	1,019,843	974,630
Community and Economic Development.....	12,838	5,257	96,616	61,785	20,322
General Government.....	373,278	435,768	423,998	610,743	644,147
Debt Service.....	10,498	10,498	10,498	20,851	0
Total Expenditures.....	<u>\$2,402,803</u>	<u>\$2,466,299</u>	<u>\$2,786,458</u>	<u>\$2,996,575</u>	<u>\$2,961,862</u>
Revenues Over (Under) Expenditures.....	<u>\$ 140,047</u>	<u>\$ 243,849</u>	<u>\$ 52,460</u>	<u>\$ (126,502)</u>	<u>\$ 92,468</u>
Other Financing Sources (Uses).....	<u>\$ 89,904</u>	<u>\$ (135,435)</u>	<u>\$ (44,065)</u>	<u>\$ (406,440)</u>	<u>\$ (258,184)</u>
Net Change in Fund Balance.....	<u>\$ 229,951</u>	<u>\$ 108,414</u>	<u>\$ 8,395</u>	<u>\$ (542,942)</u>	<u>\$ (165,716)</u>
Fund Balance, Beginning of the Year.....	<u>\$1,055,268</u>	<u>\$1,285,268</u>	<u>\$1,441,479(2)</u>	<u>\$1,449,874</u>	<u>\$ 906,932</u>
Fund Balance, End of the Year.....	<u>\$1,285,219</u>	<u>\$1,393,633</u>	<u>\$1,449,874</u>	<u>\$ 906,932</u>	<u>\$ 741,216</u>

Notes: (1) Source: Audited financial statements for the City for the fiscal years ended June 30, 2017 through 2021.
(2) Restated.

REGISTRATION, TRANSFER AND EXCHANGE

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

The City shall cause books (the “Bond Register”) for the registration and for the transfer of the Bonds to be kept at the principal office maintained for the purpose by the Bond Registrar in West Des Moines, Iowa. 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 Bond 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 under the Code.

The opinion set forth in the preceding sentence will be subject to the condition that the City 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 City 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 and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. 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.

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 City 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 2024 - 2031, inclusive, 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.

CONTINUING DISCLOSURE

For the purpose of complying with Rule 15c2-12 of the Securities and Exchange Commission, as amended and interpreted from time to time (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.

During the previous five years, the City did not timely file certain annual operating data for its fiscal year ended June 30, 2017, did not file notice of redemption with respect to its Series 2008 General Obligation Corporate purpose and Refunding Notes, and did not file notice of its failure to provide such information on or before the dates specified in its prior continuing disclosure undertakings.

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, 2024 - 2031 inclusive, are not subject to optional redemption. Bonds due June 1, 2032 - 2038, inclusive, are callable in whole or in part on any date on or after June 1, 2031, at a price of par and accrued interest. If selection by lot within a maturity is required, the Registrar shall designate the Bonds to be redeemed by random selection of the names of the registered owners of the entire annual maturity until the total amount of Bonds to be called has been reached.

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

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

MANDATORY REDEMPTION

The Bonds coming due on June 1, 2033 and 2038, are term bonds (the “Term Bonds”) and are subject to mandatory redemption prior to maturity on June 1 of the years and in the amounts as follows:

\$255,000; 3.000% Term Bonds Due June 1, 2033; Yield 3.000%:

Redemption	
<u>Year</u>	<u>Amount</u>
2032.....	\$125,000
2033.....	130,000 (stated maturity)

\$265,000; 3.800% Term Bonds Due June 1, 2038; Yield 3.800%:

Redemption	
<u>Year</u>	<u>Amount</u>
2036.....	\$85,000
2037.....	90,000
2038.....	90,000 (stated maturity)

The City covenants that it will redeem Term Bonds pursuant to the mandatory redemption requirement for such Term Bonds. Proper provision for mandatory redemption having been made, the City covenants that the Term Bonds so selected for redemption shall be payable as at maturity.

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 Final 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 Final 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**.

FINAL OFFICIAL STATEMENT AUTHORIZATION

This Final 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 Final 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 Final 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 Final 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 Final Official Statement is not guaranteed.

INVESTMENT RATING

The Bonds have been rated “A2” by Moody’s Investors Service. The City has supplied certain information and material concerning the Bonds and the City to the rating service shown on the cover page, including certain information and materials which may not have been included in this Final Official Statement, as part of its application for an investment rating on the Bonds. A rating reflects only the views of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from such rating agency. Generally, such rating service bases its rating on such information and material, and also on such investigations, studies and assumptions that it may undertake independently. There is no assurance that such rating will continue for any given period of time or that it may not be lowered or withdrawn entirely by such rating service if, in its judgment, circumstances so warrant. Any such downward change in or withdrawal of such rating may have an adverse effect on the secondary market price of the Bonds. An explanation of the significance of the investment rating may be obtained from the rating agency: Moody’s Investors Service, 7 World Trade Center at 250 Greenwich Street, New York, New York 10007, telephone 212-553-1658.

UNDERWRITING

The Bonds were offered for sale by the City at a public, competitive sale on Monday, February 6, 2023. The best bid submitted at the sale was submitted by Bankers’ Bank, Madison, Wisconsin (the “Underwriter”). The City awarded the contract for sale of the Bonds to the Underwriter at a price of \$2,634,192.40 (reflecting the par amount of \$2,625,000.00, plus a reoffering premium of \$22,973.65, and less an Underwriter’s discount of \$13,781.25). The Underwriter has represented to the City that the Bonds have been subsequently re-offered to the public initially at the yields or prices set forth in the Final Official Statement.

MUNICIPAL ADVISOR

The City has engaged Speer Financial, Inc. as municipal advisor (the “Municipal Advisor”) in connection with the issuance and sale of the Bonds. The Municipal Advisor is a Registered Municipal Advisor in accordance with the rules of the MSRB. The Municipal Advisor will not participate in the underwriting of the Bonds. The financial information included in the Final 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 Final 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 Final 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 Final 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 Final 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 Final 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 Final Official Statement. The execution and delivery of this Final 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

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APPENDIX A

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

FISCAL YEAR 2021 AUDITED FINANCIAL STATEMENTS

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**BASIC FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
JUNE 30, 2021**

CITY OF DYERSVILLE, IOWA

CITY OF DYERSVILLE, IOWA

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CITY OF DYERSVILLE, IOWA

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City of Dyersville
Officials
June 30, 2021

Name	Title	Term Expires
James Heavens	Mayor	December 31, 2021
Michael English	Council Member	December 31, 2023
Jenni Ostwinkle Silva	Council Member	December 31, 2023
Tom Westhoff	Council Member	December 31, 2021
Jim Gibbs	Council Member	December 31, 2021
Mike Oberbroeckling	Council Member	December 31, 2021
Appointed Officials		
Mick Michel	City Administrator	Appointed
Tricia Maiers	City Clerk/Treasurer	Appointed
Marc Casey (resigned September 30, 2020)	City Attorney	Appointed
Jenny Weiss (effective October 1, 2020)	City Attorney	Appointed

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying 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, 2021, and the related notes to the financial statements which collectively comprise the City's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above 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 as of June 30, 2021, and the respective changes in financial position and cash flows, where applicable, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, the schedule of proportionate share of the net pension liability, the schedule of IPERS contributions and the schedule of changes in total OPEB liability information on pages 5 through 11 and 48 through 53 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of the 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 of Dyersville's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the eight years ended June 30, 2020 (which are not presented herein) and expressed unmodified opinions on those financial statements. The financial statements for the two years ended June 30, 2012 (which are not presented herein) were audited by other auditors in accordance with the standards referred to in the second paragraph of this report who expressed unmodified opinions on those financial statements. The supplementary information included on pages 54 through 57 is presented for purposes of additional analysis and is 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 our 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 supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

To the Honorable Mayor and
Members of the City Council
City of Dyersville, Iowa
Page 3

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated February 7, 2022, on our consideration of the City of Dyersville'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Dyersville's internal control over financial reporting and compliance.

HOGAN - HANSEN

HOGAN - HANSEN

Waterloo, Iowa
February 7, 2022

Basic Financial Statements and
Supplementary Information
June 30, 2021

City of Dyersville, Iowa

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, 2021. We encourage readers to consider this information in conjunction with the City's financial statements, which follow.

2021 FINANCIAL HIGHLIGHTS

Revenues of the City's governmental and business-type activities increased 22% or approximately \$1,900,000 from fiscal 2020 to fiscal 2021. Overall capital grants and contributions increased approximately \$960,000, operating grants and contributions increased by approximately \$90,000, while charges for services increased \$140,000, and property taxes increased by \$460,000.

Program expenses of the City's governmental activities decreased 15% or approximately \$840,000 in fiscal 2021 from fiscal 2020. Public safety increased \$188,469. Community and economic development decreased by \$84,941. Culture and recreation expenses increased \$70,159, while Public works expense decreased by \$1,147,985 due to additional expenses in 2020 for road repair work, and General government increased \$156,104.

The City's net position increased 10%, or approximately \$3,095,000 from June 30, 2020 to June 30, 2021.

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 and information regarding post-employment benefits offered to its employees, Schedule of City's Proportionate Share of the Net Pension Liability of Iowa Public Employees' Retirement System, and Schedule of City Contributions of the Iowa Public Employees' Retirement System.

Other Supplementary Information provides detailed information about the non-major 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 revenues 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, revenues 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 Revenues, 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 Revenues, 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.

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 7,142,600	\$ 8,559,125	\$ 515,681	\$ 453,765	\$ 7,658,281	\$ 9,012,890
Capital assets	26,716,206	22,264,375	25,614,463	22,810,186	52,330,669	45,074,561
Total assets	33,858,806	30,823,500	26,130,144	23,263,951	59,988,950	54,087,451
Deferred outflows of resources						
Pension related deferred outflows	233,933	184,790	66,080	55,099	300,013	239,889
Long-term liabilities	9,704,349	9,284,730	10,801,809	8,074,056	20,506,158	17,358,786
Other liabilities	420,744	532,306	2,002,617	2,429,629	2,423,361	2,961,935
Total liabilities	10,125,093	9,817,036	12,804,426	10,503,685	22,929,519	20,320,721
Deferred inflows of resources						
Succeeding year property tax	4,225,668	3,851,162	-	-	4,225,668	3,851,162
Pension related	17,604	110,509	6,832	31,605	24,436	142,114
Total deferred inflows	4,243,272	3,961,671	6,832	31,605	4,250,104	3,993,276
Net Position						
Net investment in capital assets	17,908,765	15,134,487	15,241,715	15,117,190	33,150,480	30,251,677
Restricted	2,957,905	2,230,472	16,657	16,490	2,974,562	2,246,962
Unrestricted	(1,142,296)	(135,376)	(1,873,406)	(2,349,920)	(3,015,702)	(2,485,296)
Total Net Position	\$ 19,724,374	\$ 17,229,583	\$ 13,384,966	\$ 12,783,760	\$ 33,109,340	\$ 30,013,343

Net Position at Year-end

Net position of governmental activities increased during FY2021 by \$2,494,791 or 14%, and net position of business activities increased from FY2020 by \$601,206, or 5%. 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. The debt related to the investment in capital assets is liquidated with sources other than capital assets. 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 \$3,015,000 at the end of this year.

Changes in Net position

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues						
Charges for services	\$ 246,444	\$ 171,625	\$ 2,720,774	\$ 2,656,030	\$ 2,967,218	\$ 2,827,655
Operating grants and contributions	759,812	668,145	-	-	759,812	668,145
Capital grants and contributions	1,181,655	425,379	406,421	203,866	1,588,076	629,245
General revenues						
Property tax levied for:						
General purposes	2,137,682	2,030,048	-	-	2,137,682	2,030,048
Debt service	522,667	170,152	-	-	522,667	170,152
Tax increment financing	1,301,647	1,141,824	-	-	1,301,647	1,141,824
Utility franchise fees	153,093	151,522	-	-	153,093	151,522
Local option sales tax	707,763	602,816	-	-	707,763	602,816
Hotel/motel tax	92,808	80,004	-	-	92,808	80,004
Unrestricted investment earnings	8,453	72,866	-	-	8,453	72,866
Miscellaneous	166,951	134,788	39,778	22,056	206,729	156,844
Total revenues	<u>7,278,975</u>	<u>5,649,169</u>	<u>3,166,973</u>	<u>2,881,952</u>	<u>10,445,948</u>	<u>8,531,121</u>
Program Expenses						
Public safety	1,192,576	1,004,107	-	-	1,192,576	1,004,107
Public works	1,102,509	2,250,494	-	-	1,102,509	2,250,494
Health and social services	-	5,000	-	-	-	5,000
Culture and recreation	1,175,707	1,105,548	-	-	1,175,707	1,105,548
Community and economic development	432,379	517,320	-	-	432,379	517,320
General government	816,024	659,920	-	-	816,024	659,920
Interest on long-term debt	204,764	223,238	-	-	204,764	223,238
Water utility	-	-	856,255	891,781	856,255	891,781
Sewage disposal works	-	-	1,185,609	1,134,429	1,185,609	1,134,429
Solid waste	-	-	384,128	373,070	384,128	373,070
Total expenses	<u>4,923,959</u>	<u>5,765,627</u>	<u>2,425,992</u>	<u>2,399,280</u>	<u>7,349,951</u>	<u>8,164,907</u>
Transfers	<u>139,775</u>	<u>-</u>	<u>(139,775)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change In Net Position	2,494,791	(116,458)	601,206	482,672	3,095,997	366,214
Net Position Beginning Of Year	<u>17,229,583</u>	<u>17,346,041</u>	<u>12,783,760</u>	<u>12,301,088</u>	<u>30,013,343</u>	<u>29,647,129</u>
Net Position End Of Year	<u>\$ 19,724,374</u>	<u>\$ 17,229,583</u>	<u>\$ 13,384,966</u>	<u>\$ 12,783,760</u>	<u>\$ 33,109,340</u>	<u>\$ 30,013,343</u>

INDIVIDUAL MAJOR FUND ANALYSIS

Governmental Fund Highlights

As the City of Dyersville completed the year, its governmental funds reported a combined fund balance of \$2,449,880, which is less than the \$3,728,855 total fund balance at June 30, 2020. 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 increased from the prior year in the public safety function by approximately \$84,000 due to increases in police salaries. Culture and recreational expenses decreased approximately \$45,000 due to the curtailment of activities during the pandemic. The General Fund showed a decrease in fund balance of \$165,716 from the prior year to a fund balance of \$741,216, compared to prior year ending fund balance of \$906,932.

The Dyersville Economic Development TIF Fund is used to account for revenues 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 2021 with a \$2,117,189 fund balance compared to the prior year ending fund balance of \$1,597,934. The increase in fund balance is attributable to increases in TIF revenues.

The Local Option Sales Tax 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. The fund ended fiscal year 2021 with a balance of \$223,821, compared to prior year ending fund balance of \$117,014. The fund provided \$423,964 to the Capital Improvements Fund for capital projects.

The Road Use Tax Fund is used to account for road use tax revenues and the expenditures allowed by statute to be paid from the funds received. The fund ended fiscal year 2021 with a fund balance of \$57,785, compared to prior year ending fund balance of \$22,144.

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 2021 with a fund balance of \$630,770. The Capital Improvement Fund ended with a deficit fund balance of \$1,208,425. The fund incurred large expense in 2021 relating to the following projects: 12th Avenue Bridge, purchase of a fire truck, Castle Hill and Willow Heights subdivision improvements, and miscellaneous parking lot improvements.

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 2021 with a balance of \$464,562, compared to prior year ending fund balance of \$395,502.

Proprietary Fund Highlights

The Water Utility Fund, which accounts for the operation and maintenance of the City's water system, ended fiscal 2021 with net position of \$6,398,075 compared to the prior year ending net position of \$5,903,446.

The Sewage Disposal Works Fund, which accounts for the operation and maintenance of the City's wastewater treatment and sanitary sewer system, ended fiscal 2021 with a \$6,964,281 net position balance compared to the prior year ending net position balance of \$6,846,550.

Budgetary Highlights

Over the course of the year, the City of Dyersville amended its budget once. The amendment was done on May 24, 2021. The amendment was needed to adjust expenditures for public safety, public works, culture and recreation, general government, capital projects, and business-type activities.

The City's receipts were \$653,773 more than final budgeted receipts.

Total disbursements were \$490,116 less than budgeted disbursements. The debt service, capital project, and business-type activities functional expenses 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 \$26,716,206 (net of accumulated depreciation) at June 30, 2021. Capital assets for business-type activities totaled \$25,614,463 (net of accumulated depreciation) at June 30, 2021. See Note 3 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 X49 Reconstruction, Clean Water sustainability projects, Willow Heights and Castle Hill Subdivision payments, and 12th Avenue Bridge expenses.

For business-type activities, fiscal year 2021 included large outlays for the Southeast Water Pumping Station and the Southeast Sewer Collection System.

Long-Term Debt

At June 30, 2021, the City had \$8,807,441 in total long-term debt outstanding for governmental activities. Total long-term debt outstanding for business-type activities was \$10,372,748 at June 30, 2021. The long term debt includes capital lease purchase agreements for two trucks with a remaining balance of \$118,923 at June 30, 2021, of which a portion is recorded in governmental activities and a portion is recorded in business-type activities.

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 percent 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 \$24 million. Other obligations include accrued vacation pay, sick leave, net pension liability and total OPEB liability. Additional information about the City's long-term debt is presented in Note 4 to the financial statements. Additional information about the City's Net Pension liability is presented in Note 6 to the financial statements, while information relating to Other Postemployment Benefits are presented in Note 7.

ECONOMIC FACTORS BEARING ON THE CITY'S FUTURE

Several economic factors affected decisions made by the City in setting its fiscal 2022 budget. The City's General Fund property tax revenues will remain consistent with prior years.

The tax levy rates per \$1,000 of taxable valuation for fiscal 2022 are provided below:

General levy	\$ 7.93007
Debt Service levy	1.41206
Total	\$ 9.34213

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
June 30, 2021

City of Dyersville, Iowa

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	Governmental Activities	Business-type Activities	Total
Assets			
Cash and pooled cash investments	\$ 2,470,495	\$ 25,409	\$ 2,495,904
Receivables			
Property tax			
Delinquent	10,488	-	10,488
Succeeding year	4,225,668	-	4,225,668
Accounts and other	44,785	350,196	394,981
Special assessments	10,494	-	10,494
Due from other governments	199,975	-	199,975
Inventories	-	59,586	59,586
Prepaid expenses	86,068	45,954	132,022
Restricted assets			
Cash and pooled cash investments	94,627	34,536	129,163
Capital assets			
Land and construction in progress	12,862,529	4,507,514	17,370,043
Other capital assets, net of accumulated depreciation	13,853,677	21,106,949	34,960,626
Total Assets	<u>33,858,806</u>	<u>26,130,144</u>	<u>59,988,950</u>
Deferred Outflows of Resources			
Pension related deferred outflows	<u>233,933</u>	<u>66,080</u>	<u>300,013</u>

City of Dyersville
Exhibit A – Statement of Net Position
June 30, 2021

	Governmental Activities	Business-type Activities	Total
Liabilities			
Checks written in excess of deposits	\$ -	\$ 1,799,704	\$ 1,799,704
Accounts payable	349,969	181,005	530,974
Accrued interest payable	16,821	10,898	27,719
Salaries and benefits payable	53,954	11,010	64,964
Long-term liabilities			
Portion due or payable within one year			
Customer deposits	-	42,248	42,248
Capital lease purchase agreements	8,625	17,250	25,875
General obligation bonds	935,000	470,000	1,405,000
Revenue bonds payable	-	642,000	642,000
Compensated absences	274,369	126,664	401,033
Portion due or payable after one year			
Capital lease purchase agreements	31,016	62,032	93,048
General obligation bonds	7,832,800	2,390,000	10,222,800
Revenue bonds	-	6,791,466	6,791,466
Net pension liability	577,861	245,256	823,117
Total OPEB liability	44,678	14,893	59,571
Total Liabilities	10,125,093	12,804,426	22,929,519
Deferred Inflows of Resources			
Succeeding year property tax	4,225,668	-	4,225,668
Pension related deferred inflows	17,604	6,832	24,436
Total Deferred Inflows of Resources	4,243,272	6,832	4,250,104
Net Position			
Net investment in capital assets	17,908,765	15,241,715	33,150,480
Restricted for			
Economic development	2,117,189	-	2,117,189
Local option sales tax	223,821	-	223,821
Library	94,548	-	94,548
Debt service	464,562	16,657	481,219
Capital Improvements	57,785	-	57,785
Unrestricted	(1,142,296)	(1,873,406)	(3,015,702)
Total Net Position	\$ 19,724,374	\$ 13,384,966	\$ 33,109,340

Functions/Programs	Expenses	Program Revenues		
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities				
Public safety	\$ 1,192,576	\$ 13,843	\$ 114,338	\$ -
Public works	1,102,509	32,370	602,581	1,181,655
Culture and recreation	1,175,707	157,731	19,537	-
Community and economic development	432,379	42,500	23,356	-
General government	816,024	-	-	-
Debt service	204,764	-	-	-
Total governmental activities	4,923,959	246,444	759,812	1,181,655
Business-type activities				
Water utility	856,255	988,834	-	331,243
Sewage disposal works	1,185,609	1,358,966	-	75,178
Solid waste	384,128	372,974	-	-
Total business-type activities	2,425,992	2,720,774	-	406,421
Total primary government	\$ 7,349,951	\$ 2,967,218	\$ 759,812	\$ 1,588,076
General revenues				
Property tax and other City tax levied for				
General purposes				
Debt service				
Tax increment financing				
Utility franchise fees				
Local option sales tax				
Hotel/motel tax				
Unrestricted investment earnings				
Gain on sale of capital assets				
Other				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year				
Net position, end of year				

See Notes to Financial Statements

City of Dyersville
Exhibit B – Statement of Activities
As of and for the Year Ended June 30, 2021

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (1,064,395)	\$ -	\$ (1,064,395)
714,097	-	714,097
(998,439)	-	(998,439)
(366,523)	-	(366,523)
(816,024)	-	(816,024)
(204,764)	-	(204,764)
(2,736,048)	-	(2,736,048)
-	463,822	463,822
-	248,535	248,535
-	(11,154)	(11,154)
-	701,203	701,203
(2,736,048)	701,203	(2,034,845)
2,137,682	-	2,137,682
522,667	-	522,667
1,301,647	-	1,301,647
153,093	-	153,093
707,763	-	707,763
92,808	-	92,808
8,453	-	8,453
10,396	-	10,396
156,555	39,778	196,333
139,775	(139,775)	-
5,230,839	(99,997)	5,130,842
2,494,791	601,206	3,095,997
17,229,583	12,783,760	30,013,343
\$ 19,724,374	\$ 13,384,966	\$ 33,109,340

	General	Special Revenue		
		Dyersville Economic Development TIF	Local Option Sales Tax	Road Use Tax
Assets				
Cash and pooled cash investments	\$ 640,558	\$ 2,259,784	\$ 184,524	\$ 13,896
Receivables				
Property tax				
Delinquent	8,160	664	-	-
Succeeding year	2,019,840	1,753,519	-	-
Accounts and other	44,785	-	-	-
Special assessments	-	-	-	-
Due from other governments	44,564	-	39,297	63,479
Prepaid expenditures	86,068	-	-	-
Restricted cash	35,401	-	-	-
Total Assets	<u>\$ 2,879,376</u>	<u>\$ 4,013,967</u>	<u>\$ 223,821</u>	<u>\$ 77,375</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Checks written in excess of deposits	\$ -	\$ -	\$ -	\$ -
Accounts payable	76,162	143,259	-	7,794
Salaries and benefits payable	42,158	-	-	11,796
Total Liabilities	<u>118,320</u>	<u>143,259</u>	<u>-</u>	<u>19,590</u>
Deferred Inflows of Resources				
Unavailable revenues:				
Succeeding year property tax	2,019,840	1,753,519	-	-
Other	-	-	-	-
Total Deferred Inflows of Resources	<u>2,019,840</u>	<u>1,753,519</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits)				
Nonspendable				
Prepaid expenditures	86,068	-	-	-
Restricted for				
Economic development	-	2,117,189	-	-
Local option sales tax	-	-	223,821	-
Library	35,401	-	-	-
Debt service	-	-	-	-
Capital improvements	-	-	-	57,785
Unassigned	619,747	-	-	-
Total Fund Balances	<u>741,216</u>	<u>2,117,189</u>	<u>223,821</u>	<u>57,785</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,879,376</u>	<u>\$ 4,013,967</u>	<u>\$ 223,821</u>	<u>\$ 77,375</u>

See Notes to Financial Statements

City of Dyersville
Exhibit C – Balance Sheet – Governmental Funds
June 30, 2021

<u>Capital Projects</u> <u>Capital</u> <u>Improvements</u>	<u>Debt</u> <u>Service</u>	<u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u>
\$ -	\$ 462,898	\$ -	\$ 3,561,660
-	1,664	-	10,488
-	452,309	-	4,225,668
-	-	-	44,785
10,494	-	-	10,494
52,635	-	-	199,975
-	-	-	86,068
-	-	59,226	94,627
<u>\$ 63,129</u>	<u>\$ 916,871</u>	<u>\$ 59,226</u>	<u>\$ 8,233,765</u>
\$ 1,085,750	\$ -	\$ 5,415	\$ 1,091,165
122,675	-	79	349,969
-	-	-	53,954
<u>1,208,425</u>	<u>-</u>	<u>5,494</u>	<u>1,495,088</u>
-	452,309	-	4,225,668
63,129	-	-	63,129
<u>63,129</u>	<u>452,309</u>	<u>-</u>	<u>4,288,797</u>
-	-	-	86,068
-	-	-	2,117,189
-	-	-	223,821
-	-	59,147	94,548
-	464,562	-	464,562
-	-	-	57,785
(1,208,425)	-	(5,415)	(594,093)
<u>(1,208,425)</u>	<u>464,562</u>	<u>53,732</u>	<u>2,449,880</u>
<u>\$ 63,129</u>	<u>\$ 916,871</u>	<u>\$ 59,226</u>	<u>\$ 8,233,765</u>

City of Dyersville
Exhibit D – Reconciliation of the Balance Sheet –
Governmental Funds to the Statement of Net Position
June 30, 2021

Total Fund Balances - Governmental Funds		\$ 2,449,880
Amounts reported for governmental activities in the statement of net position is 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	34,784,027	
Accumulated depreciation	<u>(8,067,821)</u>	
		26,716,206
Some of the City's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are unavailable in the funds. Those revenues consist of:		
Special assessments	10,494	
Other	<u>52,635</u>	
		63,129
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	(8,767,800)	
Capital lease purchase agreement	(39,641)	
Accrued interest	(16,821)	
Compensated absences	(274,369)	
Net pension liability	(577,861)	
OPEB	<u>(44,678)</u>	
		(9,721,170)
Pension related deferred outflows and inflows are not considered current financial resources and therefore are not part of the governmental fund analysis		
		<u>216,329</u>
Net position of governmental activities		<u><u>\$ 19,724,374</u></u>

		Special Revenue		
		Dyersville Economic Development TIF	Local Option Sales Tax	Road Use Tax
	General			
Revenues				
Property tax	\$ 2,137,682	\$ -	\$ -	\$ -
Tax increment financing	-	1,301,647	-	-
Other city tax	429,058	-	530,771	-
Licenses and permits	13,392	-	-	-
Use of money and property	129,007	-	-	-
Intergovernmental	133,874	-	-	602,581
Charges for service	141,203	-	-	-
Special assessments	-	-	-	-
Miscellaneous	70,114	-	-	-
Total Revenues	<u>3,054,330</u>	<u>1,301,647</u>	<u>530,771</u>	<u>602,581</u>
Expenditures				
Current				
Public safety	1,028,634	-	-	63,424
Public works	294,129	-	-	503,516
Culture and recreation	974,630	-	-	-
Community and economic development	20,322	412,057	-	-
General government	644,147	-	-	-
Debt service	-	-	-	-
Capital projects	-	-	-	-
Total Expenditures	<u>2,961,862</u>	<u>412,057</u>	<u>-</u>	<u>566,940</u>
Revenues Over (Under) Expenditures	<u>92,468</u>	<u>889,590</u>	<u>530,771</u>	<u>35,641</u>
Other Financing Sources (Uses)				
Issuance of debt	-	-	-	-
Transfers in	-	-	-	-
Transfers out	<u>(258,184)</u>	<u>(370,335)</u>	<u>(423,964)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(258,184)</u>	<u>(370,335)</u>	<u>(423,964)</u>	<u>-</u>
Net Change In Fund Balances	(165,716)	519,255	106,807	35,641
Fund Balances, Beginning of Year	<u>906,932</u>	<u>1,597,934</u>	<u>117,014</u>	<u>22,144</u>
Fund Balances, End of Year	<u>\$ 741,216</u>	<u>\$ 2,117,189</u>	<u>\$ 223,821</u>	<u>\$ 57,785</u>

See Notes to Financial Statements

City of Dyersville
Exhibit E – Statement of Revenues, Expenditures, and Changes
In Fund Balances (Deficit) – Governmental Funds
Year Ended June 30, 2021

<u>Capital Projects Capital Improvements</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
\$ -	\$ 522,667	\$ -	\$ 2,660,349
-	-	-	1,301,647
-	1,268	-	961,097
-	-	-	13,392
600	-	297	129,904
1,033,865	-	42,500	1,812,820
-	-	36,702	177,905
3,957	-	-	3,957
-	-	-	70,114
<u>1,038,422</u>	<u>523,935</u>	<u>79,499</u>	<u>7,131,185</u>
-	-	1,497	1,093,555
-	-	-	797,645
-	-	40,329	1,014,959
-	-	-	432,379
-	-	-	644,147
-	825,210	-	825,210
<u>4,577,040</u>	<u>-</u>	<u>-</u>	<u>4,577,040</u>
<u>4,577,040</u>	<u>825,210</u>	<u>41,826</u>	<u>9,384,935</u>
<u>(3,538,618)</u>	<u>(301,275)</u>	<u>37,673</u>	<u>(2,253,750)</u>
835,000	-	-	835,000
864,423	370,335	-	1,234,758
-	-	(42,500)	(1,094,983)
<u>1,699,423</u>	<u>370,335</u>	<u>(42,500)</u>	<u>974,775</u>
(1,839,195)	69,060	(4,827)	(1,278,975)
<u>630,770</u>	<u>395,502</u>	<u>58,559</u>	<u>3,728,855</u>
<u>\$ (1,208,425)</u>	<u>\$ 464,562</u>	<u>\$ 53,732</u>	<u>\$ 2,449,880</u>

City of Dyersville

Exhibit F – Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balances –
Governmental Funds to the Statement of Activities
Year Ended June 30, 2021

Net Change In Fund Balances - Total Governmental Funds		\$ (1,278,975)
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:		
Net acquisition of capital assets	\$ 5,172,157	
Depreciation expense	<u>(707,390)</u>	4,464,767
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position		(12,937)
Because some revenues will not be collected for several months after the City's fiscal year end, they are not considered "available" revenues and are unavailable in the governmental funds, as follows:		
Grants	(397,600)	
Special assessments	<u>(3,946)</u>	(401,546)
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 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:		
Issued	(835,000)	
Repaid	<u>619,393</u>	(215,607)
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	(29,853)	
Interest on long-term debt	1,053	
Pension	(27,886)	
OPEB	<u>(4,225)</u>	(60,911)
Change in Net Position of Governmental Activities		<u>\$ 2,494,791</u>

Business-type Activities - Enterprise Funds

	Water Utility	Sewage Disposal Works	Non-Major Solid Waste	Total
Assets				
Current Assets				
Cash and pooled cash investments	\$ -	\$ -	\$ 25,409	\$ 25,409
Accounts receivable	130,327	177,230	42,639	350,196
Inventories	54,430	5,156	-	59,586
Prepaid items	17,835	28,119	-	45,954
Total Current Assets	<u>202,592</u>	<u>210,505</u>	<u>68,048</u>	<u>481,145</u>
Noncurrent Assets				
Restricted assets - cash and pooled cash investments	<u>34,536</u>	<u>-</u>	<u>-</u>	<u>34,536</u>
Capital Assets				
Land	75,750	134,530	-	210,280
Improvements other than buildings	355,344	221,022	45,237	621,603
Machinery and equipment	475,999	1,244,404	113,173	1,833,576
Wells	1,597,965	-	-	1,597,965
Distribution system	9,442,231	-	-	9,442,231
Sewer system	-	16,893,990	-	16,893,990
Construction in progress	1,659,602	2,637,632	-	4,297,234
Accumulated depreciation	<u>(4,113,637)</u>	<u>(5,028,274)</u>	<u>(140,505)</u>	<u>(9,282,416)</u>
Net Capital Assets	<u>9,493,254</u>	<u>16,103,304</u>	<u>17,905</u>	<u>25,614,463</u>
Total Noncurrent Assets	<u>9,527,790</u>	<u>16,103,304</u>	<u>17,905</u>	<u>25,648,999</u>
Total Assets	<u>9,730,382</u>	<u>16,313,809</u>	<u>85,953</u>	<u>26,130,144</u>
Deferred Outflows of Resources				
Pension related deferred outflows	<u>29,843</u>	<u>29,843</u>	<u>6,394</u>	<u>66,080</u>

See Notes to Financial Statements

City of Dyersville
Exhibit G – Statement of Net Position
Proprietary Funds
June 30, 2021

	Business-type Activities - Enterprise Funds			
	Water Utility	Sewage Disposal Works	Non-Major Solid Waste	Total
Liabilities				
Current Liabilities				
Checks written in excess of deposits	\$ 146,738	\$ 1,652,966	\$ -	\$ 1,799,704
Accounts payable	23,904	132,902	24,199	181,005
Accrued interest payable	3,596	7,302	-	10,898
Salaries and benefits payable	5,301	3,276	2,433	11,010
Capital lease purchase agreement	8,625	8,625	-	17,250
General obligation bonds	215,000	255,000	-	470,000
Revenue bonds	136,000	506,000	-	642,000
Compensated absences	39,610	70,134	16,920	126,664
Total Current Liabilities	<u>578,774</u>	<u>2,636,205</u>	<u>43,552</u>	<u>3,258,531</u>
Current Liabilities Payable				
From Restricted Assets				
Customer deposits payable	42,248	-	-	42,248
Noncurrent Liabilities				
Capital lease purchase agreement	31,016	31,016	-	62,032
General obligation bonds	1,140,000	1,250,000	-	2,390,000
Revenue bonds	1,449,714	5,341,752	-	6,791,466
Net pension liability	110,761	110,761	23,734	245,256
Total OPEB liability	6,552	6,552	1,789	14,893
Total Noncurrent Liabilities	<u>2,738,043</u>	<u>6,740,081</u>	<u>25,523</u>	<u>9,503,647</u>
Total Liabilities	<u>3,359,065</u>	<u>9,376,286</u>	<u>69,075</u>	<u>12,804,426</u>
Deferred Inflows of Resources	3,085	3,085	662	6,832
Net Position				
Net investment in capital assets	6,512,899	8,710,911	17,905	15,241,715
Restricted	-	16,657	-	16,657
Unrestricted	(114,824)	(1,763,287)	4,705	(1,873,406)
Total Net Position	<u>\$ 6,398,075</u>	<u>\$ 6,964,281</u>	<u>\$ 22,610</u>	<u>\$ 13,384,966</u>

City of Dyersville

Exhibit H – Statement of Revenues, Expenses, and Changes in Fund Net Position –
Proprietary Funds
Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds			
	Water Utility	Sewage Disposal Works	Non-Major Solid Waste	Total
Operating Revenues				
Charges for sales and services	\$ 988,834	\$ 1,358,966	\$ 372,974	\$ 2,720,774
Other	30,807	8,971	-	39,778
Total Operating Revenues	<u>1,019,641</u>	<u>1,367,937</u>	<u>372,974</u>	<u>2,760,552</u>
Operating Expenses				
Employee expense	224,224	264,979	49,859	539,062
Utilities	85,822	52,235	615	138,672
Repairs and maintenance	73,184	83,134	24,460	180,778
Supplies and services	130,161	194,868	306,932	631,961
Insurance	27,854	33,215	-	61,069
Depreciation	257,418	421,731	2,262	681,411
Total Operating Expenses	<u>798,663</u>	<u>1,050,162</u>	<u>384,128</u>	<u>2,232,953</u>
Operating Income (Loss)	<u>220,978</u>	<u>317,775</u>	<u>(11,154)</u>	<u>527,599</u>
Nonoperating Expenses				
Interest expense	<u>(57,592)</u>	<u>(135,447)</u>	<u>-</u>	<u>(193,039)</u>
Income (Loss) Before Contributions and Transfers	<u>163,386</u>	<u>182,328</u>	<u>(11,154)</u>	<u>334,560</u>
Capital Contributions	331,243	75,178	-	406,421
Transfers Out	<u>-</u>	<u>(139,775)</u>	<u>-</u>	<u>(139,775)</u>
Change In Net Position	494,629	117,731	(11,154)	601,206
Net Position, Beginning	<u>5,903,446</u>	<u>6,846,550</u>	<u>33,764</u>	<u>12,783,760</u>
Net Position, Ending	<u>\$ 6,398,075</u>	<u>\$ 6,964,281</u>	<u>\$ 22,610</u>	<u>\$ 13,384,966</u>

City of Dyersville
Exhibit I – Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds			
	Water Utility	Sewage Disposal Works	Non-Major Solid Waste	Total
Cash Flows From Operating Activities				
Cash received from customers	\$ 975,697	\$ 1,341,468	\$ 372,640	\$ 2,689,805
Cash payments to suppliers for goods and services	(363,339)	(482,562)	(329,776)	(1,175,677)
Cash payments to employees for services	(242,253)	(252,294)	(49,714)	(544,261)
Other operating receipts	30,807	8,971	-	39,778
Net Cash Provided By (Used For) Operating Activities	400,912	615,583	(6,850)	1,009,645
Cash Flows From Capital And Related Financing Activities				
Acquisition and construction of capital assets	(1,136,026)	(1,943,241)	-	(3,079,267)
Proceeds from issuance of debt	1,340,714	2,456,452	-	3,797,166
Payment of debt	(355,207)	(762,207)	-	(1,117,414)
Interest paid	(58,026)	(139,588)	-	(197,614)
Net Cash Used For Capital and Related Financing Activities	(208,545)	(388,584)	-	(597,129)
Net Increase (Decrease) In Cash And Cash Equivalents	192,367	87,224	(6,850)	272,741
Cash and Cash Equivalents, Beginning of Year	(304,569)	(1,740,190)	32,259	(2,012,500)
Cash and Cash Equivalents, End of Year	<u>\$ (112,202)</u>	<u>\$ (1,652,966)</u>	<u>\$ 25,409</u>	<u>\$ (1,739,759)</u>

City of Dyersville
Exhibit I – Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds			
	Water Utility	Sewage Disposal Works	Non-Major Solid Waste	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities				
Operating income (loss)	\$ 220,978	\$ 317,775	\$ (11,154)	\$ 527,599
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities:				
Depreciation	257,418	421,731	2,262	681,411
Change in assets and liabilities				
Accounts receivable	(19,087)	(17,498)	(334)	(36,919)
Inventory and prepaids	(25,135)	(1,837)	-	(26,972)
Accounts payable	(21,183)	(117,273)	2,231	(136,225)
Deposits payable	5,950	-	-	5,950
Accrued liabilities	(24,269)	6,445	(1,230)	(19,054)
Deferred Outflows	(4,960)	(4,960)	(1,061)	(10,981)
Deferred Inflows	(11,188)	(11,188)	(2,397)	(24,773)
Pension liability	21,768	21,768	4,664	48,200
OPEB	620	620	169	1,409
Total Adjustments	179,934	297,808	4,304	482,046
Net Cash Provided By (Used For) Operating Activities	\$ 400,912	\$ 615,583	\$ (6,850)	\$ 1,009,645
Reconciliation of Cash and Cash Equivalents at Year End to Specific Assets Included on the Statement of Net Position				
Current Assets:				
Cash and pooled investments	\$ -	\$ -	\$ 25,409	\$ 25,409
Restricted Assets:				
Cash and pooled investments	34,536	-	-	34,536
Checks written in excess of deposits	(146,738)	(1,652,966)	-	(1,799,704)
Cash and Cash Equivalents at Year End	\$ (112,202)	\$ (1,652,966)	\$ 25,409	\$ (1,739,759)
Noncash Capital And Related Financing Activities				
Contributions of capital assets from governmental funds	\$ 331,243	\$ 75,178	\$ -	\$ 406,421

Note 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, Iowa, 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.

Reporting Entity

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

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

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 revenues 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.

The City reports the following major governmental funds:

General Fund

The General Fund is the general operating fund of the City. All general tax revenues and other revenues 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.

Special Revenue Funds

The Dyersville Economic Development TIF Fund is used to account for revenues 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.

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 revenues and the expenditures allowed by statute to be paid from the funds received.

Capital Projects Funds

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

Debt Service Fund

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:

Enterprise Funds

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

The 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. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

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

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

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments and compensated absences are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt 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 revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants and then by general revenues.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's Enterprise Funds 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 revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date that the tax asking is certified by the City to the County Board of Supervisors. Current year property tax receivable represents taxes collected by the County but not remitted to the City at June 30, 2021, 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 revenues 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, 2019, assessed property valuations; is for the tax accrual period July 1, 2020 through June 30, 2021; and reflects tax asking contained in the budget certified by the County Board of Supervisors in March, 2020.

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 revenues, 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.

<u>Asset Class</u>	<u>Amount</u>
Infrastructure	\$ 5,000
Land, buildings and improvements	5,000
Equipment and vehicles	5,000

Capital assets of the City are depreciated/amortized using the straight line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives (In Years)</u>
Buildings	10 – 50
Building improvements	10 – 20
Infrastructure	15 – 50
Equipment	5 – 20
Vehicles	5 – 15

Unavailable Revenue

Although certain revenues are measurable, they are 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 sixty 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 at June 30, 2021. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund.

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, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Iowa Public Employees' Retirement System (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 attributable to the governmental activities will be paid primarily by the General Fund.

OPEB

For purposes of measuring the total OPEB liability and OPEB expense, information has been determined based on the City's actuary report. For this purpose, benefits are recognized when due and payable in accordance with the benefit terms. The total OPEB liability attributable to the governmental activities will be paid primarily by the General Fund.

Deferred Inflows of Resources

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

Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of net position 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, 2021, disbursements exceeded the amount budgeted in debt service, capital projects, and business-type activities functions.

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.

Note 2 - Cash and Pooled Investments

Deposits. The City's deposits in banks at June 30, 2021, 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 or Board of Trustees and the Treasurer of the State of Iowa; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

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

Note 3 - Capital Assets

Capital assets activity for the year ended June 30, 2021, was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 6,525,987	\$ -	\$ -	\$ 6,525,987
Construction in progress	4,075,245	4,333,484	2,072,187	6,336,542
	<u>10,601,232</u>	<u>4,333,484</u>	<u>2,072,187</u>	<u>12,862,529</u>
Total capital assets, not being depreciated				
Capital assets, being depreciated				
Buildings	4,172,607	-	-	4,172,607
Improvements other than buildings	2,244,747	2,242,380	-	4,487,127
Machinery and equipment	3,109,156	668,480	82,968	3,694,668
Infrastructure	9,567,096	-	-	9,567,096
	<u>19,093,606</u>	<u>2,910,860</u>	<u>82,968</u>	<u>21,921,498</u>
Total capital assets, being depreciated				
Less accumulated depreciation for:				
Buildings	2,203,984	84,538	-	2,288,522
Improvements other than buildings	918,629	178,397	-	1,097,026
Machinery and equipment	2,311,001	231,506	70,031	2,472,476
Infrastructure	1,996,848	212,949	-	2,209,797
	<u>7,430,462</u>	<u>707,390</u>	<u>70,031</u>	<u>8,067,821</u>
Total accumulated depreciation				
Total capital assets being depreciated, net	<u>11,663,144</u>	<u>2,203,470</u>	<u>12,937</u>	<u>13,853,677</u>
Governmental activities capital assets, net	<u>\$ 22,264,376</u>	<u>\$ 6,536,954</u>	<u>\$ 2,085,124</u>	<u>\$ 26,716,206</u>

City of Dyersville
Notes to the Financial Statements
June 30, 2021

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Business-Type Activities:				
Capital assets, not being depreciated:				
Land	\$ 210,280	\$ -	\$ -	\$ 210,280
Construction in progress	1,173,592	3,396,627	272,985	4,297,234
Total capital assets, not being depreciated	1,383,872	3,396,627	272,985	4,507,514
Capital assets, being depreciated				
Improvements other than buildings	45,237	576,366	-	621,603
Equipment and vehicles	1,762,365	71,211	-	1,833,576
Infrastructure, water and sewer network	28,219,717	-	285,531	27,934,186
Total capital assets, being depreciated	30,027,319	647,577	285,531	30,389,365
Less accumulated depreciation for:				
Improvements other than buildings	25,895	29,760	-	55,655
Equipment and vehicles	1,013,465	117,109	-	1,130,574
Infrastructure, water and sewer network	7,561,645	534,542	-	8,096,187
Total accumulated depreciation	8,601,005	681,411	-	9,282,416
Total capital assets being depreciated, net	21,426,314	(33,834)	285,531	21,106,949
Business-type activities capital assets, net	\$ 22,810,186	\$ 3,362,793	\$ 558,516	\$ 25,614,463

Depreciation expense was charged to functions of the City as follows:

Governmental activities:	
Public safety	\$ 101,851
Public works	312,832
Culture and recreation	148,171
General government	144,536
Total depreciation expense - governmental activities	\$ 707,390
Business-type activities:	
Water	\$ 257,418
Sewage disposal works	421,731
Solid waste	2,262
Total depreciation expense - business-type activities	\$ 681,411

Note 4 - Changes in Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2021, is as follows:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year
Governmental Activities					
General Obligation					
Bonds	\$ 8,495,000	\$ 835,000	\$ 610,000	\$ 8,720,000	\$ 935,000
Premiums	50,986	-	3,186	47,800	-
	<u>\$ 8,545,986</u>	<u>\$ 835,000</u>	<u>\$ 613,186</u>	<u>\$ 8,767,800</u>	<u>\$ 935,000</u>
Direct Placements:					
Capital Lease Purchase					
Agreements	45,848	-	6,207	39,641	8,625
Compensated Absences	244,516	274,369	244,516	274,369	274,369
	<u>\$ 8,836,350</u>	<u>\$ 1,109,369</u>	<u>\$ 863,909</u>	<u>\$ 9,081,810</u>	<u>\$ 1,217,994</u>

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

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year
Business-Type Activities					
General Obligation Bonds	\$ 3,335,000	\$ -	\$ 475,000	\$ 2,860,000	\$ 470,000
Direct Placements:					
Revenue Notes	4,266,300	3,797,166	630,000	7,433,466	642,000
Capital Lease Purchase					
Agreements	91,696	-	12,414	79,282	17,250
Compensated Absences	134,222	126,664	134,222	126,664	126,664
	<u>\$ 7,827,218</u>	<u>\$ 3,923,830</u>	<u>\$ 1,251,636</u>	<u>\$ 10,499,412</u>	<u>\$ 1,255,914</u>

Capital Lease Purchase Agreement

The City has entered into a capital lease purchase agreement to lease two trucks with historical costs of \$183,801, accumulated depreciation of \$107,217, and a net book value of \$76,584. The lease has interest of 3.75% per annum. The present value of net minimum lease payments under the agreement in effect at June 30, 2021 is as follows:

Governmental Activities:

Year Ending June 30,	Trucks
2022	\$ 10,356
2023	10,356
2024	10,356
2025	10,356
2026	2,587
Total minimum lease payments	44,011
Less amounts representing interest	(4,370)
Present value of net minimum lease payments	<u>\$ 39,641</u>

Business-Type Activities:

Year Ending June 30,	Trucks
2022	\$ 20,712
2023	20,712
2024	20,712
2025	20,712
2026	5,174
Total minimum lease payments	88,022
Less amounts representing interest	(8,740)
Present value of net minimum lease payments	<u>\$ 79,282</u>

General Obligation Bonds/Notes

Governmental activities:

Five issues of unmatured general obligation bonds/notes, totaling \$8,720,000, are outstanding at June 30, 2021. General obligation bonds bear interest at rates ranging from 0.55% to 3.60% per annum and mature in varying annual amounts, ranging from \$40,000 to \$420,000, with the final maturities due in the year ending June 30, 2037.

Business-type activities:

Five issues of unmatured general obligation bonds/notes, totaling \$2,860,000, are outstanding at June 30, 2021. General obligation bonds bear interest at rates ranging from 2.00% to 3.60% per annum and mature in varying annual amounts, ranging from \$35,000 to \$160,000, with the final maturities due in the year ending June 30, 2037.

City of Dyersville
Notes to the Financial Statements
June 30, 2021

Details of general obligation bonds payable at June 30, 2021, are as follows:

Governmental activities:

	Date of Issue	Interest Rates	Final Due Date	Annual Payments	Amount Originally Issued	Amount Outstanding End of Year
General obligation bonds:						
Refunding & economic development	08/11/11	0.80 - 3.60%	06/01/26	40,000 - 50,000	\$ 735,000	\$ 215,000
General obligation corp. purpose	01/28/14	2.00 - 3.40%	06/01/29	60,000 - 70,000	1,350,000	525,000
Refunding & economic development	03/15/18	2.10 - 2.90%	06/01/27	270,000 - 295,000	2,487,570	1,720,000
General obligation corp. purpose	06/13/19	2.00-3.00%	06/01/36	175,000 - 420,000	5,680,000	5,425,000
General obligation corp. purpose	06/23/21	0.55%	06/01/37	80,000 - 305,000	835,000	835,000
Total general obligation bonds						<u>\$ 8,720,000</u>

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

Year Ending June 30,	Principal	Interest	Total
2022	\$ 935,000	\$ 223,775	\$ 1,158,775
2023	1,055,000	212,956	1,267,956
2024	1,020,000	192,858	1,212,858
2025	800,000	168,191	968,191
2026	760,000	133,908	893,908
2027-2031	2,390,000	437,760	2,827,760
2032-2036	<u>1,760,000</u>	<u>147,300</u>	<u>1,907,300</u>
Total	<u>\$ 8,720,000</u>	<u>\$ 1,516,748</u>	<u>\$ 10,236,748</u>

Business-type activities:

	Date of Issue	Interest Rates	Final Due Date	Annual Payments	Amount Originally Issued	Amount Outstanding End of Year
General obligation bonds:						
Sewer improvements	08/11/11	2.90 - 3.60%	06/01/26	100,000 - 120,000	\$ 1,275,000	\$ 555,000
Water improvements	08/11/11	2.90 - 3.60%	06/01/26	35,000 - 40,000	455,000	185,000
Sewer improvements	01/28/14	2.00 - 3.40%	06/01/28	60,000 - 70,000	875,000	440,000
Water improvements	01/28/14	2.00 - 3.40%	06/01/28	35,000 - 40,000	510,000	260,000
Sewer improvements	03/15/18	2.10 - 2.90%	06/01/27	60,000 - 75,000	584,535	405,000
Water improvements	03/15/18	2.10 - 2.90%	06/01/27	145,000 - 160,000	1,322,895	910,000
Sewer improvements	06/13/19	2.00-3.00%	06/01/24	35,000	175,000	105,000
Total general obligation bonds						<u>\$ 2,860,000</u>

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

Years Ending June 30,	Principal	Interest	Total
2022	\$ 470,000	\$ 80,983	\$ 550,983
2023	485,000	69,347	554,347
2024	490,000	56,625	546,625
2025	475,000	43,055	518,055
2026	490,000	28,918	518,918
2027-2031	<u>450,000</u>	<u>17,604</u>	<u>467,604</u>
Total	<u>\$ 2,860,000</u>	<u>\$ 296,532</u>	<u>\$ 3,156,532</u>

Revenue Bonds

The City has pledged future sewer customer revenues, net of specified operating expenses, to repay approximately \$9,887,729 in sewer revenue bonds issued in August 2001, February 2010, July 2020, and October 2020. Proceeds from the bonds provided financing for the construction of improvements to the sewer treatment plant. 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 is \$6,465,114. For the current year, principal and interest paid and total customer net revenues plus depreciation expense were \$571,323 and \$739,506, respectively. Annual principal and interest payments on the above sewer revenue bonds are expected to require 50 percent of net revenues plus depreciation expense.

The City has pledged future water customer revenues, net of specified operating expenses, to repay \$2,540,964 in water revenue bonds issued in February 2002, April 2003, August 2016 and March 2020. Proceeds from the bonds provided financing for the construction of improvements to the water well. 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 \$1,832,353. For the current year, principal and interest paid and total customer net revenues plus depreciation expense were \$149,623 and \$478,396, respectively. Annual principal and interest payments on the above water revenue bonds are expected to require 20 percent of net revenues plus depreciation expense.

Eleven issues of unmatured Iowa Finance Authority revenue bonds, totaling \$7,433,466, are outstanding at June 30, 2021. These bonds bear interest at rates ranging from 0.75% to 1.75% and mature in varying annual amounts, ranging from \$4,000 to \$208,000, with the final maturity due in the year ending June 30, 2038.

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

- 1) 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.
- 2) User rates shall be established at a level which produces and maintains net revenues 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, 2021, the City was in compliance with the revenue bond provisions.

Details of the revenue bonds payable at June 30, 2021, are as follows:

Business-type activities:

	Date of Issue	Interest Rates	Final Due Date	Annual Payments	Amount Originally Issued	Amount Outstanding End of Year
Revenue bonds:						
Sewer improvements	08/01/01	1.75%	06/01/22	\$61,000	\$ 862,751	\$ 61,000
Sewer improvements	08/01/01	1.75%	06/01/22	44,000	627,500	44,000
Sewer improvements	08/01/01	1.75%	06/01/22	31,000	444,749	31,000
Sewer improvements	08/01/01	1.75%	06/01/22	22,000	334,000	22,000
Well improvements	02/08/02	1.75%	06/01/22	51,000	785,000	51,000
Well improvements	04/16/03	1.75%	06/01/22	4,000	64,000	4,000
Sewer improvements	02/10/10	1.75%	06/01/30	60,000 - 78,000	1,192,000	619,000
Sewer improvements	06/05/20	0.75%	06/01/37	91,075 - 208,000	3,626,729	2,869,075
Well Improvements	08/05/16	1.75%	06/01/36	14,000 - 19,000	343,250	248,000
Well Improvements	03/06/20	1.75%	06/01/40	30,714 - 90,000	1,600,000	1,282,714
Sewer improvements	10/09/20	1.75%	06/01/37	10,677 - 158,000	2,800,000	2,201,677
Total revenue bonds						<u>\$ 7,433,466</u>

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

Years Ending June 30,	Principal	Interest	Total
2022	\$ 642,000	\$ 102,674	\$ 744,674
2023	436,000	98,974	534,974
2024	444,000	92,646	536,646
2025	452,000	86,195	538,195
2026	462,000	79,613	541,613
2027-2031	2,361,000	284,601	2,645,601
2032-2036	2,256,000	116,222	2,372,222
2037-2038	<u>380,466</u>	<u>3,076</u>	<u>383,542</u>
Total	<u>\$ 7,433,466</u>	<u>\$ 864,001</u>	<u>\$ 8,297,467</u>

Note 5 - Transfers

Transfer To	Transfer From	Amount
Capital Improvements	General	\$ 258,184
	Local Option Sales Tax	423,964
	Sewer	139,775
	Non-major governmental	42,500
		<u>864,423</u>
Debt Service	Dyersville Economic Development TIF	<u>370,335</u>
Total		<u>\$ 1,234,758</u>

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

Note 6 - 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 Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

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

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

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

Disability and Death Benefits

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

Contributions

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

In fiscal year 2021, pursuant to the required rate, Regular members contributed 6.29 percent of covered payroll and the City contributed 9.44 percent for a total rate of 15.73 percent. Protective occupation members contributed 6.41 percent of covered payroll and the City contributed 9.61 percent for a total rate of 16.02 percent.

The City's total contributions to IPERS for the year ended June 30, 2021 were \$136,161.

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

At June 30, 2021, the City reported a liability of \$823,117 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2020, the City's collective proportion was .011717 percent which was an increase of .001269 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the City recognized pension expense of \$176,493. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,354	\$ 19,293
Changes of assumptions	54,387	669
Net difference between projected and actual earnings on pension plan investments	67,653	-
Changes in proportion and differences between City contributions and proportionate share of contributions	36,458	4,474
City contributions subsequent to the measurement date	<u>136,161</u>	<u>-</u>
Total	<u>\$ 300,013</u>	<u>\$ 24,436</u>

\$136,161 reported as deferred outflows of resources related to pensions resulting from the City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending June 30,	Total
2022	\$ 26,300
2023	32,858
2024	31,991
2025	45,722
2026	2,545
	\$ 139,416

There were no non-employer contributing entities at IPERS.

Actuarial Assumptions

The total pension liability in the June 30, 2020 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 percent per annum
Rates of salary increase (effective June 30, 2017)	3.25 to 16.25 percent, average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 2017)	7.00 percent compounded annually, net of investment expense including inflation
Wage growth (effective June 30, 2017)	3.25 percent per annum based on 2.60 percent inflation and 0.65 percent real wage inflation

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an economic assumption study dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

Mortality rates used in the 2019 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

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

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Core Plus Fixed Income	28.0%	-0.29%
Domestic Equity	22.0	4.43%
International Equity	17.5	5.15%
Private Equity/Debt	11.0	6.54%
Private Real Assets	7.5	4.48%
Global smart beta equity	6.0	4.87%
Public Credit	4.0	2.29%
Private Credit	3.0	3.11%
Cash	1.0	-0.78%
	<u>100%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that contributions from the City will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's 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 pension plan 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 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6 percent) or 1-percentage-point higher (8 percent) 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	\$ 1,580,282	\$ 823,117	\$ 188,515

Pension Plan Fiduciary Net Position

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

Payables to the Pension Plan

At June 30, 2021, the City reported payables to the defined benefit pension plan of \$10,651 for legally required employer contributions and \$7,100 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

Note 7 - Other Postemployment Benefits (OPEB)

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

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

Retired participants must be age 55 or older at retirement. At June 30, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	0
Active employees	<u>20</u>
Total	<u><u>20</u></u>

Total OPEB Liability – The City's total OPEB liability of \$59,571 was measured as of June 30, 2021, and was determined by an actuarial valuation as of July 1, 2019.

Actuarial Assumptions – The total OPEB liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation (effective June 30, 2020)	3.00 percent per annum
Rates of salary increase (effective June 30, 2020)	3.00 percent per annum, including inflation.
Long-term investment rate of return (effective June 30, 2020)	3.50 percent compounded annually, including inflation
Healthcare cost trend rate (effective June 30, 2020)	8.0 percent decreasing to 5.0 percent

Discount Rate – The discount rate used to measure the total OPEB liability was 3.50% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the 2012 United States Life Tables. Annual retirement probabilities are based on historical average retirement age for the covered group. Active plan members were assumed to retire at age 62, or the first subsequent year in which the member would qualify for benefits. 10% is the assumed future retiree participation rate.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study with dates corresponding to those listed above.

Change in the Total OPEB Liability	2021
Total OPEB Liability beginning of year	\$ 53,937
Changes for the Year:	
Service Cost	3,619
Interest	2,015
Differences between expected and actual experiences	-
Changes in assumptions	-
Benefit payments	-
Net Changes	5,634
Total OPEB Liability end of year	\$ 59,571

Sensitivity of the City's Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percent-point lower (2.50 percent) or 1-percent-point higher (4.50 percent) than the current discount rate.

	1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB Liability	\$ 64,648	\$ 59,571	\$ 54,186

Sensitivity of the City's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percent-point lower (4.0%) or 1-percentage-point higher (6.0%) than the current healthcare cost trend rates.

	1% Decrease (4.0%)	Discount Rate (5.0%)	1% Increase (6.0%)
Total OPEB Liability	\$ 50,858	\$ 59,571	\$ 69,999

The City does not recognize deferred outflows of resources or deferred inflows of resources related to OPEB because the City uses the alternative measurement method allowed under GASB 75.

Note 8 - Industrial Development Revenue Bonds

The City has 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 \$1,493,980 is outstanding at June 30, 2021. 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.

Note 9 - 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.

Note 10 - Construction Commitments and Subsequent Events

The City has recognized as a liability only that portion of construction contracts representing construction completed through June 30, 2021. The City has additional commitments for signed construction and engineering contracts of approximately \$250,000 as of June 30, 2021, to be paid as work progresses.

On August 2, 2021, the City accepted a financial assistance award from the United States Department of Commerce's Economic Development Administration in the amount of \$1,500,000 to be used for a water and wastewater extension project. The City's share of the cost of the project will be \$1,010,000 and will be paid for using general obligation bond proceeds.

On August 31, 2021, the City authorized and approved a loan and disbursement agreement providing for the issuance of \$2,885,000 taxable general obligation and refunding bonds, series 2021A for the purpose of paying the costs of various essential and general corporate purpose capital improvements and for refunding the City's outstanding Series 2011 General Obligation Corporate Purpose and Refunding Bonds.

On August 31, 2021, the City authorized and approved a loan and disbursement agreement providing for the issuance of \$1,050,000 taxable general obligation bonds, series 2021B for the purpose of paying the costs of various essential and general corporate purpose capital improvements and for paying the costs to acquire a skid loader and fire truck.

On October 4, 2021, the City amended its \$5,500,000 Assisted and Independent Living Facility Revenue Bond and the related loan agreement thereto.

On October 18, 2021, the City pledged a 15% match estimated at \$37,500 from the general fund, local option sales tax fund and/or in-kind match proceeds, if in fact, the City is awarded a Hazard Mitigation Assistance Grant of \$250,000 that was applied for.

On October 18, 2021, the City approved an agreement for engineering services in the amount of \$717,600 for the design for Dyersville East Road Water Service Extension 2022 Project.

On October 18, 2021, the city approved an agreement for engineering services in the amount of \$520,000 for the design for Dyersville East Road Utilities Extension 2022 Project.

On November 15, 2021, the City approved an agreement for engineering services in the amount of \$117,200 for the design for Heritage Trail Relocation and Paving Project.

On January 3, 2022, the City pledged a 20% match estimated at \$415,680 from tax increment financing funds, general obligation bonds and/or revenue bonds, if in fact, the American Rescue Plan Act Travel, Tourism and Outdoor Recreation grant is awarded for the Dyersville North Fork Maquoketa River Float Park.

Management has evaluated subsequent events through January 19, 2022, the date which the financial statements were available to be issued.

Note 11 - Tax Abatements

Tax Abatements – Governmental Accounting Standards Board Statement No. 77 defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity 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, 2021, the City abated \$412,057 of property tax under the urban renewal and economic development projects.

Note 12 - 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 \$14,716,052.

Note 13 - Prospective Accounting Changes

The Governmental Accounting Standards Board (GASB) has issued the following statements not yet implemented by the City. The statements which might impact the City are as follows:

GASB Statement No. 87, *Leases*, issued June 2017, will be effective for the City beginning with its fiscal year ending June 30, 2022. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments.

GASB Statement No. 91, *Conduit Debt Obligations*, issued May 2019, will be effective for the City beginning with its fiscal year ending June 30, 2023. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures.

GASB Statement No. 92, *Omnibus 2020*, issued January 2020, will be effective for the City beginning with its fiscal year ending June 30, 2022, except for the requirements related to the effective date of Statement No. 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, issued March 2020, will be effective for the City beginning with its fiscal year ending June 2022. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR).

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, issued March 2020, will be effective for the City beginning with its fiscal year ending June 30, 2023. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs).

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, issued in May 2020, will be effective for fiscal year ending June 30, 2023. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments).

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, issued in June 2020, will be effective for fiscal year ending June 30, 2022. The primary objective of this statement is to increase consistency in reporting of defined contribution pension plans, defined contribution OPEB plans, employee benefit plans, and Section 457 plans that meet the definition of a pension plan.

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

Note 14 - Contingency

The COVID-19 outbreak is disrupting business across a range of industries in the United States and financial markets have experienced a significant decline. As a result, local, regional and national economies, including that of the City, may be adversely impacted. The extent of the financial impact of COVID-19 will depend on future developments, including the duration and spread, which are uncertain and cannot be predicted. Due to the uncertainties surrounding the outbreak, management cannot presently estimate the potential impact to the City's operations and finances.

Note 15 - Deficit Fund Balance

At June 30, 2021, the Capital Improvements fund had a deficit balance of \$1,208,425, and the Special Projects fund had a deficit balance of \$5,415. 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.

Required Supplementary Information
June 30, 2021

City of Dyersville, Iowa

City of Dyersville

Budgetary Comparison Schedule of Receipts, Disbursements, and Changes in Balances – Budget and Actual (Cash Basis) – Governmental Funds and Proprietary Funds and Budget to GAAP Reconciliation
Required Supplementary Information
Year Ended June 30, 2021

	Governmental Funds Actual	Proprietary Funds Actual	Total Actual	Original Budget	Final Budget	Variance with Final Budget-Positive (Negative)
Receipts:						
Property tax	2,677,391	-	\$ 2,677,391	\$ 2,521,080	\$ 2,521,080	\$ 156,311
Tax increment financing	1,309,968	-	1,309,968	1,304,409	1,304,409	5,559
Other city tax	939,247	-	939,247	863,518	863,518	75,729
Licenses and permits	14,092	-	14,092	16,700	16,700	(2,608)
Use of money and property	132,720	-	132,720	76,350	76,350	56,370
Intergovernmental	1,817,568	-	1,817,568	796,854	1,238,739	578,829
Charges for service	176,764	2,683,855	2,860,619	2,935,125	2,935,125	(74,506)
Special assessments	3,957	-	3,957	10,000	10,000	(6,043)
Miscellaneous	62,654	45,728	108,382	169,250	244,250	(135,868)
Total receipts	<u>7,134,361</u>	<u>2,729,583</u>	<u>9,863,944</u>	<u>8,693,286</u>	<u>9,210,171</u>	<u>653,773</u>
Disbursements:						
Public safety	1,090,221	-	1,090,221	1,032,913	1,140,298	50,077
Public works	776,805	-	776,805	745,906	870,906	94,101
Health and social services	-	-	-	-	-	-
Culture and recreation	985,384	-	985,384	1,069,027	1,144,027	158,643
Community and economic development	289,120	-	289,120	1,295,776	1,295,776	1,006,656
General government	633,319	-	633,319	540,200	666,200	32,881
Debt service	825,210	-	825,210	503,727	503,727	(321,483)
Capital projects	4,897,640	-	4,897,640	918,000	4,518,000	(379,640)
Business-type activities	-	6,100,233	6,100,233	3,372,586	5,949,114	(151,119)
Total disbursements	<u>9,497,699</u>	<u>6,100,233</u>	<u>15,597,932</u>	<u>9,478,135</u>	<u>16,088,048</u>	<u>490,116</u>
Receipts Over (Under)						
Disbursements	(2,363,338)	(3,370,650)	(5,733,988)	(784,849)	(6,877,877)	1,143,889
Other Financing Sources (Uses), Net	<u>974,775</u>	<u>3,643,391</u>	<u>4,618,166</u>	<u>1,101,000</u>	<u>6,843,000</u>	<u>(2,224,834)</u>
Excess (Deficiency) Of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses	(1,388,563)	272,741	(1,115,822)	316,151	(34,877)	(1,080,945)
Balances Beginning of Year	<u>3,953,685</u>	<u>(2,012,500)</u>	<u>1,941,185</u>	<u>7,879,041</u>	<u>7,879,041</u>	<u>(5,937,856)</u>
Balances End of Year	<u>\$ 2,565,122</u>	<u>(1,739,759)</u>	<u>\$ 825,363</u>	<u>\$ 8,195,192</u>	<u>\$ 7,844,164</u>	<u>\$ (7,018,801)</u>
			Governmental Funds		Proprietary Funds	
					Enterprise	
Budget To GAAP Reconciliation	Cash Basis	Accrual Adjustments	Modified Accrual Basis	Cash Basis	Accrual Adjustments	Accrual Basis
Revenues	\$ 7,134,361	\$ (3,176)	\$ 7,131,185	\$ 2,729,583	\$ 30,969	\$ 2,760,552
Expenditures/Expenses	<u>9,497,699</u>	<u>(112,764)</u>	<u>9,384,935</u>	<u>6,100,233</u>	<u>(3,674,241)</u>	<u>2,425,992</u>
Net	(2,363,338)	109,588	(2,253,750)	(3,370,650)	3,705,210	334,560
Other Financing Sources, Net	974,775	-	974,775	3,643,391	(3,376,745)	266,646
Beginning Fund Balances/Net Position	<u>3,953,685</u>	<u>(224,830)</u>	<u>3,728,855</u>	<u>(2,012,500)</u>	<u>5,676,786</u>	<u>12,783,760</u>
Ending Fund Balances/Net Position	<u>\$ 2,565,122</u>	<u>\$ (115,242)</u>	<u>\$ 2,449,880</u>	<u>\$ (1,739,759)</u>	<u>\$ 6,005,251</u>	<u>\$ 13,384,966</u>

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 approximately \$6,609,913. The budget amendments are reflected in the final budgeted amounts.

During the year ended June 30, 2021, disbursements in the debt service, capital projects, and business-type activities functions exceeded the amounts budgeted.

City of Dyersville
City's Proportionate Share of IPERS Net Pension Liability
For Year Ended June 30, 2021

<u>Fiscal Year Ended</u>	<u>City's proportion of the net pension liability</u>	<u>City's proportionate share of the net pension liability</u>	<u>City's covered- payroll</u>	<u>City's proportionate share of the net pension liability as a percentage of its covered- payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
2021	0.011717%	\$ 823,117	\$ 1,267,514	64.94%	82.90%
2020	0.010448%	604,983	1,203,488	50.27%	85.45%
2019	0.010644%	673,605	1,130,916	59.56%	83.62%
2018	0.010939%	728,676	1,124,860	64.78%	82.21%
2017	0.010559%	664,484	1,056,968	62.87%	81.82%
2016	0.009771%	482,753	1,046,526	46.13%	85.19%
2015	0.009269%	367,582	1,019,999	36.04%	87.61%

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

See accompanying independent auditor's report.

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

City of Dyersville
 IPERS Contributions – Last 10 Fiscal Years
 For Year Ended June 30, 2021

Fiscal Year Ended	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	City's Covered- Payroll	Contributions as a Percentage of Covered Payroll
2021	\$ 136,161	\$ 136,161	-	\$ 1,434,728	9.49%
2020	121,512	121,512	-	1,267,514	9.59%
2019	116,443	116,443	-	1,203,488	9.68%
2018	103,984	103,984	-	1,130,916	9.19%
2017	103,724	103,724	-	1,124,860	9.22%
2016	97,313	97,313	-	1,056,968	9.21%
2015	97,306	97,306	-	1,046,526	9.30%
2014	93,029	93,029	-	1,019,999	9.12%
2013	90,571	90,571	-	990,311	9.15%
2012	83,413	83,413	-	965,432	8.64%

Changes of Benefit Terms

There are no significant changes in benefit terms.

Changes of Assumptions

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

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

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

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

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

- Decreased the inflation assumption from 3.25% to 3.00%.
- Decreased the assumed rate of interest on member accounts from 4.00% to 3.75% per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Moved from an open 30-year amortization period to a closed 30-year amortization period for the UAL (unfunded actuarial liability) beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20-year period.

City of Dyersville
Schedule of Changes in Total OPEB Liability, Related Ratios, and Notes
Year Ended June 30, 2021

	Service cost	Interest cost	Difference between expected and actual	Changes in assumptions	Benefit payments	Net change in total OPEB liability	Total OPEB liability beginning of year	Total OPEB liability end of year	Covered employee payroll	Total OPEB liability as a % of covered-employee payroll
2021	\$ 3,619	\$ 2,015	\$ -	\$ -	\$ -	\$ 5,634	\$ 53,937	\$ 59,571	1,133,474	5.26%
2020	3,516	1,824	6,485	4,265	-	16,090	37,847	53,937	1,133,474	4.76%
2019	2,156	1,353	-	-	(2,620)	889	36,958	37,847	1,380,090	2.74%
2018	2,092	1,321	(2,298)	1,185	(2,496)	(196)	37,154	36,958	1,261,681	2.93%

See Note 7 in the accompanying Notes to the Financial Statements for the plan description, funding policy, annual OPEB cost, total OPEB obligation, funded status and funding progress.

Notes to Schedule of Changes in Total OPEB Liability and Related Ratios

Changes of Benefit Terms

There were no significant changes in benefit terms.

Changes of Assumptions

There were no significant changes in assumptions.

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

Other Supplementary Information
June 30, 2021
City of Dyersville, Iowa

Nonmajor Governmental Funds

Special Revenue Funds

Special Projects – This fund is used to account for all revenues and expenses funded by special projects or grants.

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.

City of Dyersville
Schedule 1 – Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

	Special Revenues		Total Nonmajor Governmental Funds
	Special Projects	Library Trust	
Assets			
Restricted cash	\$ -	\$ 59,226	\$ 59,226
Liabilities And Fund Balances			
Liabilities			
Checks written in excess of deposits	\$ 5,415	\$ -	\$ 5,415
Accounts payable	-	79	79
Total Liabilities	5,415	79	5,494
Fund Balances			
Restricted for			
Library	-	59,147	59,147
Unassigned	(5,415)	-	(5,415)
Total Fund Balances	(5,415)	59,147	53,732
Total Liabilities, Deferred Inflows, and Fund Balances	\$ -	\$ 59,226	\$ 59,226

City of Dyersville
Schedule 2 – Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2021

	Special Revenue		Total Nonmajor Governmental Funds
	Special Projects	Library Trust	
Revenues			
Use of money and property	\$ -	\$ 297	\$ 297
Intergovernmental	42,500	-	42,500
Charges for service	-	36,702	36,702
Total Revenues	<u>42,500</u>	<u>36,999</u>	<u>79,499</u>
Expenditures			
Operating			
Public safety	1,497	-	1,497
Culture and recreation	-	40,329	40,329
Total Expenditures	<u>1,497</u>	<u>40,329</u>	<u>41,826</u>
Revenues over (under) expenditures	41,003	(3,330)	37,673
Other Financing Uses			
Transfers out	<u>(42,500)</u>	<u>-</u>	<u>(42,500)</u>
Net Change In Fund Balances	(1,497)	(3,330)	(4,827)
Fund Balances, Beginning of Year	<u>(3,918)</u>	<u>62,477</u>	<u>58,559</u>
Fund Balances, End of Year	<u>\$ (5,415)</u>	<u>\$ 59,147</u>	<u>\$ 53,732</u>

City of Dyersville
Schedule 3 – Schedule of Revenues by Source and Expenditures by Function
All Governmental Funds
For the Last Ten Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues:										
Property tax	\$ 2,660,349	\$ 2,200,200	\$ 2,211,305	\$ 2,176,537	\$ 2,053,839	\$ 2,170,818	\$ 2,192,886	\$ 1,780,816	\$ 1,605,041	\$ 1,548,543
Tax increment financing	1,301,647	1,141,824	994,589	755,366	955,457	628,651	514,708	828,249	1,112,175	1,289,505
Other city tax	961,097	835,969	805,500	790,735	797,763	807,984	806,905	746,975	700,828	658,198
Licenses and permits	13,392	17,174	16,313	21,412	23,745	21,808	21,189	17,917	24,677	19,988
Use of money and property	129,904	107,014	71,742	68,944	57,437	56,419	49,146	43,873	30,333	35,790
Intergovernmental	1,812,820	827,297	559,622	539,231	658,406	1,131,944	1,028,030	1,106,692	2,516,641	1,747,062
Charges for service	177,905	183,439	262,131	211,439	199,144	193,209	188,371	213,230	203,753	210,754
Special assessments	3,957	4,481	10,007	7,170	5,727	4,445	5,756	16,693	128,626	1,186
Miscellaneous	70,114	144,675	110,652	77,014	54,634	215,815	63,838	89,407	145,267	610,642
Total Revenues	\$ 7,131,185	\$ 5,462,073	\$ 5,041,861	\$ 4,647,848	\$ 4,806,152	\$ 5,231,093	\$ 4,870,829	\$ 4,843,852	\$ 6,467,341	\$ 6,121,668
Expenditures:										
Operating:										
Public safety	\$ 1,093,555	\$ 1,025,535	\$ 946,473	\$ 927,844	\$ 923,469	\$ 995,527	\$ 833,124	\$ 1,126,165	\$ 1,454,666	\$ 2,136,818
Public works	797,645	910,922	754,982	749,145	634,155	504,912	527,001	544,635	561,285	576,256
Health and social services	-	5,000	1,300	1,300	-	1,300	1,300	1,300	900	800
Culture and recreation	1,014,959	1,048,443	1,075,488	958,779	952,063	836,880	843,487	930,238	1,068,962	1,034,830
Community and economic development	432,379	517,320	1,308,832	546,036	406,022	344,543	199,562	445,659	133,852	113,970
General government	644,147	610,743	423,998	435,768	373,278	318,785	296,770	375,424	318,460	322,999
Debt service	825,210	588,562	497,537	529,493	533,932	623,973	729,587	601,501	547,512	793,679
Capital projects	4,577,040	4,405,936	2,574,845	841,192	978,127	942,790	302,574	1,127,594	2,108,306	2,339,545
Total Expenditures	\$ 9,384,935	\$ 9,112,461	\$ 7,583,455	\$ 4,989,557	\$ 4,801,046	\$ 4,568,710	\$ 3,733,405	\$ 5,152,516	\$ 6,193,943	\$ 7,318,897

**Independent Auditor's Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters Based on an Audit
of Financial Statements Performed in Accordance with *Government
Auditing Standards***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Dyersville as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the City's basic financial statements listed in the table of contents, and have issued our report thereon dated February 7, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Dyersville's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Dyersville's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Dyersville'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 a material misstatement of the City of Dyersville's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Honorable Mayor and
Members of the City Council
City of Dyersville, Iowa
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Dyersville's financial statements are free of 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* and which are described in Part II of the accompanying schedule of findings.

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2021 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the City. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Purpose of This Report

The purpose of this report, a public record by law, is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

HOGAN - HANSEN

HOGAN - HANSEN

Waterloo, Iowa
February 7, 2022

CITY OF DYERSVILLE, IOWA
SCHEDULE OF FINDINGS
YEAR ENDED JUNE 30, 2021

Part I: Findings Related to the Financial Statements:

Instances of Noncompliance

There were no matters reported.

Internal Control Deficiencies

There were no matters reported.

Part II: Other Findings Related to Statutory Reporting:

21-II-A Certified Budget - Disbursements during the year ended June 30, 2021 exceeded the amounts budgeted in the Debt Service, Capital Projects and Business-Type Activities functions. In addition, disbursements exceeded the amounts budgeted prior to the budget amendment in the General Government, Capital Projects and Business-Type Activities functions. Chapter 384.20 of the Code of Iowa states, in part, "Public moneys may not be expended or encumbered except under an annual or continuing appropriation."

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.

21-II-B Questionable Disbursements - We noted no expenditures which did not appear to meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.

21-II-C Travel Expense - No disbursements of City money for travel expenses of spouses of City officials or employees were noted.

21-II-D Business Transactions - Business transactions between the City and City officials or employees are detailed as follows:

Name, Title and Business Connection	Transaction Description	Amount
Michael English, City Council, brother owns and Angela English, Library Secretary, husband owns English Insurance Agency, Inc.	Insurance	\$ 192,652
Mary Klostermann, Board of Adjustment, and Kevin Klostermann, Parks and Recreation, owners of Computer Doctors	Computer work/equipment	31,623
Jon Scherbring, Parks and Recreation, part owner of Ideal Decorating, Inc.	Remodeling	6,465

CITY OF DYERSVILLE, IOWA
SCHEDULE OF FINDINGS
YEAR ENDED JUNE 30, 2021

In accordance with Chapter 362.5(3)(j) of the Code of Iowa, the transactions above may represent a conflict of interest since the transactions exceeded \$6,000 during the fiscal year and were not entered into through competitive bidding.

Auditor's Recommendation - The City should consult legal counsel to determine the disposition of this matter.

City's Response - The City has consulted with legal counsel regarding this matter and believes it is compliant under Chapter 362.5(3)(j) of the Code of Iowa.

Auditor's Conclusion - Response accepted.

21-II-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.

21-II-F Bond Coverage - Surety bond coverage of City officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.

21-II-G City Council Minutes - No transactions were found that we believe should have been approved in the City Council minutes but were not.

21-II-H Revenue Bonds - No instances of noncompliance with the resolutions providing for the issuance of the water and sewer revenue bonds were noted.

21-II-I Deposits and Investments - No instances of noncompliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the City's investment policy were noted.

21-II-J Financial Condition - As of June 30, 2021, the Special Projects Fund had a deficit fund balance of \$5,415 and the Capital Improvements Fund had a deficit balance of \$1,208,425.

Auditor's Recommendation - The City should investigate alternatives to eliminate the deficits to return the funds to sound financial positions.

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.

CITY OF DYERSVILLE, IOWA
SCHEDULE OF FINDINGS
YEAR ENDED JUNE 30, 2021

21-II-K Payment of General Obligation Notes - Certain general obligation notes were paid from the Enterprise, Water Utility and Sewage Disposal Works Funds. Chapter 384.4 of the Code of Iowa states, in part, “Moneys pledged or available to service general obligation notes, and received from sources other than property tax, must be deposited in the debt service fund.”

Auditor's Recommendation - The City should transfer funds from the Enterprise, Water Utility and Sewage Disposal Works Funds to the Debt Service Fund for future funding contributions. Payments of the notes should then be disbursed from the Debt Service Fund.

City's Response - The City will consider this recommendation.

Auditor's Conclusion - Response accepted.

21-II-L Urban Renewal Annual Report - The urban renewal annual report was properly approved and certified to the Iowa Department of Management on or before December 1. Tax Increment Financing revenue and expenditures reported on the 2019-2020 Annual Urban Renewal Report (AURR) did not agree to the City’s records. Tax Increment Financing revenue on the AURR was understated by \$49,547, rebate expenditures were overstated by \$41,168 and nonrebate expenditures were understated by \$90,715.

Auditor’s Recommendation - The City should ensure amounts reported on the AURR agree to its cash basis records.

City’s Response - The City will consult with its financial consultant to ensure that the AURR is properly completed each year.

Auditor’s Conclusion - Response accepted.

21-II-M Tax Increment Financing (TIF) - The Special Revenue, Dyersville Economic Development TIF Fund properly disbursed payments for TIF rebates. Also, the City properly completed the Tax Increment Debt Certificate Forms to request TIF property taxes.

APPENDIX B

DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

1. The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC.

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to any Tender/Remarketing Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to any Tender/Remarketing Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to any Tender/Remarketing Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

APPENDIX C

DRAFT FORM OF BOND COUNSEL OPINION

We hereby certify that we have examined certified copies of the proceedings (the “Proceedings”) of the City Council of the City of Dyersville (the “Issuer”), in Delaware and Dubuque Counties, Iowa, passed preliminary to the issue by the Issuer of its General Obligation Corporate Purpose Bonds, Series 2023 (the “Bonds”) in the amount of \$2,625,000, in the denomination of \$5,000 each, or any integral multiple thereof, dated March 7, 2023, in evidence of the Issuer’s obligation under a certain loan agreement (the “Loan Agreement”), dated as of March 7, 2023, and pursuant to a resolution (the “Resolution”) of the Issuer adopted on February 20, 2023. The Bonds mature on June 1 in each of the respective years and in the principal amounts and bear interest payable semiannually on June 1 and December 1 in each year, commencing December 1, 2023, at the respective rates as follows:

<u>Date</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Date</u>	<u>Principal</u>	<u>Interest Rate</u>
2024	\$175,000	_____ %	2030	\$255,000	_____ %
2025	\$210,000	_____ %	2031	\$265,000	_____ %
2026	\$220,000	_____ %	2033	\$255,000	_____ %
2027	\$225,000	_____ %	2034	\$135,000	_____ %
2028	\$235,000	_____ %	2035	\$140,000	_____ %
2029	\$245,000	_____ %	2038	\$265,000	_____ %

Principal of the Bonds maturing in the years 2033 through 2038, inclusive, is subject to optional redemption prior to maturity on June 1, 2031, or on any date thereafter on terms of par plus accrued interest, and principal of the Bonds is subject to mandatory redemption in accordance with the schedules set out in the Resolution.

Based upon our examination, we are of the opinion, as of the date hereof, that:

1. The Proceedings show lawful authority for such issue under the laws of the State of Iowa.
2. The Bonds and the Loan Agreement are valid and binding general obligations of the Issuer.
3. All taxable property within the corporate boundaries of the Issuer 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.
4. The interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excluded from gross income for federal income tax purposes and is not treated as a preference item in calculating the federal alternative minimum tax imposed on noncorporate taxpayers under the Internal Revenue Code of 1986 (the “Code”). The opinions set forth in the preceding sentence are 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. The Issuer has covenanted to comply with each such requirement. 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.
5. The Bonds are “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code. The opinion set forth in the preceding sentence is 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 the Bonds be, or continue to be, qualified tax-exempt obligations. The Issuer has covenanted to comply with each such requirement.

We express no opinion regarding other federal tax consequences arising with respect to the Bonds. We note, however, that interest on the Bonds may 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) for tax years beginning after December 31, 2022.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

DORSEY & WHITNEY LLP

APPENDIX D

DRAFT 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 \$2,625,000 General Obligation Corporate Purpose Bonds, Series 2023 (the “Bonds”), dated March 7, 2023. The Bonds are being issued pursuant to a resolutions of the Issuer approved on February 20, 2023 (the “Resolutions”). 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 Resolutions, 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 2021-2022 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 Resolutions.

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 Resolutions, 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: March 7, 2023

CITY OF DYERSVILLE, IOWA

By _____
Mayor

Attest:

By _____
City Clerk