

New Issue  
 Date of Sale: Tuesday, May 28, 2024 (Alternate Bid Methods)  
 Between 10:30 and 11:00 A.M., C.D.T. (Closed Speer Auction)  
 Before 11:00 A.M., C.D.T. (Sealed Bids)

Investment Rating:  
 S&P Global Ratings ...  
 (Rating Requested)

### Official Statement

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



**\$1,450,000\***  
**CITY OF OELWEIN**  
**Fayette County, Iowa**  
**General Obligation Bridge Improvement Bonds, Series 2024**

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

The \$1,450,000\* General Obligation Bridge Improvement Bonds, Series 2024 (the "Bonds") are being issued by the City of Oelwein, Fayette County, Iowa (the "City" or the "Issuer"). Interest is payable semiannually on June 1 and December 1 of each year, commencing December 1, 2024. Interest is calculated based on a 360-day year of twelve 30-day months. The Bonds will be issued using a book-entry system. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The ownership of one fully registered Bond for each maturity will be registered in the name of Cede & Co., as nominee for DTC and no physical delivery of Bonds will be made to purchasers. The Bonds will mature on June 1 in the following years and amounts.

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

Principal Amount*	Due June 1	Interest Rate	Price or Yield	CUSIP Number(1)	Principal Amount*	Due June 1	Interest Rate	Price or Yield	CUSIP Number(1)
\$120,000	2025	%	%		\$145,000	2030	%	%	
125,000	2026	%	%		155,000	2031	%	%	
130,000	2027	%	%		160,000	2032	%	%	
135,000	2028	%	%		165,000	2033	%	%	
140,000	2029	%	%		175,000	2034	%	%	

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

### OPTIONAL REDEMPTION

Bonds due June 1, 2025 - 2031, inclusive, are not subject to optional redemption. Bonds due June 1, 2032 - 2034, 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: (i) pay the costs of constructing bridge and related infrastructure improvements, and (ii) pay certain costs of issuance related to the Bonds.

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. See "SECURITY AND SOURCE OF PAYMENT" 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.

This Official Statement is dated May \_\_, 2024, and has been prepared under the authority of the City. An electronic copy of this Official Statement is available from the [www.speerfinancial.com](http://www.speerfinancial.com) web site under "Official Statement Sales Calendar". Additional copies may be obtained from Dylan Mulfinger, City Administrator, City of Oelwein, 20 2<sup>nd</sup> Avenue S.W., Oelwein, Iowa, 50662, or from the Registered Municipal Advisors to the City.



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

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

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

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

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

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

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

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

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

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

## BOND ISSUE SUMMARY

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

<b>Issuer:</b>	City of Oelwein, Fayette County, Iowa.
<b>Issue:</b>	\$1,450,000* General Obligation Bridge Improvement Bonds, Series 2024.
<b>Dated Date:</b>	Date of delivery (expected to be on or about June 25, 2024).
<b>Interest Due:</b>	Each June 1 and December 1, commencing December 1, 2024.
<b>Principal Due:</b>	Serially each June 1, commencing June 1, 2025 through 2034, as detailed on the cover page of this Official Statement.
<b>Optional Redemption:</b>	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 <b>“OPTIONAL REDEMPTION”</b> herein.
<b>Authorization:</b>	The Bonds are being issued pursuant to authority established in Code of Iowa, 2023 as amended, Chapter 384 (the “Act”), and all laws amendatory thereof and supplementary thereto, and in conformity with a resolution (the “Resolution” or the “Bond Resolution”) of the City duly passed and approved.
<b>Security:</b>	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.
<b>Investment Rating:</b>	An investment rating for the Bonds has been requested from S&P Global Ratings, New York, New York. See <b>“INVESTMENT RATING”</b> herein.
<b>Purpose:</b>	The proceeds of the Bonds will be used to: (i) pay the costs of constructing bridge and related infrastructure improvements, and (ii) to pay the costs of issuing the Bonds.
<b>Tax Exemption:</b>	Dorsey & Whitney LLP, Des Moines, Iowa, will provide an opinion as to the tax exemption of the Bonds as discussed under <b>“TAX EXEMPTION AND RELATED TAX MATTERS”</b> in this Official Statement.
<b>Bank Qualified:</b>	The City intends to designate the Bonds as “qualified tax-exempt obligations”.
<b>Bond Registrar/Paying Agent:</b>	UMB Bank, n.a., West Des Moines, Iowa (the “Registrar”).
<b>Delivery:</b>	The Bonds are expected to be delivered on or about June 25, 2024.
<b>Book-Entry Form:</b>	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 <b>APPENDIX B</b> herein.
<b>Denomination:</b>	\$5,000 or integral multiples thereof.
<b>Municipal Advisor:</b>	Speer Financial, Inc., Waterloo, Iowa and Chicago, Illinois.

\*Subject to change.

**CITY OF OELWEIN**  
**Fayette County, Iowa**

Brett DeVore  
*Mayor*

**Council Members**

Dave Garrigus	Dave Lenz	Lynda Payne
Anthony Ricchio	Karen Seeders	Matt Weber

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**Officials**

Dylan Mulfinger  
*City Administrator*

Barbara Rigdon  
*City Clerk/Treasurer*

Doug Herman, Esq.  
Lynch Dallas, PC  
*City Attorney*

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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 Code of Iowa, 2023, as amended (the "Iowa Code"), provides that when an Iowa political subdivision issues general obligation bonds, the governing authority of such political subdivision shall, by resolution adopted before issuing the bonds, provide for the assessment of an annual levy upon all the taxable property in the political subdivision sufficient to pay the interest and principal of the bonds. A certified copy of this resolution shall be filed with the County Auditor in which the Issuer is located, giving rise to a duty of the County Auditor to annually enter this levy for collection from the taxable property within the boundaries of the Issuer, until funds are realized to pay the bonds in full.

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

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

## **CERTAIN BONDHOLDERS' RISKS**

An investment in the Bonds involves an element of risk. In order to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement (including the appendices hereto) in order to make a judgement as to whether the Bonds are an appropriate investment.

### **Changes in Property Taxation**

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

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

### **Matters Relating to Enforceability of Agreements**

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

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

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

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

## **Secondary Market**

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

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

## **Ratings Loss**

S&P Global Ratings (“S&P”) has assigned a rating of “\_\_\_” to the Bonds. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that the rating will continue for any given period of time, or that such rating will not be revised, suspended or withdrawn, if, in the judgment of S&P’s, circumstances so warrant. A revision, suspension or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

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

## **Redemption Prior to Maturity**

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

## **Forward-Looking Statements**

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

## **Tax Matters, Bank Qualification and Loss of Tax Exemption**

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



The City will designate the Bonds as “qualified tax-exempt obligations” under the exception provided in Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), and has further covenanted to comply with certain other requirements, which affords banks and certain other financial institutions more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code. However, the Issuer’s failure to comply with such covenants could cause the Bonds not to be “qualified tax-exempt obligations” and banks and certain other financial institutions would not receive more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code.

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

### **DTC-Beneficial Owners**

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

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

### **Pension and OPEB Benefits**

The City participates in two public pension systems, Iowa Public Employee’s Retirement System (IPERS) and Municipal Fire and Police Retirement System of Iowa (MFPRSI). Summary descriptions of each Plan follows, for more detail information including amongst other things pension benefits, Issuer’s deferred outflows and inflows on resources related to pensions, actuarial assumptions, discount rate sensitivity, and expenses, as to each available plans, see **APPENDIX A – FISCAL YEAR 2023 AUDIT Note 4.**

In fiscal year 2023, 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%. The City’s contributions to IPERS for the year ended June 30, 2023 were \$168,178. 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, 2023, the City reported a liability of \$748,830 for its proportionate share of the IPERS net pension liability. The net pension liability was measured as of June 30, 2022 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.

In fiscal year 2023, pursuant to the MFPRSI's required rate, the City's employees (members) contributed 9.40% of earnable compensation and the City contributed 23.90% of earnable compensation, for a total rate of 33.30%. The City's contribution to MFPRSI for year ended June 30, 2023 was \$188,526. The City's share of the contributions, payable from the applicable funds of the City, is provided by a statutorily authorized annual levy of taxes without limit or restriction as to rate or amount. The City has always made its full required contributions to MFPRSI.

At June 30, 2023, the City reported a liability of \$1,133,165 for its proportionate share of the MFPRSI net pension liability. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The discount rate used to measure the total pension liability was 7.5%. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all MFPRSI participating employers. While the City's contributions to MFPRSI are controlled by state law, there can be no assurance the City will not be required by changes in State law to increase its contribution requirement in the future, which may have the effect of negatively impacting the finances of the City. See "**APPENDIX A – AUDITED FINANCIAL STATEMENTS OF THE ISSUER**" hereto for additional information on pension and liabilities of the City.

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 or MFPRSI discussed above or included on the IPERS or MFPRSI websites, including, but not limited to, updates of such information on the State Auditor's website or links to other Internet sites accessed through the IPERS or MFPRSI websites.

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. The City currently finances the benefit plan on a pay-as-you-go basis. For the year ended June 30, 2023, the City contributed \$575,060 and plan members eligible for benefits contributed \$66,078 to the plan. At June 30, 2023, no assets have been accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

See **APPENDIX A – Notes (4) and (5)** herein for further discussion of the City's employee retirement benefit obligations.

## **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. See "**APPENDIX D – FORM OF CONTINUING DISCLOSURE CERTIFICATE.**" The specific nature of the information to be contained in the Annual Report or the notices of events, and the manner in which such materials are to be filed, are summarized in "**APPENDIX D – FORM OF CONTINUING DISCLOSURE CERTIFICATE.**" These covenants have been made in order to assist the Underwriter in complying with the Rule.

## **Cybersecurity**

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

## **Suitability of Investment**

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

## **Bankruptcy and Insolvency**

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

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

## **Legislation**

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

## **Tax Levy Procedures**

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

## **Loss of Tax Base**

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

## **Risk of Audit**

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

## **Other Factors**

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

## THE CITY

The City is located 45 miles northeast of the Waterloo/Cedar Falls metropolitan area and 150 miles northeast of Des Moines, Iowa. The City was incorporated in 1873. The 2020 U.S. Census population for the City was 5,920.

### City Organization and Services

The City operates under the Mayor-Council form of government with the Mayor and six Council Members elected on a non-partisan basis. The Mayor is elected to a two-year term and the City Council members serve four-years in overlapping terms. The City Administrator and City Attorney are appointed by the City Council.

The City has 39 people employed on a full-time basis, 11 full-time police officers. There are approximately 80 part-time seasonal employees. The City is served by a Public Safety Chief and all-volunteer fire department. There are 25 volunteer firefighters. The police officers are represented by the Chauffeurs, Teamsters and Helpers Local 238 union. The current contracts expire June 30, 2025. The City provides numerous services to citizens, including public safety, public works, health and social services, culture and recreation, community and economic development, and general government services. The City also provides water and sewer utilities. Electric power and natural gas are supplied to the City by Alliant Energy.

### Community Life

The City has parks, city golf courses, aquatic center, wellness center, performing arts center, and bike trails. City parks include playgrounds, picnic areas, canoeing, boating, swimming, tennis, skateboard, soccer, baseball and softball facilities. Health care services are provided to residents by a MercyOne Hospital, MercyOne Clinic, Buchanan County Healthcare Clinic along with an assisted living and nursing home facility.

### Education

The City is served by the Oelwein Community School District (the “District”) which includes the Little Husky Learning Center (grades Pre K-K), an elementary school (grades 1-5), a middle school (grade 6-8) and high school (grades 9-12) within the City. The District has a certified enrollment of 1,319 students for 2023 - 2024 school year.

Postsecondary educational opportunities are located within 30 minutes of the City. Upper Iowa University is a private four-year comprehensive university, with a traditional residential campus located in Fayette, Iowa, and multiple regional education centers delivering the same education to more communities in the United States. Wartburg College, a private four-year liberal arts college, is located in Waverly, Iowa. Wartburg College was founded in 1852, and is affiliated with the Evangelical Lutheran Church in America. The University of Northern Iowa is located in Cedar Falls and vocational technical education courses are available from Northeast Iowa Community College located in Calmer, Iowa, approximately 50 miles north of the City and Hawkeye Community College with its main campus in Waterloo, Iowa, approximately 50 miles southwest of the City.

### Transportation

The City is located at the junction of State Highway No. 3 and 150. State Highway 3 connects to the west with U.S. Highway No. 63. Commercial airline service is available in Waterloo, Iowa approximately 45 miles southwest of the City and Des Moines, Iowa approximately 150 southwest of the City.

## SOCIOECONOMIC INFORMATION

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

### Population

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

#### Population Comparison(1)

<u>Year</u>	<u>The City</u>	<u>Percent Change</u>	<u>The County</u>	<u>Percent Change</u>	<u>The State</u>	<u>Percent Change</u>
1970 .....	7,735	n/a	26,898	n/a	2,824,376	n/a
1980 .....	7,564	(2.21%)	25,488	(5.24%)	2,913,808	3.17%
1990 .....	6,493	(14.16%)	21,843	(14.30%)	2,776,755	(4.70%)
2000 .....	6,692	3.06%	22,008	0.76%	2,926,324	5.39%
2010 .....	6,415	(4.14%)	20,880	(5.13%)	3,046,355	4.10%
2020 .....	5,920	(7.72%)	19,509	(6.57%)	3,190,369	4.73%

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

### Employment

Following are lists of large employers located in the City.

#### Major City Employers(1)

<u>Name</u>	<u>Product/Service</u>	<u>Approximate Employment</u>
East Penn.....	Battery Distributor .....	350
Oelwein Community School District.....	Education.....	210
MercyOne Hospital.....	Health Care .....	190
Transco Railway Products, Inc. ....	Railroad Car Repair .....	180
Ashley Industrial Molding, Inc. ....	Plastic Molding.....	150
Grandview Healthcare & Rehabilitation Center.....	Health Care .....	110
Fareway Grocery.....	Grocery Store .....	90
Oelwein Care Center.....	Health Care .....	80
Bertch Cabinet Manufacturing, Inc.....	Manufacturing.....	70
City Laundering Co.....	Industrial Laundry .....	70

Note: (1) Source: Area Chamber of Commerce, selected telephone surveys and the 2023 Iowa Manufacturers Database.

The following tables show employment by industry and by occupation for the City, the County and the State as reported by the U.S. Census Bureau 2018 - 2022 American Community Survey 5-year estimated values.

### Employment By Industry(1)

Classification	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, forestry, fishing and hunting, and mining.....	54	2.3%	683	7.4%	59,661	3.7%
Construction.....	145	6.2%	879	9.5%	109,620	6.7%
Manufacturing.....	664	28.4%	1,540	16.7%	241,735	14.9%
Wholesale trade.....	23	1.0%	309	3.3%	43,644	2.7%
Retail trade.....	221	9.5%	767	8.3%	188,572	11.6%
Transportation and warehousing, and utilities.....	74	3.2%	546	5.9%	84,056	5.2%
Information.....	22	0.9%	55	0.6%	23,201	1.4%
Finance and insurance, and real estate and rental and leasing.....	54	2.3%	421	4.6%	125,957	7.7%
Professional, scientific, and management, and administrative and waste management services.....	130	5.6%	426	4.6%	122,753	7.5%
Educational services, and health care and social assistance.....	483	20.7%	2,260	24.5%	393,500	24.2%
Arts, entertainment, and recreation, and accommodation and food services.....	152	6.5%	549	5.9%	114,116	7.0%
Other services, except public administration.....	238	10.2%	557	6.0%	68,874	4.2%
Public administration.....	78	3.3%	238	2.6%	51,745	3.2%
Total.....	2,338	100.0%	9,230	100.0%	1,627,434	100.0%

Note: (1) Source: U. S. Bureau of the Census, American Community Survey 5-Year Estimates from 2018 - 2022.

### Employment By Occupation(1)

Classification	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Management, business, science, and arts occupations.....	539	23.1%	2,821	30.6%	620,397	38.1%
Service occupations.....	460	19.7%	1,412	15.3%	251,632	15.5%
Sales and office occupations.....	364	15.6%	1,741	18.9%	321,247	19.7%
Natural resources, construction, and maintenance occupations.....	192	8.2%	1,294	14.0%	154,866	9.5%
Production, transportation, and material moving occupations.....	783	33.5%	1,962	21.3%	279,292	17.2%
Total.....	2,338	100.0%	9,230	100.0%	1,627,434	100.0%

Note: (1) Source: U. S. Bureau of the Census, American Community Survey 5-Year Estimates from 2018 - 2022.

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

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

Calendar Year	The County	The State	United States
2015.....	4.5%	3.7%	5.3%
2016.....	4.4%	3.6%	4.9%
2017.....	3.6%	3.1%	4.4%
2018.....	3.0%	2.6%	3.9%
2019.....	3.5%	2.7%	3.7%
2020(3).....	5.4%	5.2%	8.1%
2021(3).....	4.3%	3.8%	5.4%
2022.....	3.2%	2.8%	3.6%
2023.....	3.2%	2.9%	3.6%
2024(4).....	4.2%	3.3%	4.2%

Notes: (1) Source: Iowa Workforce Development and U.S. Bureau of Labor Statistics.  
 (2) Not seasonally adjusted.  
 (3) The increase in unemployment rates may be attributable to the COVID-19 pandemic.  
 (4) Preliminary rates for the month of February 2024.

## Building Permits

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

Calendar Year	Number of Permits	Total Value
2015.....	211	\$ 2,078,269
2016.....	153	75,353,032(3)
2017.....	650	12,130,780
2018.....	348	9,436,104
2019.....	473	3,444,569
2020.....	631	6,738,376
2021.....	688	18,093,204(4)
2022.....	419	8,689,600
2023.....	420	9,619,217
2024(2).....	75	1,050,118

- Notes: (1) Source: the City.  
 (2) Through March 2024.  
 (3) Includes a \$70,000,000 permit issued to East Penn Manufacturing for a new facility.  
 (4) Includes \$12,000,000 in permits issued to the Oelwein Community School District.

## Housing

The U.S. Census Bureau 5-year estimated values reported that the median value of the City's owner-occupied homes was \$97,000. This compares to \$123,000 for the County and \$181,600 for the State. The following table represents the five year average market value of specified owner-occupied units for the City, the County and the State at the time of the 2018 - 2022 American Community Survey.

### Home Values(1)

Value	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Less than \$50,000.....	386	20.1%	734	11.7%	66,889	7.2%
\$50,000 to \$99,999.....	621	32.3%	1,769	28.2%	129,783	14.1%
\$100,000 to \$149,999.....	388	20.2%	1,195	19.1%	158,953	17.2%
\$150,000 to \$199,999.....	273	14.2%	938	15.0%	157,129	17.0%
\$200,000 to \$299,999.....	218	11.3%	1,018	16.2%	206,136	22.3%
\$300,000 to \$499,999.....	39	2.0%	450	7.2%	152,269	16.5%
\$500,000 to \$999,999.....	0	0.0%	101	1.6%	44,144	4.8%
\$1,000,000 or more.....	0	0.0%	65	1.0%	7,381	0.8%
Total.....	1,925	100.0%	6,270	100.0%	922,684	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2018 - 2022.

### Mortgage Status(1)

Mortgage Status	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Housing units with a mortgage.....	1,015	52.7%	3,297	52.6%	552,272	59.9%
Housing units without a mortgage.....	910	47.3%	2,973	47.4%	370,412	40.1%
Total.....	1,925	100.0%	6,270	100.0%	922,684	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2018 - 2022.



## Income and Benefits

The U.S. Census Bureau 5-year estimated values reported that the City had a median family income of \$58,806. This compares to \$71,025 for the County and \$90,921 for the State. The following table represents the distribution of family incomes for the City, the County and the State at the time of the 2018 - 2022 American Community Survey.

### Family Income(1)

Income	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Less than \$10,000 .....	124	8.8%	173	3.5%	19,266	2.4%
\$10,000 to \$14,999 .....	62	4.4%	123	2.5%	12,209	1.5%
\$15,000 to \$24,999 .....	88	6.3%	252	5.1%	31,695	3.9%
\$25,000 to \$34,999 .....	149	10.6%	359	7.3%	40,734	5.1%
\$35,000 to \$49,999 .....	154	10.9%	519	10.5%	75,502	9.4%
\$50,000 to \$74,999 .....	353	25.1%	1,172	23.8%	136,964	17.1%
\$75,000 to \$99,999 .....	211	15.0%	751	15.3%	131,007	16.3%
\$100,000 to \$149,999 .....	187	13.3%	967	19.6%	188,746	23.5%
\$150,000 to \$199,999 .....	23	1.6%	302	6.1%	86,058	10.7%
\$200,000 or more .....	56	4.0%	306	6.2%	81,095	10.1%
Total .....	1,407	100.0%	4,924	100.0%	803,276	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2018 to 2022.

The U.S. Census Bureau 5-year estimated values reported that the City had a median household income of \$41,629. This compares to \$56,043 for the County and \$70,571 for the State. The following table represents the distribution of household incomes for the City, the County and the State at the time of the 2018 - 2022 American Community Survey.

### Household Income(1)

Income	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Less than \$10,000 .....	168	6.4%	427	5.2%	53,544	4.2%
\$10,000 to \$14,999 .....	280	10.7%	474	5.8%	46,854	3.6%
\$15,000 to \$24,999 .....	357	13.6%	944	11.5%	96,051	7.4%
\$25,000 to \$34,999 .....	390	14.8%	796	9.7%	100,749	7.8%
\$35,000 to \$49,999 .....	298	11.3%	1,098	13.3%	153,024	11.9%
\$50,000 to \$74,999 .....	441	16.8%	1,588	19.3%	231,140	17.9%
\$75,000 to \$99,999 .....	325	12.4%	1,019	12.4%	183,917	14.3%
\$100,000 to \$149,999 .....	290	11.0%	1,230	14.9%	234,590	18.2%
\$150,000 to \$199,999 .....	23	0.9%	320	3.9%	98,518	7.6%
\$200,000 or more .....	56	2.1%	332	4.0%	91,752	7.1%
Total .....	2,628	100.0%	8,228	100.0%	1,290,139	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2018 - 2022.

## Agriculture

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

### Average Value Per Acre(1)

	2019	2020	2021	2022	2023
Average Value Per Acre:					
The County .....	\$7,781	\$8,088	\$10,833	\$12,730	\$13,197
State of Iowa .....	7,432	7,559	9,751	11,411	11,835

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. On November 2, 2021, the referendum was renewed by the citizens. The City’s local option sales tax receipts shall be allocated as follows: 30% for property tax relief. The specific purposes for which revenues will otherwise be expended are 70% for economic development.

The State Director of Revenue (the “Director”) administers collection and disbursement of all local option sales and services taxes in conjunction with administration of the State-wide sales, services and use tax. The Director credits the Local Option Tax receipts to the City’s account in the Local Option Tax fund. Historically, by August 15 of each fiscal year, the Director is required to send the City an estimate of the amount of local option sales and services taxes it will receive for the year and by month. By August 31, the Director is required to remit 95% of the estimated tax receipts for the City to the City’s account and by the last day of each following month. By November 10 of the next fiscal year, the Director is required to make the final payment, which could include needed adjustments for over- or under-payments when comparing actual tax receipts against the payments made based upon estimates. Beginning with the October 2022 Local Option Tax payment, the State Department of Revenue (the “Department of Revenue”) makes distributions based on actual Local Option Tax receipts in the preceding month.

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

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

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

### Local Option Tax Receipts(1)

Fiscal Year Ending June 30	Local Option Sales Tax Receipts(2)	Percent Change +(-)
2015.....	\$524,845	n/a
2016.....	514,328	(2.00%)
2017.....	535,229	4.06%
2018.....	539,056	0.71%
2019.....	553,249	2.63%
2020.....	609,246	10.12%
2021.....	694,406	13.98%
2022.....	665,473	(4.17%)
2023.....	677,914	1.87%
2024.....	677,914(3)	0.00%

- Notes: (1) Source: Iowa Department of Revenue.  
 (2) Includes a reconciliation payment attributable to the previous fiscal year for fiscal years 2015 through 2022.  
 (3) Collections received or expected to be received.

**Retail Sales**

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

**Retail Taxable Sales(1)**

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Taxable</u> <u>Sales</u>	<u>Annual Percent</u> <u>Change + (-)</u>
2013 .....	\$64,123,251	n/a
2014 .....	63,977,295	(0.23%)
2015 .....	64,340,432	0.57%
2016 .....	64,845,858	0.79%
2017 .....	66,411,721	2.41%
2018 .....	67,335,127	1.39%
2019 .....	66,870,852	(0.69%)
2020 .....	65,462,102	(2.11%)
2021 .....	68,616,063	4.82%
2022 .....	51,482,597	(24.97%)
Growth from 2013 to 2022 .....		(19.71%)

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

**THE PROJECT**

Bond proceeds will be used to: (i) pay the costs of constructing bridge and related infrastructure improvements, and (ii) pay certain costs of issuance related to the Bonds.

**DEFAULT RECORD**

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

**SHORT-TERM BORROWING**

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

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## DEBT INFORMATION

After issuance of the Bonds, the City will have outstanding \$10,085,000\* principal amount of general obligation debt, which includes \$2,550,000 of Annual Appropriation Debt. In addition, the City has outstanding approximately \$2,152,000 principal amount of sewer revenue debt and \$634,000 water revenue debt that does not count against the City's debt capacity.

### Debt Limitation

The amount of general obligation debt a political subdivision of the State can incur is controlled by the constitutional debt limit, which is an amount equal to 5% of the actual value of taxable property within the corporate limits, taken from the last County Tax list. According to and based upon the January 1, 2022 property valuations, for taxes payable in September 2023 and March 2024, the City's debt limit, based upon said valuation, amounts to the following:

2022 100% Actual Valuation of Property .....	\$309,411,924
Constitutional Debt Limit .....	\$ 15,470,596
Outstanding Bonds/Notes Applicable to Debt Limit:	
G.O. Debt Subject to Debt Limit .....	\$ 10,085,000*
G.O. Annual Appropriation Debt .....	460,000(1)
Other Legal Indebtedness (TIF Rebates) .....	<u>97,149</u>
Total Applicable Debt .....	<u>\$ 10,642,149*</u>
Remaining Debt Capacity .....	\$ 4,828,447*

Note: (1) Only the debt coming due in the current year applies to the City's debt limit calculation.

The City does not expect to issue any additional general obligation debt in calendar year 2024.

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

Series 2016A(2) .....	\$ 2,550,000
Series 2016B .....	420,000
Series 2020 .....	1,865,000
Series 2022 .....	3,800,000
The Bonds(3) .....	<u>1,450,000</u>
Total(2) .....	\$10,085,000

- Notes: (1) Source: the City.  
 (2) Annual Appropriation Debt. Only the debt coming due in the current fiscal year in the amount of \$460,000, applies to the City's statutory debt limit calculation.  
 (3) Subject to change.

\*Subject to change.

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

Fiscal Year Ending June 30	Series	Series	Series	Series	Total	The	Total General	Cumulative Retirement(3)	
	2016A(2)	2016B	2020	2022	Outstanding GO Debt	Bonds(3)	Obligation Debt(3)	Amount	Percent
2024 .....	\$ 460,000	\$ 60,000	\$ 210,000	\$ 340,000	\$1,070,000	\$ 0	\$ 1,070,000	\$ 1,070,000	10.61%
2025 .....	470,000	75,000	220,000	345,000	1,110,000	120,000	1,230,000	2,300,000	22.81%
2026 .....	485,000	75,000	225,000	355,000	1,140,000	125,000	1,265,000	3,565,000	35.35%
2027 .....	550,000	40,000	235,000	360,000	1,185,000	130,000	1,315,000	4,880,000	48.39%
2028 .....	585,000	40,000	240,000	370,000	1,235,000	135,000	1,370,000	6,250,000	61.97%
2029 .....	0	130,000	245,000	375,000	750,000	140,000	890,000	7,140,000	70.80%
2030 .....	0	0	155,000	385,000	540,000	145,000	685,000	7,825,000	77.59%
2031 .....	0	0	165,000	400,000	565,000	155,000	720,000	8,545,000	84.73%
2032 .....	0	0	170,000	405,000	575,000	160,000	735,000	9,280,000	92.02%
2033 .....	0	0	0	155,000	155,000	165,000	320,000	9,600,000	95.19%
2034 .....	0	0	0	155,000	155,000	175,000	330,000	9,930,000	98.46%
2035 .....	0	0	0	155,000	155,000	0	155,000	10,085,000	100.00%
Total .....	\$2,550,000	\$420,000	\$1,865,000	\$3,800,000	\$8,635,000	\$1,450,000	\$10,085,000		

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

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

City Actual Value, January 1, 2022..... \$309,411,924  
 City Taxable Value, January 1, 2022..... \$174,361,229

	Total	Applicable		Ratio to City Actual Value	Ratio to City Taxable Value	Per Capita (2020 Pop. 5,920)
		Percent	Amount			
Direct Bonded Debt(3).....	\$10,085,000	100.00%	\$10,085,000	3.26%	5.78%	\$1,703.55
Less: Non-Current Annual Appropriation Debt.....	(2,090,000)	100.00%	(2,090,000)	(0.68%)	(1.20%)	(353.04)
Total Net Direct Debt(3).....	\$ 7,995,000	100.00%	\$ 7,995,000	2.58%	4.59%	\$1,350.51
Overlapping Debt:						
Oelwein School District.....	\$ 0	44.78%	\$ 0	0.00%	0.00%	\$ 0.00
Northeast Iowa Community College(4).....	36,735,000	1.23%	451,841	0.15%	0.26%	76.32
Fayette County.....	10,139,902	13.44%	1,362,803	0.44%	0.78%	230.20
Total Applicable Overlapping Bonded Debt.....			\$ 1,814,643	0.59%	1.04%	\$ 306.53
Total Direct and Overlapping Bonded Debt(3).....			\$ 9,809,643	3.17%	5.63%	\$1,657.03

Per Capita Actual Value ..... \$52,265.53  
 Per Capita Taxable Value..... \$29,452.91

- 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 County.  
 (2) As of the date of issuance for the Direct Bonded Debt and June 30, 2022 for Overlapping Debt.  
 (3) Subject to change.  
 (4) Excludes \$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 regarding the City’s more significant Development Agreements, each subject to annual appropriation by the City:

Agreement Date	Urban Renewal Area	Project Description	Maximum Remaining Payment Amount (as of 6/30/23)	Last Payment Date
11/09/21	Urban Renewal #2	Forsyth Management Company	\$ 576,984	6/1/34
10/05/15	East Penn Urban Renewal	East Penn Manufacturing	3,340,000	6/1/34
05/08/17	Urban Renewal #2	Cornerstone Inn and Suites LLC	234,650	6/1/30
12/14/20	Urban Renewal #2	ICE Manufacturing	100,510	6/1/32
05/11/20	Urban Renewal #2	Kwik Star	350,000	6/1/30
10/12/20	Urban Renewal #2	HyVee Dollar Fresh	400,000	6/1/33

### PROPERTY ASSESSMENT AND TAX INFORMATION

#### Property Tax Assessment

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

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

**Percentages for Taxable Valuation After Rollbacks(1)**

<u>Fiscal Year</u>	<u>Residential</u>	<u>Multi-Residential</u>	<u>Ag Land &amp; Buildings</u>	<u>Commercial &amp; Industrial</u>
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.....	54.6501%	n/a	91.6430%	90.0000%
2024/25.....	46.3428%	n/a	71.8370%	90.0000%

- Notes: (1) Source: the Iowa Department of Revenue.  
 (2) In assessment year 2023 (applicable to fiscal year 2024/25 valuations), the taxable value rollback rate is 46.3428% of actual value for residential property; 71.8370% of actual value for agricultural property and 100.0000% of the actual value of utility property. The residential taxable rollback rate of 46.3428% applies to the value of each property unit of commercial, industrial and railroad property that exceeds zero dollars (\$0), but does not exceed one hundred fifty thousand dollars (\$150,000), with a taxable value rollback rate of 90.0000% to the value that exceeds one hundred fifty thousand dollars (\$150,000).

Property is assessed on a calendar year basis. The assessments finalized as of January 1 of each year are applied to the following fiscal year. For example, the assessments finalized on January 1, 2022, are used to calculate tax liability for the tax year starting July 1, 2023 through June 30, 2024.

**Property Tax Collection**

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

<u>Property Class</u>	<u>Fiscal Year:</u> <u>Levy Year:</u>	<u>2020/21</u> <u>2019</u>	<u>2021/22</u> <u>2020</u>	<u>2022/23</u> <u>2021</u>	<u>2023/24</u> <u>2022</u>	<u>Preliminary</u> <u>2024/25</u> <u>2023</u>
Residential .....		\$196,794,830	\$196,776,800	\$195,916,440	\$206,591,563	\$259,767,998
Agricultural .....		717,710	717,710	694,240	692,870	862,040
Commercial .....		46,991,353	46,574,009	35,973,605	39,181,617	47,456,632
Industrial .....		31,813,790	31,863,290	31,952,310	32,559,690	32,886,910
Multi-residential(3).....		8,077,647	8,102,811	10,673,219	0	0
Railroads .....		69,590	88,252	367,379	380,388	406,548
Utilities without Gas and Electric.....		633,016	430,203	259,224	0	0
Gas and Electric Utility .....		31,609,182	30,562,482	30,375,524	30,631,772	31,566,938
Less: Exemptions .....		(718,576)	(685,240)	(644,496)	(625,976)	(2,794,443)
Total .....		\$315,988,542	\$314,430,317	\$305,567,445	\$309,411,924	\$370,152,623
Percent Change +(-).....		15.70%(4)	(0.49%)	(3.30%)	1.26%	19.63%

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

<u>January 1:</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
TIF Valuation .....	\$28,870,885	\$28,573,430	\$23,573,000	\$25,146,072	\$29,715,001

- (3) Phased into residential class valuations beginning January 1, 2022.  
 (4) Based on 2018 Actual Valuation of \$273,102,855.

For the January 1, 2023 levy year, the City's Taxable Valuation was comprised of approximately 65% residential, 18% commercial, 16% industrial, 2% utilities, and less than 1% agriculture, railroads and military exemption.

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

Property Class	Fiscal Year:	2020/21	2021/22	2022/23	2023/24	Preliminary
	Levy Year:	2019	2020	2021	2022	2024/25 2023
Residential .....		\$108,383,368	\$111,000,483	\$106,050,080	\$112,902,636	\$120,383,686
Agricultural .....		584,811	603,098	618,158	634,968	619,263
Commercial .....		42,292,221	41,916,611	32,376,248	28,197,080	33,326,304
Industrial .....		28,632,221	28,676,961	28,757,079	28,562,644	28,673,653
Multi-residential(3) .....		5,755,326	5,469,400	6,804,181	0	0
Railroads .....		62,631	79,427	330,641	334,513	356,216
Utilities without Gas and Electric .....		633,016	423,960	259,224	0	0
Gas and Electric Utility .....		4,625,400	4,380,269	4,386,694	4,355,364	4,249,362
Less: Military Exemption .....		(718,576)	(685,240)	(644,496)	(625,976)	(2,810,693)
Total .....		\$190,250,608	\$191,864,969	\$178,937,809	\$174,361,229	\$184,797,791
Percent Change +(-) .....		14.77%(4)	0.85%	(5.95%)	(2.56%)	5.99%

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

January 1:	2019	2020	2021	2022	2023
TIF Valuation .....	\$28,870,885	\$28,573,430	\$23,573,000	\$25,146,072	\$29,715,001

- (3) Phased into residential class valuations beginning January 1, 2022.  
 (4) Based on 2018 Taxable Valuation of \$165,769,025.

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
2013.....	2014-15 .....	\$2,378,553	\$2,433,871	102.33%
2014.....	2015-16 .....	2,368,459	2,550,327	107.68%
2015.....	2016-17 .....	2,379,930	2,622,915	110.21%
2016.....	2017-18 .....	2,402,163	2,446,809	101.86%
2017.....	2018-19 .....	2,472,176	2,511,243	101.58%
2018.....	2019-20 .....	2,607,312	2,616,016	100.33%
2019.....	2020-21 .....	2,861,375	3,012,076	105.27%
2020.....	2021-22 .....	2,961,236	3,240,435	109.43%
2021.....	2022-23 .....	2,836,151	2,854,756	100.66%
2022.....	2023-24 .....	2,741,099	--In Collection --	

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

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### Principal Taxpayers(1)

<u>Taxpayer Name</u>	<u>Business/Service</u>	<u>Levy Year 2022 Taxable Valuation(2)</u>
East Penn Manufacturing Co.....	Lead - Acid Battery Manufacturing.....	\$20,264,163
Transco Railway Products, Inc.....	Railroad.....	4,172,070
Interstate Power Co.....	Utility.....	3,816,963
Forsyth Management Company, LLC.....	Manufacturing.....	1,531,798
Ashley Industrial Molding, Inc.....	Plastic Molding.....	1,444,723
Oelwein Apartments, LLC.....	Apartment Building.....	1,298,261
Waterloo Cabinet Properties, LLC.....	Cabinet Manufacturing.....	1,138,219
Wetlaufer Investments LC.....	Real Estate.....	1,000,653
Mclaughlin Summerville Properties LLC.....	Real Estate.....	967,182
Abilit Holdings (Oelwein) LLC.....	Apartment Building.....	<u>963,188</u>
Total.....		\$36,597,220
Ten Largest Taxpayers as Percent of City's January 1, 2022 Taxable Valuation (\$174,361,229).....		20.99%

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

### Levy Limits

The property tax rates for the City from levy year 2018 through levy year 2024 are shown below:

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

	Fiscal Year: Levy Year:	2019/20 2018	2020/21 2019	2021/22 2020	2022/23 2021	2023/24 2022
The City:						
General Fund.....	\$	8.10000	\$ 8.10000	\$ 8.10000	\$ 8.10000	\$ 8.10000
Emergency Levy.....		0.27000	0.27000	0.27000	0.27000	0.27000
Debt Service Fund.....		4.52339	3.20447	2.62365	2.54981	2.62122
Employee Benefits.....		3.81039	5.20486	5.77361	5.85796	6.01023
Capital Improvement.....		0.00000	0.00000	0.00000	0.00000	0.00000
Other.....		<u>1.01574</u>	<u>0.93925</u>	<u>0.96268</u>	<u>1.14951</u>	<u>0.99070</u>
Total City.....		\$17.71952	\$17.71858	\$17.72994	\$17.92728	\$17.99215
Fayette County.....	\$	5.60372	\$ 6.03620	\$ 5.87207	\$ 5.86988	\$ 5.89996
Oelwein Community School District.....		13.55463	13.94866	13.90184	13.82494	13.61151
Northeast Iowa Community College.....		1.03168	0.94734	0.90520	0.90520	0.92871
Other.....		<u>0.87171</u>	<u>0.80276</u>	<u>0.72449</u>	<u>0.70070</u>	<u>0.69406</u>
Total City Consolidated Tax Rate.....		\$38.78126	\$39.45354	\$39.13354	\$39.22800	\$39.12639

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

## FINANCIAL INFORMATION

### Financial Reports

The City's financial statements are audited annually by certified public accountants. The City maintains its financial records on the basis of cash receipts and disbursements and the financial statements of the City are prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable and accrued items. Accordingly, the financial statements do not present financial position and results of operations of the funds in accordance with U.S. generally accepted accounting principles. 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, 2023 (the “2023 Audit”). The 2023 Audit has been prepared by T.P. Anderson & Company, P.C., Certified Public Accountants, Humboldt, 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 2023 Audit; nor has the City requested that the Auditor consent to the use of the Excerpted Financial Information and the 2023 Audit in this Official Statement. The inclusion of the Excerpted Financial Information and the 2023 Audit in this Official Statement in and of itself is not intended to demonstrate the fiscal condition of the City since the date of the 2023 Audit. Questions or inquiries relating to financial information of the City since the date of the 2023 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 2023 Audit. The City’s expects its General Fund balance for the fiscal year ending June 30, 2024 to increase by approximately \$34,000. The City has approved a budget for fiscal year 2025 with an anticipated decrease to the General Fund balance of approximately \$205,000. To date, revenues and expenditures are generally within budgeted amounts.

**Cash Basis Statement of Activities and Net Position(I)  
 Governmental Activities**

	Audited as of June 30				
	2019	2020	2021	2022	2023
<b>Functions/Programs:</b>					
Governmental Activities:					
Public Safety .....	\$(1,576,322)	\$(1,626,186)	\$(1,579,783)	\$ (1,689,880)	\$(1,979,286)
Public Works .....	79,572	149,555	157,237	123,899	324,949
Health and Social Services .....	(18,117)	(19,836)	(20,016)	(19,125)	(19,667)
Culture and Recreation .....	(783,679)	(769,549)	(784,967)	(578,469)	(913,108)
Community and Economic Development .....	(741,326)	(1,013,713)	(976,010)	(727,292)	(484,702)
General Government .....	(418,572)	(488,132)	(500,093)	(527,547)	(588,245)
Debt Service .....	(1,117,626)	(1,744,359)	(1,577,912)	(3,669,321)	(1,458,354)
Capital Projects .....	(396,015)	(1,617,961)	(3,044,723)	(1,193,789)	(1,882,169)
Total Governmental Activities .....	<u>\$(4,972,085)</u>	<u>\$(7,130,181)</u>	<u>\$(8,326,267)</u>	<u>\$ (8,281,524)</u>	<u>\$(7,000,582)</u>
<b>General Receipts and Transfers:</b>					
Property and Other City Tax Levied for:					
General Purposes .....	\$ 1,861,670	\$ 1,764,373	\$ 2,273,720	\$ 2,379,089	\$ 2,384,210
Debt Service .....	568,381	747,079	624,024	522,804	470,546
Tax Increment Financing .....	320,501	789,469	977,915	1,006,886	823,599
Local Option Sales Tax .....	572,156	541,648	652,593	757,202	694,494
Commercial/Industrial Property Tax Replacement .....	81,192	104,564	114,332	111,382	0
Hotel/Motel and Franchise Tax .....	776,358	907,900	891,798	972,998	1,066,083
Unrestricted Interest on Investments .....	73,809	80,977	25,992	18,010	99,240
Loan Proceeds .....	59,400	2,817,000	68,000	4,529,805	0
Miscellaneous .....	676,402	864,684	1,175,477	647,754	1,444,217
Sale of Capital Assets .....	1,249	1,000	61,495	136,696	5,697
Transfers .....	449,601	127,868	240,249	(1,027,996)	601,512
Total General Receipts and Transfers .....	<u>\$ 5,440,719</u>	<u>\$ 8,746,562</u>	<u>\$ 7,105,595</u>	<u>\$10,054,630</u>	<u>\$ 7,589,598</u>
Change in Cash Basis Net Position .....	\$ 468,634	\$ 1,616,381	\$(1,220,672)	\$ 1,773,106	\$ 589,016
Cash Basis Net Position, Beginning of Year .....	<u>\$ 5,010,609</u>	<u>\$ 5,479,243</u>	<u>\$ 7,095,624</u>	<u>\$ 5,874,952</u>	<u>\$ 7,648,058</u>
Cash Basis Net Position, End of Year .....	<u>\$ 5,479,243</u>	<u>\$ 7,095,624</u>	<u>\$ 5,874,952</u>	<u>\$ 7,648,058</u>	<u>\$ 8,237,074</u>

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**Cash Basis Statement of Activities and Net Position(1)  
 Governmental Activities**

*(continued from previous page)*

	Audited as of June 30				
	2019	2020	2021	2022	2023
<b>Cash Basis Net Position:</b>					
Restricted:					
Nonexpendable:					
Cemetery Perpetual Care .....	\$ 288,341	\$ 289,061	\$ 295,271	\$ 292,812	\$ 295,032
Expendable:					
Streets .....	609,228	670,136	740,224	698,583	507,104
Employee Benefits .....	819,355	556,599	506,067	561,959	533,555
Debt Service .....	106,064	139,657	206,878	336,682	260,285
Other Purposes .....	1,658,622	4,074,318	2,715,678	4,453,517	5,601,055
Unrestricted .....	<u>1,997,633</u>	<u>1,365,853</u>	<u>1,410,834</u>	<u>1,304,505</u>	<u>1,040,043</u>
Total Cash Basis Net Position .....	<u>\$ 5,479,243</u>	<u>\$ 7,095,624</u>	<u>\$ 5,874,952</u>	<u>\$ 7,648,058</u>	<u>\$ 8,237,074</u>

Note: (1) Source: Audited financial statements of the City for the fiscal years ended June 30, 2019 through 2023.

**Statement of Cash Receipts, Disbursements and Changes in Cash Balance(1)  
 General Fund**

	Audited for the Year Ended June 30				
	2019	2020	2021	2022	2023
<b>Receipts:</b>					
Property Tax .....	\$1,131,426	\$1,197,281	\$1,468,830	\$1,487,790	\$1,419,692
Other City Tax .....	77,580	84,576	86,262	80,409	78,873
Licenses and Permits .....	72,679	79,541	95,913	87,653	90,318
Use of Money and Property .....	73,721	69,657	52,168	67,697	74,239
Intergovernmental .....	62,700	124,911	155,888	209,828	148,722
Charges for Service .....	190,880	150,159	182,760	201,963	231,906
Miscellaneous .....	99,788	259,064	201,570	56,970	672,300
Total Receipts .....	<u>\$1,708,774</u>	<u>\$1,965,189</u>	<u>\$2,243,392</u>	<u>\$2,192,310</u>	<u>\$2,716,050</u>
<b>Disbursements:</b>					
Operating:					
Public Safety .....	\$1,113,753	\$1,216,265	\$1,216,459	\$1,381,098	\$1,540,334
Public Works .....	64,314	71,531	97,887	86,133	129,354
Culture and Recreation .....	766,045	737,189	744,278	803,336	894,627
General Government .....	223,207	382,463	400,483	426,667	479,670
Capital Projects .....	0	0	105,100	0	0
Total Disbursements .....	<u>\$2,167,319</u>	<u>\$2,407,448</u>	<u>\$2,564,207</u>	<u>\$2,697,234</u>	<u>\$3,043,985</u>
Excess (Deficiency) of Receipts Over (Under) Disbursements .....	<u>\$ (458,545)</u>	<u>\$ (442,259)</u>	<u>\$ (320,815)</u>	<u>\$ (504,924)</u>	<u>\$ (327,935)</u>
Other Financing Sources (Uses):					
Transfers In .....	\$ 545,834	\$ 526,727	\$ 589,966	\$ 643,161	\$ 639,678
Transfers Out .....	(11,000)	(5,500)	(11,000)	(11,000)	(11,000)
Net Other Financing Sources (Uses) .....	<u>\$ 534,834</u>	<u>\$ 521,227</u>	<u>\$ 578,966</u>	<u>\$ 632,161</u>	<u>\$ 628,678</u>
Change in Cash Balances .....	\$ 76,289	\$ 78,968	\$ 258,151	\$ 127,237	\$ 300,743
Cash Balances, Beginning of Year .....	<u>\$ 562,687</u>	<u>\$ 638,976</u>	<u>\$ 717,944</u>	<u>\$ 976,095</u>	<u>\$1,103,332</u>
Cash Balances, End of Year .....	<u>\$ 638,976</u>	<u>\$ 717,944</u>	<u>\$ 976,095</u>	<u>\$1,103,332</u>	<u>\$1,404,075</u>
<b>Cash Basis Fund Balances:</b>					
Unassigned .....	\$ 638,976	\$ 717,944	\$ 976,095	\$1,103,332	\$1,404,075
Total Cash Basis Fund Balances .....	<u>\$ 638,976</u>	<u>\$ 717,944</u>	<u>\$ 976,095</u>	<u>\$1,103,332</u>	<u>\$1,404,075</u>

Note: (1) Source: the City's audited financial statements for fiscal years ending June 30, 2019 through 2023.

## REGISTRATION, TRANSFER AND EXCHANGE

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

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

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

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

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

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

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

## TAX EXEMPTION AND RELATED TAX MATTERS

### Federal Income Tax Exemption

The opinion of Bond Counsel will state that under present laws and rulings, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on noncorporate taxpayers under the Code.

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

There may be certain other federal tax consequences to the ownership of the Bonds by certain taxpayers, including without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security and Railroad Retirement benefits, taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations, and corporations that may be subject to the alternative minimum tax. Bond Counsel will express no opinion with respect to other federal tax consequences to owners of the Bonds. Prospective purchasers of the Bonds should consult with their tax advisors as to such matters.

Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

### **Proposed Changes in Federal and State Tax Law**

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. No prediction is made whether such provisions will be enacted as proposed or concerning other future legislation affecting the tax treatment of interest on the Bonds. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax exempt status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

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

### **Qualified Tax-Exempt Obligations**

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

### **Original Issue Premium**

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

## Original Issue Discount

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

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

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

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

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

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

## CONTINUING DISCLOSURE

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

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

Pursuant to the Rule, in the last five years, the City believes it has complied in all material respects with regard to its prior Disclosure Covenants.

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

### **OPTIONAL REDEMPTION**

Bonds due June 1, 2025 - 2031 inclusive, are not subject to optional redemption. Bonds due June 1, 2032 - 2034, inclusive, are subject to optional redemption 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 the entire principal amount of any Bond in a denomination of more than \$5,000 is to be redeemed, the Bond Registrar will issue and deliver to the registered owner thereof, upon surrender of such original Bond, a new Bond or Bonds, in any authorized denomination, in a total aggregate principal amount equal to the unredeemed balance of the original Bond. Notice of such redemption as aforesaid identifying the Bond or Bonds (or portion thereof) to be redeemed shall be sent by electronic means or mailed by certified mail to the registered owners thereof at the addresses shown on the City's registration books not less than 30 days prior to such redemption date. Any notice of redemption may contain a statement that the redemption is conditioned upon the receipt by the Bond Registrar of funds on or before the date fixed for redemption sufficient to pay the redemption price of the Bonds so called for redemption, and that if funds are not available, such redemption shall be cancelled by written notice to the owners of the Bonds called for redemption in the same manner as the original redemption notice was sent.

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

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

### **LITIGATION**

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

### **LEGAL MATTERS**

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

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

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

### **OFFICIAL STATEMENT AUTHORIZATION**

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

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

### **INVESTMENT RATING**

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

### **UNDERWRITING**

The Bonds were offered for sale by the City at a public, competitive sale on May 28, 2024. The best bid submitted at the sale was submitted by \_\_\_\_\_ (the “Underwriter”). The City awarded the contract for sale of the Bonds to the Underwriter at a price of \$ \_\_\_\_\_ (reflecting the par amount of \$ \_\_\_\_\_, plus a reoffering premium of \$ \_\_\_\_\_, and less an Underwriter’s discount of \$ \_\_\_\_\_). The Underwriter has represented to the City that the Bonds have been subsequently re-offered to the public initially at the yields or prices set forth in the Final Official Statement.

The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into unit investment trusts, certain of which may be sponsored or managed by the Underwriter) at prices lower than the initial public offering prices stated on the cover page. The initial public offering prices of the Bonds may be changed, from time to time, by the Underwriter.



The Underwriter intends to engage in secondary market trading of the Bonds subject to applicable securities laws. The Underwriter is not obligated, however, to repurchase any of the Bonds at the request of the holder thereof.

### MUNICIPAL ADVISOR

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

### MISCELLANEOUS

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

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

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

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

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

/s/ **DYLAN MULFINGER**  
*City Administrator*  
CITY OF OELWEIN  
Fayette County, Iowa

/s/ **BRETT DEVORE**  
*Mayor*  
CITY OF OELWEIN  
Fayette County, Iowa

**APPENDIX A**

**CITY OF OELWEIN  
FAYETTE COUNTY, IOWA**

**FISCAL YEAR 2023 AUDITED FINANCIAL STATEMENTS**

**CITY OF OELWEIN, IOWA**

**INDEPENDENT AUDITOR'S REPORT  
BASIC FINANCIAL STATEMENTS  
SUPPLEMENTARY AND OTHER INFORMATION  
SCHEDULE OF FINDINGS**

**JUNE 30, 2023**

**T. P. ANDERSON & COMPANY, P.C.  
Certified Public Accountants**

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City of Oelwein, Iowa

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Brett DeVore	Mayor	December 2023
Matt Weber	Council Member	December 2023
Dave Lenz	Council Member	December 2025
Lynda Payne	Council Member	December 2023
Dave Garrigus	Council Member	December 2025
Karen Seeders	Council Member	December 2025
Tom Stewart	Council Member	December 2023
Dylan Mulfinger	City Administrator	Indefinite
Barb Rigdon	City Clerk	Indefinite
Lynch Dallas, P.C.	City Attorney	Indefinite



T.P. ANDERSON & COMPANY, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

Independent Auditor's Report

To the Honorable Mayor and Members of the City Council:

Report on the Audit of the Financial Statements

Opinions

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 Oelwein, Iowa, as of and for the year ended June 30, 2023, and the related Notes to Financial Statements, which collectively comprise the City's basic financial statements listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oelwein, as of June 30, 2023, and the respective changes in its cash basis financial position for the year then ended, in accordance with the cash basis of accounting described in Note 1.

Basis for Opinions

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

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

## Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. We previously audited, in accordance with the standards referred to in the "Auditors Responsibilities for the Audit of the Financial Statements" section of this report, the financial statements for the six years ended June 30, 2022, and other auditors previously audited in accordance with standards referred to in the third paragraph of this report, the financial statements for the three years ended June 30, 2016 (which are not presented herein) and expressed unmodified opinions on those financial statements which were prepared on the basis of cash receipts and disbursements. The supplementary information included in Schedules 1 through 7, including the Schedule of Expenditures of Federal Awards required by Title 2, U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance), 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 the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information in Schedules 1 through 7 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### Other Information

Management is responsible for the other information included in this report. The other information comprises the Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedules of the City's Proportionate Share of the Net Pension Liability and the Schedules of City Contributions on pages 5 through 11 and 34 through 41, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or provide any assurance thereon.

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

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*T.P. Anderson & Company, P.C.*

October 23, 2023  
Humboldt, Iowa



## MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Oelwein, Iowa, 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, 2023. We encourage readers to consider this information in conjunction with the City's financial statements, which follow.

### **2023 FINANCIAL HIGHLIGHTS**

- Receipts of the City's governmental activities decreased 35.3%, or approximately \$5,127,000, from fiscal 2022 to fiscal 2023. The decrease in receipts was primarily due to the absence of any loan proceeds received in FY23, compared to receipts of \$4,530,000 in loan proceeds received in fiscal year 2022.
- Disbursements in the City's governmental activities decreased 19.7%, or approximately \$2,313,000, in fiscal 2023 from fiscal 2022. The decrease in disbursements was largely attributed to reduced debt service expenditures for debt paid off in the prior fiscal year.
- The City's total cash basis net position increased approximately \$150,000 from June 30, 2022 to June 30, 2023. Of this amount, the assets of the governmental activities increased approximately \$589,000, while the assets of the business-type activities decreased approximately \$439,000.

### **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.

The Government-wide Financial Statement consists of a Cash Basis Statement of Activities and Net Position. This statement provides information about the activities of the City as a whole and presents an overall view of the City's finances.

The Fund Financial Statements tell how governmental services were financed as well as what remains for future spending. Fund financial statements report the City's operations in more detail than the government-wide financial statement 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.

Other Information further explains and supports the financial statements with a comparison of the City's budget for the year and the City's proportionate share of the net pension liability and related contributions.

Supplementary Information provides detailed information about the nonmajor governmental and proprietary funds. In addition, the Schedule of Expenditures of Federal Awards provides details of various federal programs benefiting the City.

### **BASIS OF ACCOUNTING**

The City maintains its financial records on the basis of cash receipts and disbursements and the financial statements of the City are prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable, and accrued items. Accordingly, the financial statements do not present financial position and results of operations of the funds in accordance with U.S. generally accepted accounting principles. Therefore, when reviewing the financial information and discussion within this annual report, readers should keep in mind the limitations resulting from the use of the cash basis of accounting.

## **REPORTING THE CITY'S FINANCIAL ACTIVITIES**

### *Government-wide Financial Statement*

One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Cash Basis Statement of Activities and Net Position reports information which helps answer this question.

The Cash Basis Statement of Activities and Net Position presents the City's 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 Cash Basis Statement of Activities and Net Position is divided into 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 state and federal grants finance most of these activities.
- Business-Type Activities include the water, sewer, and related funds. 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. The governmental funds include: 1) the General Fund, 2) Special Revenue Funds, such as Road Use Tax and Urban Renewal Tax Increment, 3) the Debt Service Fund, 4) Capital Projects Funds and 5) Permanent Funds. The governmental fund financial statements provide a detailed, short-term view of the City's general government 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 statement for governmental funds is a Statement of Cash Receipts, Disbursements, and Changes in Cash Balances.

- 2) Proprietary funds account for the City's Enterprise Funds. Enterprise Funds are used to report business-type activities. The City maintains twelve Enterprise Funds to provide separate information for the City. The Water and Sewer funds are considered to be major funds of the City.

The required financial statement for proprietary funds is a Statement of Cash Receipts, Disbursements and Changes in Cash Balances.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

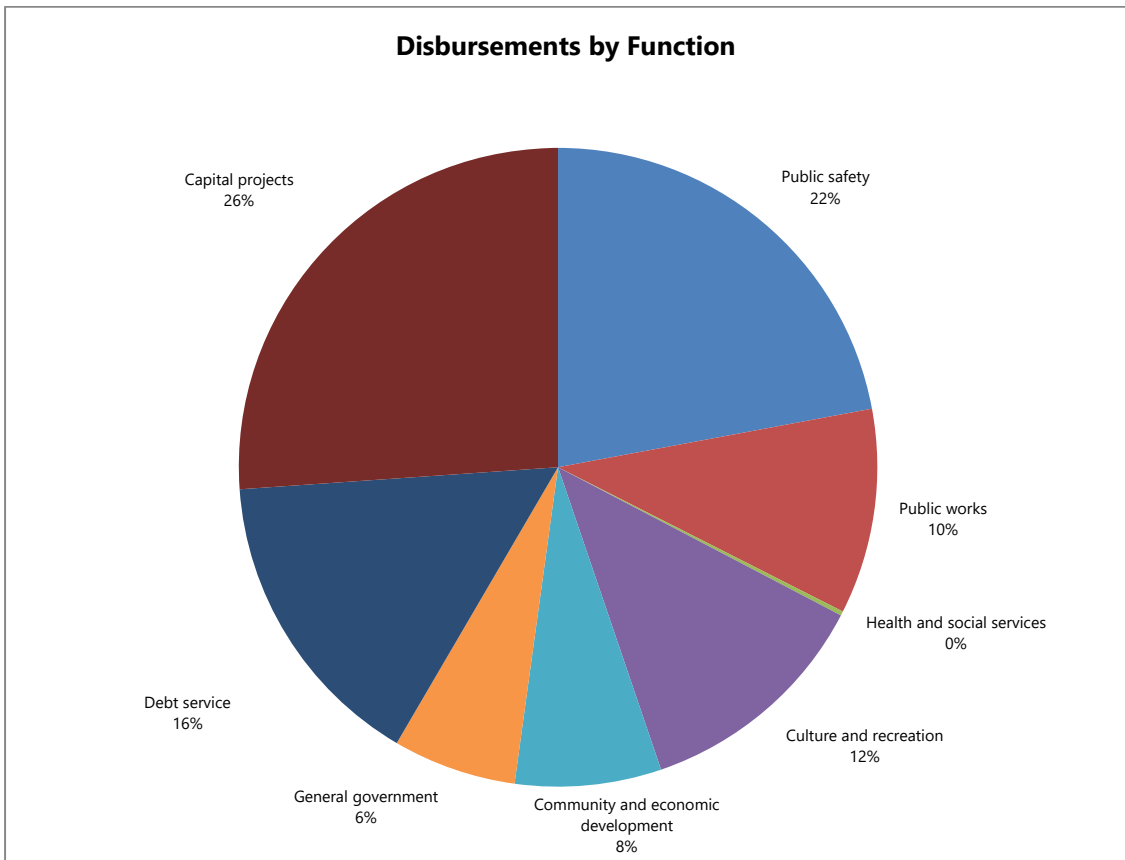
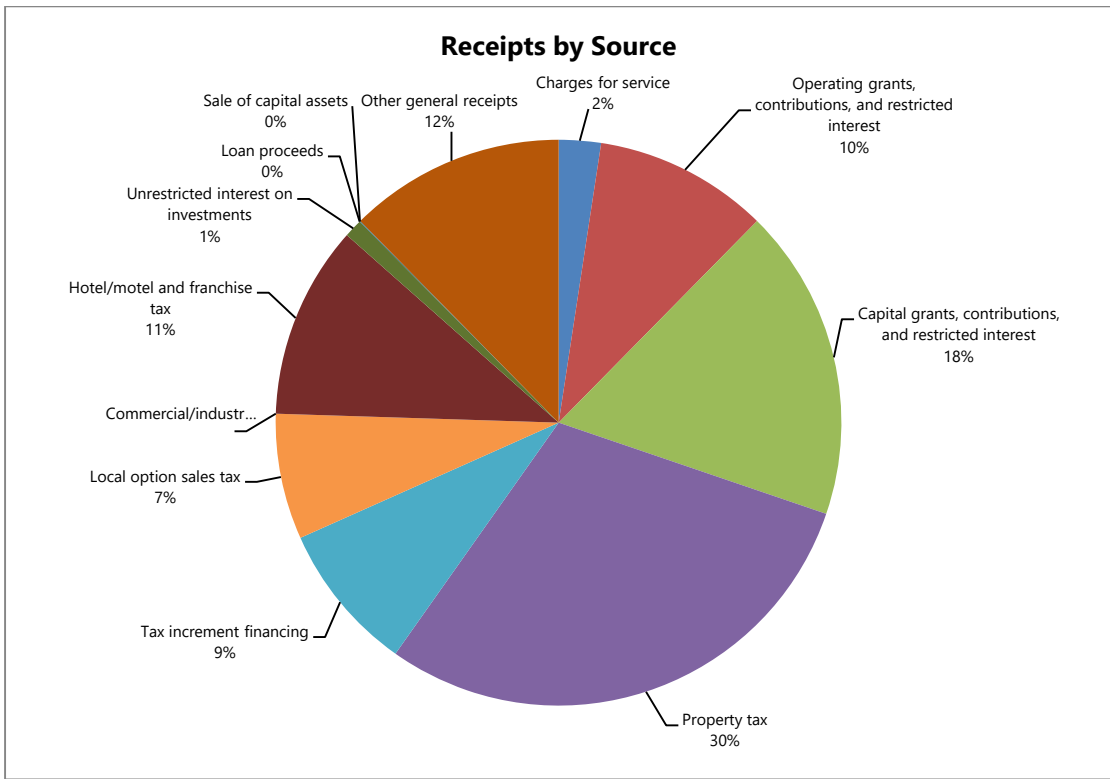
Net position may serve over time as a useful indicator of financial position. The City's cash balance for governmental activities increased from a year ago, increasing from \$7.65 million to \$8.24 million. The analysis that follows focuses on the changes in cash basis net position of governmental activities.

Changes in Cash Basis Net Position of Governmental Activities  
(Expressed in Thousands)

	Year ended June 30,	
	2023	2022
Receipts:		
Program receipts:		
Charges for service	\$ 232	202
Operating grants, contributions, and restricted interest	963	1,053
Capital grants, contributions, and restricted interest	1,227	2,199
General receipts:		
Property tax	2,855	2,902
Tax increment financing	824	1,007
Local option sales tax	694	757
Commercial/industrial property tax replacement	-	111
Hotel/motel and franchise tax	1,066	973
Unrestricted interest on investments	99	18
Loan proceeds	-	4,530
Sale of capital assets	6	137
Other general receipts	1,444	648
Total receipts	<u>9,410</u>	<u>14,537</u>
Disbursements:		
Public safety	2,079	1,910
Public works	980	798
Health and social services	20	19
Culture and recreation	1,140	1,017
Community and economic development	698	940
General government	588	528
Debt service	1,458	3,669
Capital projects	2,460	2,855
Total disbursements	<u>9,423</u>	<u>11,736</u>
Change in cash basis net position before transfers	(13)	2,801
Transfers, net	<u>602</u>	<u>(1,028)</u>
Change in cash basis net position	589	1,773
Cash basis net position, beginning of year	<u>7,648</u>	<u>5,875</u>
Cash basis net position, end of year	<u>\$ 8,237</u>	<u>7,648</u>

The City's total receipts for governmental activities decreased by 35.3%, or approximately \$5,127,000, from the prior year. The total cost of all programs and services decreased by approximately \$2,313,000, or 19.7%. The decrease in receipts was primarily the result of decreased loan proceeds in the current year compared to the previous year.

The cost of all governmental activities this year was approximately \$9.4 million compared to approximately \$11.7 million last year. However, as shown in the Statement of Activities and Net Position on page 11, the amount taxpayers ultimately financed for these activities was only \$7.0 million because some of the cost was paid by those directly benefited from the programs (\$232,000) or by other governments and organizations which subsidized certain programs with grants, contributions, and restricted interest (\$2,190,000). The City paid for the remaining "public benefit" portion of governmental activities with property tax (some of which could only be used for certain programs) and with other receipts, such as interest, local option sales tax, and miscellaneous receipts.



Changes in Cash Basis Net Position of Business-Type Activities  
(Expressed in Thousands)

	Year ended June 30,	
	2023	2022
Receipts:		
Program receipts:		
Charges for service:		
Water	\$ 1,396	1,271
Sewer	1,711	1,656
Other	1,378	1,173
Capital grants, contributions, and restricted interest	-	45
General receipts:		
Unrestricted interest on investments	37	6
Other general receipts	6	4
Total receipts	4,528	4,155
Disbursements:		
Water	1,289	2,105
Sewer	1,492	1,586
Other	1,585	1,665
Total disbursements	4,366	5,356
Change in cash basis net position before transfers	162	(1,201)
Transfers, net	(602)	1,028
Change in cash basis net position	(440)	(173)
Cash basis net position, beginning of year	2,555	2,728
Cash basis net position, end of year	\$ 2,115	2,555

Total business-type activity receipts for the fiscal year were approximately \$4.5 million compared to approximately \$4.2 million last year. The increase is due to higher receipts year-over-year for charges for services as well as from a donation received for capital projects.

**INDIVIDUAL MAJOR GOVERNMENTAL FUND ANALYSIS**

As the City of Oelwein completed the year, its governmental funds reported a combined fund balance of \$8,237,074, an increase of \$589,016 from last year's total of \$7,648,058. The following are the main reasons for the changes in fund balances of the major funds from the prior year.

- The General Fund cash balance increased \$300,743 from the prior year to \$1,404,075. The increase was due to planned operations of the fund.
- The Special Revenue, Road Use Tax Fund cash balance decreased \$191,479 from the prior year primarily due to higher expenses for planned capital projects.
- The Special Revenue, Economic Development Fund cash balance increased \$195,326 from the prior year primarily due to a reduction of transfers to the downtown business grant program during the year. The funding of that program can fluctuate year over year.
- The Special Revenue, Trust & Agency Fund cash balance decreased \$28,404 from the prior year primarily due to planned operations of the fund.

- The Debt Service Fund cash balance decreased \$76,397 to \$260,285. This was due to planned operations of the fund and paying debt according to debt schedules.
- The Capital Projects, Tri-Park Trail Extensions Fund cash balance increased \$54,462 from the prior year to \$853,263, as project expenditures decreased from the prior year while receipts remained steady.
- The Capital Projects, Cares Act cash balance increased \$859,064 from the prior year as the City received in grant funds but have not yet completed planned projects.

### **INDIVIDUAL MAJOR BUSINESS TYPE FUND ANALYSIS**

- The Water Fund cash balance increased \$573,517 from the prior year to \$858,380, primarily due to a transfer from the water infrastructure fund to close out the fund.
- The Sewer Fund cash balance decreased \$169,775 from the prior year primarily due planned operations of the fund.

### **BUDGETARY HIGHLIGHTS**

Over the course of the year, the City amended its budget once. The amendment was approved May 22, 2023 and resulted in increases to various categories of revenues and expenditures. The most significant increases were to budget for additional intergovernmental and other financing sources, and capital project and enterprise activities expenditures. During the year ended June 30, 2023, disbursements did not exceed budgeted limits.

### **DEBT ADMINISTRATION**

At June 30, 2023, the City had \$14.0 million in bonds and other long-term debt outstanding, compared to \$16.1 million last year, as shown below.

	Outstanding Debt at Year-End (Expressed in Thousands)	
	Year ended June 30,	
	2023	2022
General obligation bonds	\$ 8,635	9,750
Revenue notes	4,097	5,101
Other long-term debt	1,228	1,263
Total	<u>\$ 13,960</u>	<u>16,114</u>

Outstanding debt decreased \$2.1 million due to debt service payments being made as scheduled.

The Constitution of the State of Iowa limits the amount of general obligation debt cities can issue to 5% of the assessed value of all taxable property within the City’s corporate limits. The City’s outstanding general obligation debt of \$8.6 million is below its constitutional debt limit of approximately \$15.3 million. Additional information about the City’s long-term debt is presented in Note 3 to the financial statements.

### **ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES**

The City of Oelwein’s elected and appointed officials and citizens considered many factors when setting the fiscal year 2024 budget, tax rates and fees charged for various City activities. One of those factors is the economy. Unemployment in the City now stands at 3.4% versus 2.5% a year ago. This compares with the State’s unemployment rate of 2.7% and the national rate of 3.8%.

These indicators were taken into account when adopting the budget for fiscal year 2024. Amounts available for appropriation in the operating budget are approximately \$15.0 million, an increase of 14.2% over the final fiscal year 2023 budget. The increase is due to the City budgeting higher intergovernmental funding receipts in the next

fiscal year. Budgeted disbursements increased approximately \$950,000, or 6.1% over the prior fiscal year. The increase is due to lower budgeted debt service payments and capital projects expenditures in fiscal 2023. The City has added no major new programs or initiatives to the fiscal year 2024 budget.

If the estimates are realized, the City's cash balance is expected to decrease approximately \$1.5 million by the close of fiscal year 2024.

#### **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City of Oelwein's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Dylan Mulfinger, City Administrator, 20 Second Avenue SW, Oelwein, Iowa 50662.

## **Basic Financial Statements**



City of Oelwein, Iowa  
Cash Basis Statement of Activities and Net Position  
As of and for the year ended June 30, 2023

	Program Receipts			
	Disbursements	Charges for Service	Operating Grants, Contributions, and Restricted Interest	Capital Grants, Contributions, and Restricted Interest
<b>Functions/Programs:</b>				
Governmental activities:				
Public safety	\$ 2,078,676	57,160	42,230	-
Public works	913,126	13,911	859,659	364,505
Health and social services	19,667	-	-	-
Culture and recreation	1,140,435	160,835	61,492	5,000
Community and economic development	697,751	-	-	213,049
General government	588,245	-	-	-
Debt service	1,458,354	-	-	-
Capital projects	2,527,004	-	-	644,835
Total governmental activities	9,423,258	231,906	963,381	1,227,389
Business-type activities:				
Water	1,289,336	1,395,461	-	-
Sewer	1,491,854	1,711,362	-	-
Other business-type activities	1,584,738	1,378,236	-	-
Total business-type activities	4,365,928	4,485,059	-	-
Total functions/programs	\$ 13,789,186	4,716,965	963,381	1,227,389
<b>General Receipts and Transfers:</b>				
Property and other city tax levied for:				
General purposes				
Debt service				
Tax increment financing				
Local option sales tax				
Hotel/motel and franchise tax				
Unrestricted interest on investments				
Loan proceeds				
Miscellaneous				
Sale of capital assets				
Transfers				
Total general receipts and transfers				
Change in cash basis net position				
Cash basis net position, beginning of year				
Cash basis net position, end of year				
<b>Cash Basis Net Position</b>				
Restricted:				
Nonexpendable:				
Cemetery perpetual care				
Expendable:				
Streets				
Employee benefits				
Debt service				
Other purposes				
Unrestricted				
<b>Total cash basis net position</b>				

See notes to financial statements.

Net (Disbursements) Receipts and  
Changes in Cash Basis Net Position

Governmental Activities	Business-Type Activities	Total
(1,979,286)	-	(1,979,286)
324,949	-	324,949
(19,667)	-	(19,667)
(913,108)	-	(913,108)
(484,702)	-	(484,702)
(588,245)	-	(588,245)
(1,458,354)	-	(1,458,354)
(1,882,169)	-	(1,882,169)
(7,000,582)	-	(7,000,582)
-	106,125	106,125
-	219,508	219,508
-	(206,502)	(206,502)
-	119,131	119,131
(7,000,582)	119,131	(6,881,451)
2,384,210	-	2,384,210
470,546	-	470,546
823,599	-	823,599
694,494	-	694,494
1,066,083	-	1,066,083
99,240	37,281	136,521
-	-	-
1,444,217	5,732	1,449,949
5,697	-	5,697
601,512	(601,512)	-
7,589,598	(558,499)	7,031,099
589,016	(439,368)	149,648
7,648,058	2,555,140	10,203,198
\$ 8,237,074	2,115,772	10,352,846
\$ 295,032	-	295,032
507,104	-	507,104
533,555	-	533,555
260,285	240,308	500,593
5,601,055	141,231	5,742,286
1,040,043	1,734,233	2,774,276
\$ 8,237,074	2,115,772	10,352,846

City of Oelwein, Iowa  
Statement of Cash Receipts, Disbursements,  
and Changes in Cash Balances  
Governmental Funds

As of and for the year ended June 30, 2023

	Special Revenue				
	General	Road Use Tax	Economic Development	Trust & Agency	Debt Service
<b>Receipts:</b>					
Property tax	\$ 1,419,692	-	-	911,866	459,267
Tax increment financing	-	-	-	-	-
Other city tax	78,873	-	-	25,942	11,279
Licenses and permits	90,318	-	-	-	-
Use of money and property	74,239	-	6,445	6,388	7,737
Intergovernmental	148,722	814,659	-	-	-
Charges for service	231,906	-	-	-	-
Special assessments	-	-	-	-	-
Miscellaneous	672,300	-	-	13,513	-
Total receipts	<u>2,716,050</u>	<u>814,659</u>	<u>6,445</u>	<u>957,709</u>	<u>478,283</u>
<b>Disbursements:</b>					
<b>Operating:</b>					
Public safety	1,540,334	-	-	511,788	-
Public works	129,354	628,402	-	155,370	-
Health and social services	-	-	-	-	-
Culture and recreation	894,627	-	-	189,183	-
Community and economic dev.	-	-	318,805	33,829	-
General government	479,670	12,632	-	95,943	-
Debt service	-	-	-	-	1,458,354
Capital projects	-	345,104	2,545	-	-
Total disbursements	<u>3,043,985</u>	<u>986,138</u>	<u>321,350</u>	<u>986,113</u>	<u>1,458,354</u>
Excess (deficiency) of receipts over (under) disbursements	<u>(327,935)</u>	<u>(171,479)</u>	<u>(314,905)</u>	<u>(28,404)</u>	<u>(980,071)</u>
<b>Other financing sources (uses):</b>					
Sale of capital assets	-	-	5,697	-	-
Transfers in	639,678	-	634,534	-	903,674
Transfers out	(11,000)	(20,000)	(130,000)	-	-
Net other financing sources (uses)	<u>628,678</u>	<u>(20,000)</u>	<u>510,231</u>	<u>-</u>	<u>903,674</u>
Change in cash balances	300,743	(191,479)	195,326	(28,404)	(76,397)
Cash balances, beginning of year	<u>1,103,332</u>	<u>698,583</u>	<u>676,485</u>	<u>561,959</u>	<u>336,682</u>
Cash balances, end of year	<u>\$ 1,404,075</u>	<u>507,104</u>	<u>871,811</u>	<u>533,555</u>	<u>260,285</u>
<b>Cash Basis Fund Balances</b>					
Nonspendable	\$ -	-	-	-	-
<b>Restricted for:</b>					
Streets	-	507,104	-	-	-
Employee benefits	-	-	-	533,555	-
Debt service	-	-	-	-	260,285
Other purposes	-	-	871,811	-	-
Committed	-	-	-	-	-
Unassigned	1,404,075	-	-	-	-
Total cash basis fund balances	<u>\$ 1,404,075</u>	<u>507,104</u>	<u>871,811</u>	<u>533,555</u>	<u>260,285</u>

See notes to financial statements.

Capital Projects			
Tri-Park Trail			
Extensions	Cares Act	Nonmajor	Total
-	-	63,931	2,854,756
-	-	823,599	823,599
-	-	1,644,483	1,760,577
-	-	-	90,318
8,858	10,611	38,791	153,069
-	443,085	784,304	2,190,770
-	-	-	231,906
-	-	55,897	55,897
250,250	-	308,110	1,244,173
<u>259,108</u>	<u>453,696</u>	<u>3,719,115</u>	<u>9,405,065</u>
-	-	26,554	2,078,676
-	-	-	913,126
-	-	19,667	19,667
-	-	56,625	1,140,435
-	-	345,117	697,751
-	-	-	588,245
-	-	-	1,458,354
214,646	36,544	1,928,165	2,527,004
<u>214,646</u>	<u>36,544</u>	<u>2,376,128</u>	<u>9,423,258</u>
<u>44,462</u>	<u>417,152</u>	<u>1,342,987</u>	<u>(18,193)</u>
-	-	-	5,697
10,000	441,912	142,428	2,772,226
-	-	(2,009,714)	(2,170,714)
<u>10,000</u>	<u>441,912</u>	<u>(1,867,286)</u>	<u>607,209</u>
54,462	859,064	(524,299)	589,016
798,801	-	3,472,216	7,648,058
<u>853,263</u>	<u>859,064</u>	<u>2,947,917</u>	<u>8,237,074</u>
-	-	295,032	295,032
-	-	-	507,104
-	-	-	533,555
-	-	-	260,285
853,263	859,064	2,687,987	5,272,125
-	-	328,930	328,930
-	-	(364,032)	1,040,043
<u>853,263</u>	<u>859,064</u>	<u>2,947,917</u>	<u>8,237,074</u>

City of Oelwein, Iowa

Statement of Cash Receipts, Disbursements,  
and Changes in Cash Balances  
Proprietary Funds

As of and for the year ended June 30, 2023

	Enterprise			Total
	Water	Sewer	Nonmajor	
Operating receipts:				
Charges for service	\$ 1,395,461	1,711,362	1,132,603	4,239,426
Intergovernmental			245,633	245,633
Miscellaneous	-	-	5,732	5,732
Total operating receipts	<u>1,395,461</u>	<u>1,711,362</u>	<u>1,383,968</u>	<u>4,490,791</u>
Operating disbursements:				
Business-type activities	<u>894,093</u>	<u>763,667</u>	<u>1,030,375</u>	<u>2,688,135</u>
Excess (deficiency) of operating receipts over (under) operating disbursements	<u>501,368</u>	<u>947,695</u>	<u>353,593</u>	<u>1,802,656</u>
Non-operating receipts (disbursements):				
Interest on investments	15,141	21,689	451	37,281
Debt service	(337,296)	(685,580)	-	(1,022,876)
Capital projects	(57,947)	(42,607)	(554,363)	(654,917)
Net non-operating receipts (disbursements)	<u>(380,102)</u>	<u>(706,498)</u>	<u>(553,912)</u>	<u>(1,640,512)</u>
Excess (deficiency) of receipts over (under) disbursements	<u>121,266</u>	<u>241,197</u>	<u>(200,319)</u>	<u>162,144</u>
Transfers in	555,221	50,940	66,470	672,631
Transfers out	(102,970)	(461,912)	(709,261)	(1,274,143)
Net transfers in (out)	<u>452,251</u>	<u>(410,972)</u>	<u>(642,791)</u>	<u>(601,512)</u>
Change in cash balances	573,517	(169,775)	(843,110)	(439,368)
Cash balances, beginning of year	<u>284,863</u>	<u>1,477,265</u>	<u>793,012</u>	<u>2,555,140</u>
Cash balances, end of year	<u>\$ 858,380</u>	<u>\$ 1,307,490</u>	<u>(50,098)</u>	<u>2,115,772</u>
<b>Cash Basis Fund Balances</b>				
Restricted for:				
Debt service	\$ 134,717	105,591	-	240,308
Other purposes	-	-	141,231	141,231
Unrestricted	<u>723,663</u>	<u>1,201,899</u>	<u>(191,329)</u>	<u>1,734,233</u>
Total cash basis fund balances	<u>\$ 858,380</u>	<u>\$ 1,307,490</u>	<u>(50,098)</u>	<u>2,115,772</u>

See notes to financial statements.

CITY OF OELWEIN, IOWA  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

**(1) Summary of Significant Accounting Policies**

The City of Oelwein is a political subdivision of the State of Iowa located in Fayette County. It was first incorporated in 1873 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 non-partisan basis. The City provides numerous services to citizens including public safety, public works, health and social services, culture and recreation, community and economic development, and general government services. The City also provides water, sewer, garbage, and recycling services to its citizens.

A. Reporting Entity

For financial reporting purposes, the City of Oelwein has included all funds, organizations, account groups, 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 (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (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. The City has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organizations

The City participates in several jointly governed organizations that provide goods or services to the citizenry of the City but do 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 and commissions: Fayette County's Assessor's Conference Board, Fayette County Homeland Security/Emergency Management Commission, Fayette County Compensation Board, Fayette County E911, Fayette County Local Emergency Planning Committee, Fayette County Solid Waste Management Commission, Bremer County/City of Oelwein Law Enforcement Mutual Aid, Fayette County Firemen's Association, Buchanan County Firemen's Association, Iowa Firemen's Association, Iowa Fire Chief's Association, Iowa Arson Investigators Association, International Fire Chief's Association, Oelwein Change and Area Development, Northeast Iowa City Managers, Northeast Iowa Regional League, Iowa League of Cities, Iowa City Management Association, Iowa Water Pollution Control Association, Northeast Iowa Clerks Association, Iowa Municipal Finance Officers Association, Iowa Police Chiefs Association, Peace Officers Association, International Association of Police Chiefs, Iowa Crime Prevention Association, Governors Inoperability Board, Iowa Association of Municipal Utilities, Iowa Rural Water Association, Iowa Municipal Workers Compensation Association, Trees Forever, National Arbor Day Foundation, Iowa Concrete Association, Iowa Asphalt Association, National Swimming Pool Association, Law Enforcement Intelligence Network, Upper Explorerland Regional Planning Commission, International City Management Association, Senior Human Resource Management, National City Manager Association, National Junior City Manager Association, Midwest Organized Crime Information Center, Fayette County Library Association, American Public Works Association and the Iowa Library Association.

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B. Basis of Presentation

Government-wide Financial Statement – The Cash Basis Statement of Activities and Net Position reports information on all the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from this statement. Governmental activities, which are supported by tax and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services.

This Cash Basis Statement of Activities and Net Position presents the City’s nonfiduciary net position. Net position is reported in the following categories/components:

*Nonexpendable restricted net position* is subject to externally imposed stipulations which require them to be maintained permanently by the City, including the City’s Permanent Fund.

*Expendable restricted net position* result when constraints placed on the use of cash balances are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

*Unrestricted net position* consists of cash balances not meeting the definition of the preceding categories. Unrestricted net position is often subject to constraints on resources imposed by management which can be removed or modified.

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

Fund Financial Statements – Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise 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:

The General Fund is the general operating fund of the City. All general tax receipts from general and emergency levies and other receipts 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 disbursements, the fixed charges and the capital improvement costs that are not paid from other funds.

Special Revenue:

The Economic Development Fund accounts for receipts and disbursements intended to foster and support economic growth and enhance quality of life in

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the City.

The Trust & Agency Fund is used to account for the property tax receipts and disbursements received and paid for employee's pension and benefit costs.

The Road Use Fund is used to account for the road use tax allocation from the State of Iowa to be used for road construction and maintenance.

The Debt Service Fund is utilized to account for property tax and other receipts to be used for the payment of interest and principal on the City's general obligation debt.

Capital Projects:

The Tri-Park Trail Extensions Fund accounts for receipts and disbursements intended for the Tri-Park Trail project.

The CARES Act Fund accounts for receipts and disbursements intended for the use of the federal dollars to be used in accordance with grant terms and conditions.

The City reports the following major proprietary funds:

The Water Fund accounts for operation and maintenance of the City's water system.

The Sewer Fund accounts for operation and maintenance of the City's waste water treatment and sanitary sewer system.

C. Measurement Focus and Basis of Accounting

The City maintains its financial records on the basis of cash receipts and disbursements and the financial statements of the City are prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable, and accrued items. Accordingly, the financial statements do not present financial position and results of operations of the funds in accordance with the U.S. generally accepted accounting principles.

Under terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general receipts. Thus, when program disbursements are paid, there are both restricted and unrestricted cash basis 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 receipts.

When a disbursement in governmental funds can be paid using either restricted or unrestricted resources, the City's policy is generally to first apply the disbursement toward restricted fund balance and then to less restrictive classifications - committed, assigned, and then unassigned fund balances.

Proprietary funds distinguish operating receipts and disbursements from non-operating items. Operating receipts and disbursements generally result from providing services and producing and



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delivering goods in connection with a proprietary fund's principal ongoing operations. All receipts and disbursements not meeting this definition are reported as non-operating receipts and disbursements.

D. Property Taxes and Governmental Cash Basis Fund Balances

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

Property tax revenues recognized in the governmental funds become due and collectible in September and March of the current fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2021 assessed property valuations; is for the tax accrual period July 1, 2022 through June 30, 2023 and reflects tax asking contained in the budget certified to the City Council in March 2022.

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

Nonspendable – Amounts which cannot be spent because they are legally or contractually required to be maintained intact.

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

Committed – Amounts restricted to specific purposes when constraints placed on the use of resources are internally imposed in formal action by the City Council.

Assigned – Amounts the Council intends to use for specific purposes.

Unassigned – All amounts not included in other spendable classifications.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Other Information. During the year ended June 30, 2023, disbursements did not exceed the amounts budgeted.

**(2) Cash and Pooled Investments**

The City's deposits in banks at June 30, 2023 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 ensure there will be no loss of public funds.

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

The City had no investments meeting the disclosure requirements of Governmental Accounting Standards

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Board Statement No. 72.

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

**(3) Bonds and Notes Payable**

A summary of changes in bonds and notes payable for the year ended June 30, 2023 is as follows:

	Beginning Balances	Increases	Decreases	Ending Balances	Due Within One Year
Governmental activities:					
Urban Renewal Tax Increment	\$ 3,000,000	-	450,000	2,550,000	460,000
General Obligation Bonds	6,750,000	-	665,000	6,085,000	610,000
Other long-term debt	1,263,124	-	34,819	1,228,305	51,390
Governmental activities total	<u>\$ 11,013,124</u>	<u>-</u>	<u>1,149,819</u>	<u>9,863,305</u>	<u>1,121,390</u>
Business type activities:					
Water Revenue Notes	\$ 2,222,137	-	376,000	1,846,137	386,000
Sewer Revenues Notes	2,879,000	-	628,000	2,251,000	613,000
Business type activities total	<u>\$ 5,101,137</u>	<u>-</u>	<u>1,004,000</u>	<u>4,097,137</u>	<u>999,000</u>

General Obligation Debt

A summary of the City’s June 30, 2023 general obligation bonds payable is as follows:

Year Ending June 30,	Oelwein Chamber and Area Development Inc. Issued Feb. 16, 2016			Street & Infrastructure Improvements Issued Sept. 22, 2016		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
2024	3.10%	\$ 460,000	92,000	1.65%	\$ 60,000	8,058
2025	3.40%	470,000	77,740	1.65%	75,000	7,068
2026	3.60%	485,000	61,760	2.00%	75,000	5,830
2027	3.80%	550,000	44,300	2.00%	40,000	4,330
2028	4.00%	585,000	23,400	2.00%	40,000	3,530
2029-2033		-	-	2.10%	130,000	2,730
Total		<u>\$ 2,550,000</u>	<u>299,200</u>		<u>\$ 420,000</u>	<u>31,545</u>

Year Ending June 30,	Capital Improvements Issued Feb. 25, 2020			Capital Improvements Issued Apr. 12, 2022		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
2024	2.00%	\$ 210,000	37,300	2.125%	\$ 340,000	83,100
2025	2.00%	220,000	33,100	2.125%	345,000	75,875
2026	2.00%	225,000	28,700	2.125%	355,000	68,544
2027	2.00%	235,000	24,200	2.125%	360,000	61,000
2028	2.00%	240,000	19,500	2.125%	370,000	53,350
2029-2033	2.00%	735,000	34,600	2.125-2.5%	1,720,000	144,706

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2034-2038	-	-	2.50%	310,000	11,625
Total	\$ 1,865,000	177,400		\$ 3,800,000	498,200

Year Ending June 30,	Totals		
	Principal	Interest	Totals
2024	\$ 1,070,000	220,458	1,290,458
2025	1,110,000	193,783	1,303,783
2026	1,140,000	164,834	1,304,834
2027	1,185,000	133,830	1,318,830
2028	1,235,000	99,780	1,334,780
2029-2033	2,585,000	182,036	2,767,036
2034-2038	310,000	11,625	321,625
Total	\$ 8,635,000	1,006,345	9,641,345

On February 16, 2016, the City issued \$4,300,000 of urban renewal general obligation bonds with an interest rate ranging from 2.0-4.0% per annum. The bonds were issued for expenses related to making an urban renewal economic development grant to Oelwein Chamber and Area Development Inc. in connection with the acquisition of East Penn Manufacturing real estate. During the year ended June 30, 2023, the City paid \$450,000 of principal and \$104,600 of interest on the bonds.

On September 22, 2016, the City issued \$1,100,000 of general obligation bonds with an interest rate ranging from 1.0-2.1% per annum. The bonds were issued for expenses related to finance the construction of street, sanitary sewer, sewage treatment and waterworks improvement and acquisition of equipment for the City's street department. During the year ended June 30, 2023, the City paid \$135,000 of principal and \$9,948 of interest on the bonds.

On February 25, 2020, the City issued \$2,385,000 of general obligation bonds with an interest rate of 2.0% per annum. The bonds were issued for expenses related to improvements to streets, the acquisition of emergency communication equipment for the police department, the acquisition of equipment for the fire department, improvements and adding trails to the City's system of trails, and improvements and upgrading equipment at the Municipal Swimming Pool. During the year ended June 30, 2023, the City paid \$210,000 of principal and \$41,500 of interest on the bonds.

On April 12, 2022, the City issued \$4,120,000 of general obligation bonds with an interest rate ranging from 2.125-2.50% per annum. The bonds were issued for expenses related to improvements to streets, sanitary sewer system, storm water drainage, water system and sidewalk improvements, along with acquiring and installing street lighting, signage, and signalization improvements, acquisition of dangerous, dilapidated, and/or abandoned properties, acquiring vehicles and equipment for the municipal fire department, and improvements to the municipal aquatic center, recreation trails, and city hall. During the year ended June 30, 2023, the City paid \$320,000 of principal and \$102,136 of interest on the bonds.

Revenue Notes

A summary of the City's June 30, 2022 revenue notes payable is as follows:

Year Ending June 30,	Sewer			Water		
	Issued June 27, 2005			Issued Sept. 15, 2010		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
2024	3.0%	\$ 551,000	29,785	3.0%	\$ 103,000	12,570
2025	3.0%	567,000	20,143	3.0%	106,000	9,570

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2026	3.0%	584,000	10,220	3.0%	110,000	6,480
2027		-	-		-	-
2028		-	-		-	-
2029-2033		-	-		-	-
2034-2038		-	-		-	-
Total		<u>\$ 1,702,000</u>	<u>60,148</u>		<u>\$ 319,000</u>	<u>19,350</u>

Year Ending June 30,	Sewer Issued Nov. 9, 2012			Water Issued Sept. 22, 2016		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
2024	2.0%	\$ 46,000	7,875	1.85%	\$ 75,000	6,308
2025	2.0%	47,000	7,070	1.85%	80,000	4,920
2026	2.0%	48,000	6,248	2.15%	80,000	3,440
2027	2.0%	49,000	5,408	2.15%	80,000	1,720
2028	2.0%	50,000	4,550		-	-
2029-2033	2.0%	210,000	9,275		-	-
2034-2038		-	-		-	-
Total		<u>\$ 450,000</u>	<u>40,425</u>		<u>\$ 315,000</u>	<u>16,388</u>

Year Ending June 30,	Sewer Issued Apr 13, 2018			Water Issued Apr. 13, 2018		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
2024	2.0%	\$ 16,000	4,393	2.0%	\$ 66,000	20,108
2025	2.0%	16,000	4,113	2.0%	68,000	18,953
2026	2.0%	16,000	3,833	2.0%	69,000	17,762
2027	2.0%	17,000	3,553	2.0%	71,000	16,555
2028	2.0%	17,000	3,255	2.0%	72,000	15,313
2029-2033	2.0%	17,000	2,958	2.0%	381,000	57,190
2034-2038		-	-	2.0%	349,000	22,453
Total		<u>\$ 99,000</u>	<u>22,103</u>		<u>\$ 1,076,000</u>	<u>168,332</u>

Year Ending June 30,	Water Issued May 28, 2021			Totals		
	Interest Rates	Principal	Interest	Principal	Interest	Total
2024	1.75%	\$ 142,000	7,595	\$ 999,000	85,633	1,084,633
2025	1.75%	145,000	5,110	1,029,000	66,788	1,095,788
2026	1.75%	147,000	2,573	1,054,000	47,375	1,101,375
2027		-	-	217,000	27,235	244,235
2028		-	-	139,000	23,118	162,118
2029-2033		-	-	608,000	69,423	677,423
2034-2038		-	-	349,000	22,453	371,453
Total		<u>\$ 434,000</u>	<u>15,278</u>	<u>\$ 4,395,000</u>	<u>342,022</u>	<u>4,737,022</u>

The City has pledged future water customer receipts, net of specific operating disbursements to repay \$3,546,000 in revenue bonds issued in September 2010, September 2016, April 2018, and May 2021. Proceeds from the notes provided financing for the improvements to the water distribution system. The notes are payable solely from water customer net receipts and are payable through 2038. The total principal and interest remaining to be paid on the notes is \$2,363,347. For the current year, principal and interest paid and total customer net receipts were \$337,296 and \$501,368, respectively.

The City has pledged future sewer customer receipts, net of specific operating disbursements to repay \$10,192,000 in revenue bonds issued in June 2005, November 2012 and April 2018. Proceeds from the

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notes provided financing for the construction and improvements to the sewer treatment system. The notes are payable solely from sewer customer net receipts and are payable through 2035. The total principal and interest remaining to be paid on the notes is \$2,373,675. For the current year, principal and interest paid and total customer net receipts were \$685,580 and \$947,695, respectively.

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

- (a) The bonds/notes will only be redeemed from the future earnings of the enterprise activity and the note holders hold a lien on the future earnings of the fund.
- (b) Sufficient monthly transfers shall be made to separate water and sewer revenue note sinking accounts within the Enterprise Funds for the purpose of making the note principal and interest payments when due.
- (c) Additional monthly transfers shall be made to a water reserve account within the Enterprise Funds until a specific minimum balance has been accumulated in the account. This account is restricted for the purpose of paying for any additional improvements, extensions or repairs to the system.
- (d) The notes require the system generate sewer and water net revenues sufficient to 110% of the current year principal and interest installment. The Series 2021 Water Revenue bond requires the system generate water net revenue sufficient to 120% of the current year principal and interest installment until the Series 2016D bonds have been paid.

Other Long-Term Debt

The City has entered into three loan agreements with the United States Department of Agriculture (USDA) in April 2008, September 2015 and October 2019 to administer an Intermediary Relending Program (IRP) with a maximum limit of \$500,000 for each loan.

The IRP loans are used to help finance businesses in the City that will create permanent employment, diversification of the local economy, or increase the local tax base of the City. Community development projects are also eligible for IRP loans. The total principal and interest remaining to be paid on the notes is \$1,379,652.

For the current year, principal and interest paid to the USDA by the City were \$47,450 and payments received from businesses to the City were \$209,876. A summary of the City's June 30, 2023 other long term debt payable is as follows:

Year Ending June 30,	USDA Relending #1		USDA Relending #2		USDA Relending #3		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	18,283	2,942	16,884	4,341	16,223	5,000	51,390	12,283
2025	18,466	2,759	17,053	4,173	16,385	4,838	51,904	11,770
2026	18,650	2,575	17,223	4,002	16,549	4,674	52,422	11,251
2027	18,837	2,388	17,395	3,830	16,714	4,508	52,947	10,726
2028	19,025	2,200	17,569	3,656	16,881	4,341	53,476	10,197
2029-2033	98,018	8,107	90,518	15,604	86,974	19,140	275,509	42,852
2034-2038	102,908	3,376	95,135	10,990	91,410	14,704	289,453	29,070
2039-2043	-	-	99,988	6,137	96,073	10,041	196,061	16,178
2044-2048	-	-	62,355	1,251	100,974	5,140	163,329	6,391
2049-2053	-	-	-	-	41,817	628	41,817	628
	\$ 294,187	24,349	434,119	53,983	500,000	73,015	1,228,306	151,346

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**(4) Pension Plan**

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 the Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at PO Box 9117, Des Moines, Iowa 50306-9117 or at [www.ipers.org](http://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, any time 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, except members with service before June 30, 2012 will use the highest three-year average salary as of that date if it is greater than the highest five-year average salary.

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

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

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

Contributions – Contribution rates are established by IPERS following the annual actuarial valuation which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. State statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires 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

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determined as a level percentage of payroll based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2023, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the City contributed 9.44% of covered payroll, for a total rate of 15.73%.

The City's contributions to IPERS for the year ended June 30, 2023 totaled \$168,178.

Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2023, the City reported a liability of \$748,830 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2022, the City's proportion was 0.018867%, which was a decrease of 0.002256% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the City's pension expense, deferred outflows of resources, and deferred inflows of resources totaled (\$10,752), \$758,869 and \$815,473, respectively.

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of a quadrennial experience study covering the period of July 1, 2017 through June 30, 2021.

Mortality rates used in the 2022 valuation were based on the PubG-2010 mortality tables with future mortality improvements modeled using Scale MP-2021.

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

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Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	22.0%	3.57%
International equity	17.5	4.79
Global smart beta equity	6.0	4.16
Core plus fixed income	20.0	1.66
Public credit	4.0	3.77
Cash	1.0	0.77
Private equity	13.0	7.57
Private real assets	8.5	3.55
Private credit	8.0	3.63
Total	100.0%	

Discount Rate – The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the contractually required rate and contributions from the City will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS’ fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on IPERS’ investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of City’s Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate – The following presents the City’s proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00%, as well as what the City’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1% lower (6.00%) or 1% higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
City’s proportionate share of the net pension liability	\$ 1,395,161	748,830	179,235

IPERS’ Fiduciary Net Position – Detailed information about IPERS’ fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS’ website at [www.ipers.org](http://www.ipers.org).

***Municipal Fire and Police Retirement System of Iowa (MFPRSI)***

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

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



CITY OF OELWEIN, IOWA  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

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

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

Active members at least 55 years of age with 22 or more years of service have the option to participate in the Deferred Retirement Option Program (DROP). The DROP is an arrangement whereby a member who is otherwise eligible to retire and commence benefits opts to continue to work. A member can elect a 3, 4, or 5 year DROP period. When electing to participate in DROP, the member signs a contract stating the member will retire at the end of the selected DROP period. During the DROP period, the member's retirement benefit is frozen and a DROP benefit is credited to a DROP account established for the member. Assuming the member completes the DROP period, the DROP benefit is equal to 52% of the member's retirement benefit at the member's earliest date eligible and 100% if the member delays enrollment for 24 months. At the member's actual date of retirement, the member's DROP account will be distributed to the member in the form of a lump sum to rollover to an eligible plan.

Disability and Death Benefits – Disability benefits may be either accidental or ordinary. Accidental disability is defined as a permanent disability incurred in the line of duty, with benefits equivalent to the greater of 60% of the member's average final compensation or the member's service retirement benefit calculation amount. Ordinary disability occurs outside the call of duty and pays benefits equivalent to the greater of 50% of the member's average final compensation for those with 5 or more years of service or the member's service retirement benefit calculation amount and 25% of average final compensation for those with less than 5 years of service.

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

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

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

Contributions – Member contribution rates are set by state statute. In accordance with Chapter 411 of the Code of Iowa, the contribution rate was 9.40% of earnable compensation for the year ended June 30, 2023.

CITY OF OELWEIN, IOWA  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Employer contribution rates are based upon an actuarially determined normal contribution rate and set by state statute. The required actuarially determined contributions are calculated on the basis of the entry age normal method as adopted by the Board of Trustees as permitted under Chapter 411 of the Code of Iowa. The normal contribution rate is provided by state statute to be the actuarial liabilities of the plan less current plan assets, with such total divided by 1% of the actuarially determined present value of prospective future compensation of all members, further reduced by member contributions and state appropriations. Under the Code of Iowa, the City's contribution rate cannot be less than 17.00% of earnable compensation. The contribution rate was 23.90% for the year ended June 30, 2023.

The City's contributions to MFPRSI for the year ended June 30, 2023 totaled \$188,526.

If approved by the State Legislature, state appropriations may further reduce the City's contribution rate, but not below the minimum statutory contribution rate of 17.00% of earnable compensation. The State of Iowa, therefore, is considered to be a non-employer contributing entity in accordance with the provisions of Governmental Accounting Standards Board Statement No. 67, *Financial Reporting for Pension Plans*.

There were no state appropriations to MFPRSI during the year ended June 30, 2023.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2023, the City reported a liability of \$1,133,165 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022 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 MFPRSI relative to the contributions of all MFPRSI participating employers. At June 30, 2022, the City's proportion was 0.201785%, which was a decrease of 0.004974% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the City's pension expense, deferred outflows of resources and deferred inflows of resources totaled \$107,130, \$779,054 and \$720,391, respectively.

Actuarial Assumptions – The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation	3.00% per annum.
Rates of salary increase	3.75 to 15.11% average, including inflation.
Investment rate of return	7.50%, net of investment expense, including inflation.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2010 through June 30, 2020.

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

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

CITY OF OELWEIN, IOWA  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

allocation percentage and by adding expected inflation. The best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Broad Fixed Income	3.5%
Broad U.S. Equity	6.7
Global Equity	6.8
Broad Non-US Equity	7.0
Managed Futures	5.1
Emerging Market	7.2
Real Estate – Core	6.4
Opportunistic Real Estate	11.0
Global Infrastructure	6.8
Private Credit	8.6
Private Equity	12.0

Discount Rate – The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed contributions will be made at 9.40% of covered payroll and the City’s contributions will be made at rates equal to the difference between actuarially determined rates and the member rate. Based on those assumptions, the MFPRSI’s fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on MFPRSI’s 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 7.50%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate 1% lower (6.50%) or 1% higher (8.50%) than the current rate.

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
City’s proportionate share of the net pension liability	\$ 2,050,817	1,133,165	372,877

MFPRSI’s Fiduciary Net Position – Detailed information about MFPRSI’s fiduciary net position is available in the separately issued MFPRSI financial report which is available on MFPRSI’s website at [www.mfprsi.org](http://www.mfprsi.org).

**(5) Other Postemployment Benefits (OPEB)**

Plan Description – 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. The City currently finances the benefit plan on a pay-as-you-go basis. For the year ended June 30, 2023, the City contributed \$575,060 and plan members eligible for benefits contributed \$66,078 to the plan. At June 30, 2023, no assets have been accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

CITY OF OELWEIN, IOWA  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

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 drug benefits as active employees, which results in an implicit rate subsidy.

Retired participants must be age 55 or older at retirement, with the exception of special service participants who must be age 50 with 22 years of services. At June 30, 2023, there were 35 active and no retired members covered by the benefit terms.

**(6) 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. Earned vacation is paid when used or when employment is terminated upon retirement or death. These accumulations are not recognized as expenditures by the City until they are used or paid.

Certain unused sick leave, while not payable to a City employee upon retirement, may be credited to a “benefit account.” Amounts credited to the “benefit account” are based on an employee’s pay rate, their accumulated sick leave hours, and their years of service. Funds deposited to these accounts may be used by a former employee for certain health care related expenses.

The City’s approximate liability for earned vacation and sick leave payable at June 30, 2023, primarily relating to the General Fund, is as follows:

Type of Benefit	Amount
Vacation	\$ 142,923
Sick Leave	747,063
Total	<u>\$ 889,986</u>

This liability has been computed based on rates of pay in effect at July 1, 2024.

**(7) Deficit Balances**

At June 30, 2023, the following funds had deficit balances:

Fund:	Amount:
Capital Project - Airport Grant	\$ (24,910)
Capital Project - Plaza Park Expansion	(339,122)
Proprietary - West Water Tower	(300,682)

The City is aware of these deficits, and is actively working to eliminate them.

CITY OF OELWEIN, IOWA  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

**(8) Interfund Transfers**

The detail of interfund transfers, for the year ended June 30, 2023 is as follows:

Transfer to	Transfer from	Amount
General	Special Revenue:	
	Road Use Tax	\$ 20,000
	Emergency	43,233
	Local Option Sales Tax	207,658
	Hotel/Motel Tax	32,367
	Gas-Electric Franchise	204,790
	Economic Development	55,000
	Enterprise:	
	Water	20,000
	Landfill	36,630
	Sewer	20,000
		<u>639,678</u>
Special Revenue: Economic Development	Special Revenue: Local Option Sales Tax	484,534
	Downtown TIF	150,000
		<u>634,534</u>
Special Revenue: Downtown Business Grants	Special Revenue: Economic Development	<u>75,000</u>
Special Revenue: Volunteer Fire Department	General	<u>11,000</u>
Debt Service	Special Revenue:	
	Gas-Electric Franchise	159,001
	East Penn	661,703
	Enterprise:	
	Water	82,970
		<u>903,674</u>
Enterprise: Sewer Bond Sinking	Enterprise: Sewer Infrastructure	<u>50,940</u>
Capital Projects: Tri Park Trail Extensions	Special Revenue: Hotel/Motel Tax	<u>10,000</u>
Capital Projects: '23 HMA Paving Imp	Special Revenue: Special Assessments	<u>56,428</u>

CITY OF OELWEIN, IOWA  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Enterprise: Water	Capital Projects: West Water Tower Project	174,466
	Enterprise: Water Infrastructure Fee	380,755
		555,221
Capital Projects: Cares Act	Enterprise: Sewer	441,912
Enterprise: Reed Bed Exp	Enterprise: Sewer Infrastructure	66,470
		\$ 3,444,857

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

**(9) Risk Management**

The City 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.

**(10) Related Party Transactions**

The City had business transactions between the City and City officials totaling \$100,349 during the year ended June 30, 2023.

**(11) Contracts/Commitments**

In 2016, the City agreed to contribute \$350,000 to the Oelwein Community School District over a period of ten years for the College and Career Ready Program. The amount remaining on this commitment is \$140,000 at June 30, 2023.

The City has contracted with Fayette County Solid Waste Management Commission for solid waste disposal. Total payments by the City under this agreement for the year ended June 30, 2023 were \$197,313. This agreement is perpetual unless otherwise terminated or dissolved. The City is assessed a fee based on tonnage received at the landfill. The fee is adjusted annually.

The City has contracted with Black Hawk Waste Disposal for the collection and hauling of residential solid waste. The City bills and collects the fees for this service according to the rates prescribed in the agreement. Total payments by the City under this agreement for the year ended June 30, 2023 were \$258,020. This agreement extends through April 1, 2023.

CITY OF OELWEIN, IOWA  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

The City has contracted with Kluesner Sanitation LLC for the collection and hauling of residential solid waste. The City bills and collects the fees for this service according to the rates prescribed in the agreement. Total payments by the City under this agreement for the year ended June 30, 2023 were \$95,419. This agreement extends through March 31, 2028.

The City has contracted with Oelwein Community School District for the shared use and occupancy of Oelwein Wellness Center on September 1, 2019. Oelwein Community School District agrees to pay \$24,000 each year for the use of the Wellness facility. This agreement extends through August 31, 2024.

**(12) Lease Receivable**

The City has an agreement to lease tillable land to a third party that began March 1, 2022 and is effective for a 3 year period. The City is to receive \$36,225 in land rent annually with an estimated incremental lending rate of 5.0%.

Year Ended June 30,	Principal	Interest	Total
2024	\$ 35,040	\$ 1,185	\$ 36,225

**(13) Litigation**

The City is subject to pending litigation where the estimate of damages and probability of loss, if any, is undeterminable as of June 30, 2023.

**(14) Development Agreements**

Forsyth Management Company, LLC - The City agreed to pay an amount not to exceed \$750,000 subject to annual appropriation by the City Council. The agreement requires up to ten annual payments, provided the developer is in compliance with the terms of the agreement. During the year ended June 30, 2023, the City rebated \$49,661 of incremental property tax to the developer. At June 30, 2023 the remaining balance to be paid on the agreement was approximately \$269,826.

Boulders Inn/Cornerstone Inn - The City agreed to pay an amount not to exceed \$395,000 subject to annual appropriation by the City Council. The agreement requires up to ten annual payments, provided the developer is in compliance with the terms of the agreement. During the year ended June 30, 2023, the City rebated \$28,134 of incremental property tax to the developer. At June 30, 2023 the remaining balance to be paid on the agreement was approximately \$269,646.

Performance Rehab - The City agreed to pay an amount not to exceed \$30,000 subject to annual appropriation by the City Council. The agreement requires up to five annual payments, provided the developer is in compliance with the terms of the agreement. During the year ended June 30, 2023, the City rebated \$2,126 of incremental property tax to the developer. At June 30, 2023 the remaining balance to be paid on the agreement was approximately \$15,577.

ICE Manufacturing - The City agreed to pay an amount not to exceed \$106,750 subject to annual appropriation by the City Council. The agreement requires up to ten annual payments, provided the developer is in compliance with the terms of the agreement. During the year ended June 30, 2023, the City rebated \$3,236 of incremental property tax to the developer. At June 30, 2023 the remaining balance to be paid on the agreement was approximately \$103,514.

CITY OF OELWEIN, IOWA  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

**(15) Tax Abatements**

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

City Tax Abatements

The City provides tax abatements for urban renewal and economic development projects with tax increment financing as provided for in Chapters 15A and 403 of the Code of Iowa. For these types of projects, the City enters into agreements with developers which require the City, after developers 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 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, 2023, the City abated \$95,634 of property tax under the urban renewal and economic development projects.

**(16) Subsequent Events**

In preparing the financial statements, the City has evaluated events and transactions for potential recognition or disclosure through the date of the independent auditor's report, which is the date the financial statements were available to be issued.

Subsequent to June 30, 2023, the City entered into a contract with Shift Companies for the Reed Bed Expansion and EQ Liner Replacement project for the amount of \$1,347,000. The City also subsequently approved a Sewer Revenue Loan and Disbursement Agreement for an amount not to exceed \$1,200,000.



## **OTHER INFORMATION**

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

Other Information

Year ended June 30, 2023

	Governmental Funds Actual	Proprietary Funds Actual	Total
Receipts:			
Property tax	\$ 2,854,756	-	2,854,756
Tax increment financing	823,599	-	823,599
Other city tax	1,760,577	-	1,760,577
Licenses and permits	90,318	-	90,318
Use of money and property	153,069	37,281	190,350
Intergovernmental	2,190,770	245,633	2,436,403
Charges for service	231,906	4,239,426	4,471,332
Special assessments	55,897	-	55,897
Miscellaneous	1,244,173	5,732	1,249,905
Total receipts	<u>9,405,065</u>	<u>4,528,072</u>	<u>13,933,137</u>
Disbursements:			
Public safety	2,078,676	-	2,078,676
Public works	913,126	-	913,126
Health and social services	19,667	-	19,667
Culture and recreation	1,140,435	-	1,140,435
Community and economic development	697,751	-	697,751
General government	588,245	-	588,245
Debt service	1,458,354	-	1,458,354
Capital projects	2,527,004	-	2,527,004
Business-type activities	-	4,365,928	4,365,928
Total disbursements	<u>9,423,258</u>	<u>4,365,928</u>	<u>13,789,186</u>
Excess (deficiency) of receipts over (under) disbursements	(18,193)	162,144	143,951
Other financing sources (uses), net	<u>607,209</u>	<u>(601,512)</u>	<u>5,697</u>
Excess of receipts and other financing sources over disbursements and other financing sources	589,016	(439,368)	149,648
Balances, beginning of year	<u>7,648,058</u>	<u>2,555,140</u>	<u>10,203,198</u>
Balances, end of year	<u>\$ 8,237,074</u>	<u>2,115,772</u>	<u>10,352,846</u>

See accompanying independent auditor's report.

Budgeted Amounts		Final to
Original	Final	Total
		Variance
2,757,508	2,757,508	97,248
832,283	832,283	(8,684)
1,483,643	1,623,643	136,934
84,500	84,500	5,818
91,165	211,165	(20,815)
1,974,641	2,973,540	(537,137)
4,763,250	5,063,250	(591,918)
20,000	60,000	(4,103)
128,700	221,700	1,028,205
12,135,690	13,827,589	105,548
1,971,237	2,285,237	206,561
905,929	965,929	52,803
31,000	31,000	11,333
1,094,017	1,153,916	13,481
1,062,930	1,077,930	380,179
546,040	623,040	34,795
1,592,909	1,600,909	142,555
3,143,630	4,430,630	1,903,626
4,788,169	5,097,169	731,241
15,135,861	17,265,760	3,476,574
(3,000,171)	(3,438,171)	3,582,122
406,000	406,000	(400,303)
(2,594,171)	(3,032,171)	3,181,819
9,856,452	9,856,452	346,746
7,262,281	6,824,281	3,528,565

City of Oelwein, Iowa

Notes to Other Information – Budgetary Reporting

June 30, 2023

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

In accordance with the Code of Iowa, the City Council annually adopts a budget on the cash basis following required public notice and hearing for all funds except Internal Service Funds. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures.

Formal and legal budgetary control is based upon nine major classes of disbursements known as functions, not by fund. 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, the Debt Service Fund, Capital Projects Funds, the Permanent Fund, and the Enterprise Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. During the year, one budget amendment increased budgeted disbursements by \$2,129,899. The budget amendment is reflected in the final budgeted amounts.

During the year ended June 30, 2023, disbursements did not exceed budgeted limits.

City of Oelwein

Schedule of the City's Proportionate Share of the Net Pension Liability

Iowa Public Employees' Retirement System

For the Last Nine Years\*

(In Thousands)

Other Information

	2023	2022	2021	2020	2019
City's proportion of the net pension liability	0.00189%	0.02112%	0.02088%	0.02024%	0.01847%
City's proportionate share of the net pension liability	\$ 749	30	1,467	1,172	1,169
City's covered-employee payroll	\$ 1,598	1,714	1,657	1,541	1,388
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	46.87%	1.75%	88.53%	76.05%	84.22%
IPERS' net position as a percentage of the total pension liability	91.40%	100.81%	82.90%	85.45%	83.62%

\* In accordance with GASB Statement No. 68, the amounts presented for each fiscal year were determined as of June 30 of the preceding fiscal year.

See accompanying independent auditor's report

2018	2017	2016	2015
0.01973%	0.01969%	0.02041%	0.02101%
1,302	1,228	1,008	850
1,460	1,400	1,398	1,405
89.18%	87.71%	72.10%	60.50%
82.21%	81.82%	85.19%	87.61%

City of Oelwein, Iowa  
Schedule of City Contributions  
Iowa Public Employees' Retirement System  
For the Last Ten Years  
Other Information

	2023	2022	2021	2020
Statutorily required contribution	168,178	150,850	161,839	156,410
Contribution in relation to the statutorily required contribution	(168,178)	(150,850)	(161,839)	(156,410)
Contribution deficiency (excess)	-	-	-	-
Commission's covered-employee payroll	1,781,542	1,597,989	1,714,401	1,656,886
Contribution as a percentage of covered-employee payroll	9.44%	9.44%	9.44%	9.44%

See accompanying independent auditor's report.

2019	2018	2017	2016	2015	2014
145,440	123,962	130,333	124,971	124,873	125,439
(145,440)	(123,962)	(130,333)	(124,971)	(124,873)	(125,439)
-	-	-	-	-	-
1,540,678	1,388,152	1,459,501	1,400,014	1,398,359	1,404,691
9.44%	8.93%	8.93%	8.93%	8.93%	8.93%



City of Oelwein, Iowa

Schedule of the City's Proportionate Share of the Net Pension Liability

Municipal Fire and Police Retirement System of Iowa  
For the Last Eight Years\*

Other Information

	2023	2022	2021	2020	2019	2018	2017	2016
City's proportion of the net pension liability	0.201785%	0.206759%	0.206798%	0.208602%	0.202923%	0.226444%	0.221144%	0.230028%
City's proportionate share of the net pension liability	\$ 1,133,165	\$ 464,327	\$ 1,649,421	\$ 1,368,276	\$ 1,208,210	\$ 1,328,038	\$ 1,382,721	\$ 1,080,705
City's covered payroll	\$ 681,520	\$ 671,871	\$ 657,003	\$ 631,467	\$ 589,817	\$ 641,429	\$ 599,281	\$ 603,240
City's proportionate share of the net pension liability as a percentage of its covered payroll	166.27%	69.11%	251.05%	216.68%	204.84%	207.04%	230.73%	179.15%
MFPRSI's net position as a percentage of the total pension liability	84.62%	93.62%	76.47%	79.94%	81.07%	80.60%	78.20%	83.04%

\* In accordance with GASB Statement No. 68, the amounts presented for each fiscal year were determined as of June 30 of the preceding fiscal year.

See accompanying independent auditor's report.

City of Oelwein, Iowa  
Schedule of the City Contributions  
Municipal Fire and Police Retirement System of Iowa  
For the Last Ten Years  
Other Information

	2023	2022	2021	2020
Statutorily required contribution	188,526	178,422	170,050	160,375
Contribution in relation to the statutorily required contribution	(188,526)	(178,422)	(170,050)	(160,375)
Contribution deficiency (excess)	-	-	-	-
City's covered-employee payroll	788,811	681,520	671,871	657,003
Contribution as a percentage of covered-employee payroll	23.90%	26.18%	25.31%	24.41%

See accompanying independent auditor's report.

2019	2018	2017	2016	2015	2014
164,308	151,465	166,258	166,420	183,445	180,503
(164,308)	(151,465)	(166,258)	(166,420)	(183,445)	(180,503)
-	-	-	-	-	-
631,467	589,817	641,429	599,281	603,240	599,280
26.02%	25.68%	25.92%	27.77%	30.41%	30.12%

City of Oelwein, Iowa

Notes to Other Information – Pension Liability

Year Ended June 30, 2023

**IPERS**

*Changes of benefit terms:*

There are no significant changes in benefit terms.

*Changes of assumptions:*

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

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

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

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

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

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

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 beginning June 30, 2015. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20-year period.

**MFPSI**

*Changes of benefit terms:*

There were no significant changes of benefit terms.

City of Oelwein, Iowa

Notes to Other Information – Pension Liability

Year Ended June 30, 2023

Changes of assumptions:

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

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

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

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

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

## **Supplementary Information**

City of Oelwein, Iowa  
 Schedule of Cash Receipts, Disbursements,  
 and Changes in Cash Balances  
 Nonmajor Governmental Funds  
 As of and for the year ended June 30, 2023

	Special Revenue	Capital Projects	Permanent Cemetery Perpetual Care	Total
<b>Receipts:</b>				
Property tax	\$ 63,931	-	-	63,931
Tax increment financing	823,599	-	-	823,599
Other city tax	1,644,483	-	-	1,644,483
Use of money and property	25,236	13,555	-	38,791
Intergovernmental	5,000	779,304	-	784,304
Special assessments	55,897	-	-	55,897
Miscellaneous	244,914	60,976	2,220	308,110
Total receipts	<u>2,863,060</u>	<u>853,835</u>	<u>2,220</u>	<u>3,719,115</u>
<b>Disbursements:</b>				
Public safety	26,554	-	-	26,554
Health and social services	19,667	-	-	19,667
Culture and recreation	56,625	-	-	56,625
Community and economic development	345,117	-	-	345,117
Capital projects	376,591	1,551,574	-	1,928,165
Total disbursements	<u>824,554</u>	<u>1,551,574</u>	<u>-</u>	<u>2,376,128</u>
Excess of receipts over disbursements	<u>2,038,506</u>	<u>(697,739)</u>	<u>2,220</u>	<u>1,342,987</u>
<b>Other financing sources (uses):</b>				
Transfers in	86,000	56,428	-	142,428
Transfers out	(2,009,714)	-	-	(2,009,714)
Net other financing sources (uses)	<u>(1,923,714)</u>	<u>56,428</u>	<u>-</u>	<u>(1,867,286)</u>
Change in cash balance	114,792	(641,311)	2,220	(524,299)
Cash balances, beginning of year	<u>1,548,294</u>	<u>1,631,110</u>	<u>292,812</u>	<u>3,472,216</u>
Cash balances, end of year	<u>\$ 1,663,086</u>	<u>989,799</u>	<u>295,032</u>	<u>2,947,917</u>
<b>Cash Basis Fund Balances</b>				
Nonspendable	\$ -	-	295,032	295,032
Restricted for other purposes	1,334,156	1,353,831	-	2,687,987
Committed	328,930	-	-	328,930
Unassigned	-	(364,032)	-	(364,032)
Total cash basis fund balances	<u>\$ 1,663,086</u>	<u>989,799</u>	<u>295,032</u>	<u>2,947,917</u>

See accompanying independent auditor's report.

City of Oelwein, Iowa  
Schedule of Cash Receipts, Disbursements,  
and Changes in Cash Balances  
Nonmajor Governmental Special Revenue Funds  
As of and for the year ended June 30, 2023

	Special Revenue							
	County Emergency Management	Flex Spending	Emergency	Local Option Sales Tax	Hotel-Motel Tax	Gas-Electric Franchise Fees	Library Bequest	Downtown TIF
<b>Receipts:</b>								
Property tax	\$ 21,892	-	42,039	-	-	-	-	-
Tax increment financing	-	-	-	-	-	-	-	32,418
Other city tax	626	-	1,194	694,494	74,219	873,950	-	-
Use of money and property	-	-	-	4,618	566	3,488	4,688	-
Intergovernmental	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Miscellaneous	-	19,667	-	-	-	-	4,980	-
Total receipts	22,518	19,667	43,233	699,112	74,785	877,438	9,668	32,418
<b>Disbursements:</b>								
Public safety	21,883	-	-	-	-	-	-	-
Health and social services	-	19,667	-	-	-	-	-	-
Culture and recreation	-	-	-	-	44,453	-	7,056	-
Community and economic development	-	-	-	-	-	-	-	2,126
Capital projects	-	-	-	-	-	376,591	-	-
Total disbursements	21,883	19,667	-	-	44,453	376,591	7,056	2,126
Excess (deficiency) of receipts over (under) disbursements	635	-	43,233	699,112	30,332	500,847	2,612	30,292
<b>Other financing sources (uses):</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	(43,233)	(692,192)	(42,367)	(363,791)	-	(150,000)
Net other financing sources (uses)	-	-	(43,233)	(692,192)	(42,367)	(363,791)	-	(150,000)
Change in cash balance	635	-	-	6,920	(12,035)	137,056	2,612	(119,708)
Cash balances, beginning of year	1,971	1,437	-	56,980	24,970	87,656	373,294	214,750
Cash balances, end of year	\$ 2,606	1,437	-	63,900	12,935	224,712	375,906	95,042
<b>Cash Basis Fund Balances</b>								
Restricted for other purposes	\$ 2,606	-	-	63,900	12,935	-	375,906	95,042
Committed	-	1,437	-	-	-	224,712	-	-
Total cash basis fund balances	\$ 2,606	1,437	-	63,900	12,935	224,712	375,906	95,042

See accompanying independent auditor's report.



Special Revenue											
Industrial Park TIF	East Penn TIF	DARE	Trees Forever	First Time Home Buyer Program	IRP Revolving Loan	Downtown Business Grant	Volunteer Fire Department	Forfeited Assets	Special Assessments	Total	
-	-	-	-	-	-	-	-	-	-	63,931	
93,508	697,673	-	-	-	-	-	-	-	-	823,599	
-	-	-	-	-	-	-	-	-	-	1,644,483	
-	7,927	-	-	1,211	278	1,946	-	-	514	25,236	
-	-	-	5,000	-	-	-	-	-	-	5,000	
-	-	-	-	-	-	-	-	-	55,897	55,897	
-	-	-	-	1,952	211,482	-	2,750	4,083	-	244,914	
93,508	705,600	-	5,000	3,163	211,760	1,946	2,750	4,083	56,411	2,863,060	
-	-	771	-	-	-	-	-	3,900	-	26,554	
-	-	-	-	-	-	-	-	-	-	19,667	
-	-	-	5,116	-	-	-	-	-	-	56,625	
93,508	-	-	-	29,465	203,843	-	16,175	-	-	345,117	
-	-	-	-	-	-	-	-	-	-	376,591	
93,508	-	771	5,116	29,465	203,843	-	16,175	3,900	-	824,554	
-	705,600	(771)	(116)	(26,302)	7,917	1,946	(13,425)	183	56,411	2,038,506	
-	-	-	-	-	-	75,000	11,000	-	-	86,000	
-	(661,703)	-	-	-	-	-	-	-	(56,428)	(2,009,714)	
-	(661,703)	-	-	-	-	75,000	11,000	-	(56,428)	(1,923,714)	
-	43,897	(771)	(116)	(26,302)	7,917	76,946	(2,425)	183	(17)	114,792	
-	226,434	5,159	19,456	126,464	232,103	155,492	19,675	2,436	17	1,548,294	
-	270,331	4,388	19,340	100,162	240,020	232,438	17,250	2,619	-	1,663,086	
-	270,331	4,388	19,340	-	240,020	232,438	17,250	-	-	1,334,156	
-	-	-	-	100,162	-	-	-	2,619	-	328,930	
-	270,331	4,388	19,340	100,162	240,020	232,438	17,250	2,619	-	1,663,086	

City of Oelwein, Iowa  
Schedule of Cash Receipts, Disbursements,  
and Changes in Cash Balances  
Nonmajor Governmental Capital Projects Funds  
As of and for the year ended June 30, 2023

	Capital Projects				
	2020 GO Bond	Oelwein Housing Teardown	Airport Grant	Plaza Park Expansion	Industrial Park 3rd Addition
<b>Receipts:</b>					
Use of money and property	107	-	-	-	100
Intergovernmental	-	-	364,505	213,049	-
Miscellaneous	-	35,976	-	-	-
Total receipts	107	35,976	364,505	213,049	100
<b>Disbursements:</b>					
Capital projects	84,795	142,054	372,595	732,861	149,305
Total disbursements	84,795	142,054	372,595	732,861	149,305
Excess (deficiency) of receipts over (under) disbursements	(84,688)	(106,078)	(8,090)	(519,812)	(149,205)
<b>Other financing sources (uses):</b>					
Loan proceeds	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Net other financing sources	-	-	-	-	-
Change in cash balance	(84,688)	(106,078)	(8,090)	(519,812)	(149,205)
Cash balances, beginning of year	92,991	146,800	(16,820)	180,690	149,205
Cash balances, end of year	8,303	40,722	(24,910)	(339,122)	-
<b>Cash Basis Fund Balances</b>					
Restricted for other purposes	8,303	40,722	-	-	-
Unassigned	-	-	(24,910)	(339,122)	-
Total cash basis fund balances	8,303	40,722	(24,910)	(339,122)	-

See accompanying independent auditor's report.

10th Street Paving	2022 GO Bond Construction	Railroad Viaduct	Total
7,371	5,645	332	13,555
-	201,750	-	779,304
-	-	25,000	60,976
7,371	207,395	25,332	853,835
15,043	32,488	22,433	1,551,574
15,043	32,488	22,433	1,551,574
(7,672)	174,907	2,899	(697,739)
-	-	-	-
56,428	-	-	56,428
-	-	-	-
56,428	-	-	56,428
48,756	174,907	2,899	(641,311)
590,624	465,030	22,590	1,631,110
639,380	639,937	25,489	989,799
639,380	639,937	25,489	1,353,831
-	-	-	(364,032)
639,380	639,937	25,489	989,799

City of Oelwein, Iowa  
Schedule of Cash Receipts, Disbursements,  
and Changes in Cash Balances  
Nonmajor Proprietary Funds  
As of and for the year ended June 30, 2023

	Water Infrastructure	Sewer Infrastructure	Customer Deposits	Fuel
Operating receipts:				
Charges for service	71,847	77	32,006	79,320
Intergovernmental	-	-	-	-
Miscellaneous	-	-	-	5,732
Total operating receipts	<u>71,847</u>	<u>77</u>	<u>32,006</u>	<u>85,052</u>
Operating disbursements:				
Business-type activities	-	-	32,290	85,082
Excess (deficiency) of operating receipts over (under) operating disbursements	<u>71,847</u>	<u>77</u>	<u>(284)</u>	<u>(30)</u>
Non-operating receipts (disbursements):				
Interest on investments	-	-	-	-
Capital projects	(61,990)	-	-	-
Net non-operating disbursements	<u>(61,990)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over (under) disbursements	9,857	77	(284)	(30)
Transfers in	-	-	-	-
Transfers out	(380,755)	(117,410)	-	-
Net transfers	<u>(380,755)</u>	<u>(117,410)</u>	<u>-</u>	<u>-</u>
Change in cash balance	(370,898)	(117,333)	(284)	(30)
Cash balances, beginning of year	<u>376,338</u>	<u>117,335</u>	<u>141,515</u>	<u>7,162</u>
Cash balances, end of year	<u><u>5,440</u></u>	<u><u>2</u></u>	<u><u>141,231</u></u>	<u><u>7,132</u></u>
<b>Cash Basis Fund Balances</b>				
Restricted for:				
Other purposes	-	-	141,231	-
Unassigned	5,440	2	-	7,132
Total cash basis fund balances	<u><u>5,440</u></u>	<u><u>2</u></u>	<u><u>141,231</u></u>	<u><u>7,132</u></u>

See accompanying independent auditor's report.

Landfill	Recycling	West Water Tower	Tree	Wellness Center	Sewer Main Construction	Total
600,690	78,127	-	99,662	170,874	-	1,132,603
-	-	245,633	-	-	-	245,633
-	-	-	-	-	-	5,732
600,690	78,127	245,633	99,662	170,874	-	1,383,968
553,139	73,744	-	86,631	199,489	-	1,030,375
47,551	4,383	245,633	13,031	(28,615)	-	353,593
-	-	-	-	-	451	451
-	-	(371,849)	-	-	(120,524)	(554,363)
-	-	(371,849)	-	-	(120,073)	(553,912)
47,551	4,383	(126,216)	13,031	(28,615)	(120,073)	(200,319)
-	-	-	-	-	66,470	66,470
(36,630)	-	(174,466)	-	-	-	(709,261)
(36,630)	-	(174,466)	-	-	66,470	(642,791)
10,921	4,383	(300,682)	13,031	(28,615)	(53,603)	(843,110)
18,614	247	-	20,101	35,412	76,288	793,012
29,535	4,630	(300,682)	33,132	6,797	22,685	(50,098)
-	-	-	-	-	-	141,231
29,535	4,630	(300,682)	33,132	6,797	22,685	(191,329)
29,535	4,630	(300,682)	33,132	6,797	22,685	(50,098)

City of Oelwein, Iowa  
Schedule of Receipts by Source and Disbursements by Function  
Governmental Funds  
For the Last Ten Years

	2023	2022	2021	2020
<b>Receipts</b>				
Property tax	\$ 2,854,756	\$ 3,240,435	3,012,076	2,616,016
Tax increment financing	823,599	1,006,886	977,915	789,469
Other city tax	1,760,577	1,503,041	1,544,391	1,449,548
Licenses and permits	90,318	87,653	95,913	79,541
Use of money and property	153,069	75,188	74,074	125,779
Intergovernmental	2,190,770	3,252,374	1,169,261	1,440,844
Charges for service	231,906	201,963	182,760	150,159
Special assessments	55,897	86,057	2,667	-
Miscellaneous	1,244,173	415,476	1,028,815	740,341
	<u>\$ 9,405,065</u>	<u>\$ 9,869,073</u>	<u>8,087,872</u>	<u>7,391,697</u>
<b>Disbursements</b>				
Public safety	\$ 2,078,676	\$ 1,772,506	1,768,125	1,773,341
Public works	913,126	1,075,947	812,270	684,588
Health and social services	19,667	19,125	20,016	19,836
Culture and recreation	1,140,435	1,016,809	926,349	905,295
Community and economic development	697,751	939,768	986,416	1,148,628
General government	588,245	527,547	500,093	488,132
Debt service	1,458,354	4,679,015	1,577,912	1,744,359
Capital projects	2,527,004	3,636,179	3,087,107	1,957,005
	<u>\$ 9,423,258</u>	<u>\$ 13,666,896</u>	<u>9,678,288</u>	<u>8,721,184</u>

See accompanying independent auditor's report.

2019	2018	2017	2016	2015	2014
2,511,243	2,446,809	2,622,915	2,550,327	2,433,871	2,265,317
320,501	68,956	53,616	69,105	73,362	106,380
1,465,729	1,179,371	869,807	878,525	1,051,291	1,082,086
72,679	109,853	82,788	53,257	80,539	98,623
124,650	219,825	347,083	143,177	286,659	289,316
1,210,033	1,641,704	2,820,235	1,011,483	987,685	1,260,775
190,880	151,896	190,692	141,082	91,439	95,180
392	30,590	41,301	37,582	43,223	60,791
435,275	712,839	324,901	1,105,087	479,997	352,787
6,331,382	6,561,843	7,353,338	5,989,625	5,528,066	5,611,255
1,682,373	1,544,804	1,598,188	1,602,959	1,645,848	1,740,553
755,382	729,542	732,688	695,231	785,430	779,828
18,117	21,603	24,733	27,428	37,232	40,204
929,980	811,850	818,311	780,172	844,486	818,383
783,959	893,869	622,087	1,463,655	918,572	1,198,140
418,572	389,086	374,222	378,446	368,157	373,809
1,117,626	1,873,831	1,034,354	780,858	893,757	526,908
666,989	1,033,130	2,529,927	4,959,048	3,617,762	123,998
6,372,998	7,297,715	7,734,510	10,687,797	9,111,244	5,601,823

City of Oelwein, Iowa  
 Schedule of Expenditures of Federal Awards  
 Year ended June 30, 2023

Grantor/Program	Assistance Listings Number	Pass-Through Entity Identifying Number	Program Expenditures
U.S. Department of Transportation:			
Airport Improvement Program, COVID 19 Airport Program and Infrastructure Investment and Jobs Act Program	20.106		\$ 335,336
Total U.S. Department of Transportation:			<u>335,336</u>
U.S. Department of Homeland Security:			
Passed through Iowa Department of Homeland Security and Emergency Management:			
Hazard Mitigation Grant Program and Non-Entitled Grants in Hawaii	97.039	HMGP-DR-4483-0006	27,450
Total U.S. Department of Homeland Security			<u>27,450</u>
U.S. Department of Housing & Urban Development:			
Passed through Iowa Economic Development Authority:			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	19-WS032	121,010
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii - COVID	14.228	20-CVN-023	391,573
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	22-WS-021	5,383
Total U.S. Department of Housing & Urban Development			<u>517,966</u>
Total			<u>\$ 880,752</u>

See accompanying independent auditor's report.



## City of Oelwein, Iowa

## Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2023

**(1) Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of the City of Oelwein under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2, U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in financial position or cash flows of the City.

**(2) Summary of Significant Accounting Policies**

Expenditures reported in the Schedule are reported on the basis of cash receipts and disbursements, which is a basis of accounting other than U.S. generally accepted accounting principles. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**(3) Indirect Cost Rate**

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

**(4) Sub-recipients**

The City of Oelwein did not pass through any federal funds to sub-recipients for the year ended June 30, 2023.

See accompanying independent auditor's report.

City of Oelwein, Iowa

Summary Schedule of Prior Audit Findings

Year ended June 30, 2023

Comment Reference	Comment Title	Status	If not corrected, provide reason for finding's recurrence and planned corrective action or other explanation
2022-001	Segregation of Duties	Not corrected.	The City continually weighs the costs and benefits of additional staff to address this issue.
2022-002	Utility Billing	Partially corrected.	The City continually weighs the costs and benefits of changes to a system on the utility billing. The City did adopt a write-off policy.
2022-003	Monitoring and Reporting Program Performance	Completed	
2022-004	Procurement Suspension & Debarment	Completed	
2022-005	Single Audit Process	Completed	

City of Oelwein, Iowa

Corrective Action Plan

Year ended June 30, 2023

Comment Number	Comment Title	Corrective Action Plan	Contact Person, Title and Phone	Anticipated Date of Completion
2023-001	Segregation of Duties	The City continues to review procedures to ensure the highest segregation of duties while weighing the costs and benefits of additional staff to address this issue.	Dylan Mulfinger City Administrator 319-283-5440	On Going
2023-002	Utility Billing	The City continually weighs the costs and benefits of additional staff to address this issue.	Dylan Mulfinger City Administrator 319-283-5440	On Going



T.P. ANDERSON & COMPANY, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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:

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the City of Oelwein, Iowa, as of and for the year ended June 30, 2023, and the related Notes to Financial Statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 23, 2023. Our report expressed unmodified opinions on the financial statements which were prepared on the basis of cash receipts and disbursements, a basis of accounting other than U.S. generally accepted accounting principles.

**Report Internal Control Over Financial Reporting**

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's 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 which is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in Part II of the accompanying Schedule of Findings and Questioned Costs as items 2023-001 and 2023-002 to be significant deficiencies.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters which are required to be reported under *Government Auditing Standards*.

However, we noted certain immaterial instances of non-compliance or other matters which are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2023 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the City. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

### **City of Oelwein Responses to Findings**

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

### **Purpose of This Report**

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

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the City of Oelwein during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

*T.P. Anderson & Company, P.C.*

October 23, 2023  
Humboldt, Iowa



T.P. ANDERSON & COMPANY, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

Independent Auditor's Report on Compliance  
for Each Major Program and on Internal Control  
over Compliance Required by the Uniform Guidance

To the Honorable Mayor and Members of the City Council:

**Report on Compliance for Each Major Federal Program**

**Opinion on Each Major Federal Program**

We have audited the City of Oelwein, Iowa's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on the City's major federal programs for the year ended June 30, 2023. The City's major federal programs are identified in Part 1 of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City of Oelwein complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2023.

**Basis for Opinion on Each Major Federal Program**

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

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

**Responsibilities of Management for Compliance**

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

**Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance will always detect material noncompliance when it exists.

The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence judgement made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

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

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

### **Report on Internal Control over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that was not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2023-003 to be a significant deficiency.

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

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

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

*T.P. Anderson & Company, P.C.*

October 23, 2023  
Humboldt, Iowa



CITY OF OELWEIN, IOWA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2023

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

*Basic Financial Statements*

- a) Type of auditor's report issued: **Unmodified** opinions were issued on the financial statements which were prepared using cash receipts and disbursements method of accounting, which is a basis of accounting other than U.S. generally accepted accounting principles.
- b) Internal control over financial reporting:
  - Material weaknesses identified: **No**
  - Significant deficiencies identified: **Yes**
- c) Noncompliance material to financial statements noted: **No**

*Federal Awards*

- d) Internal control over major programs:
  - Material weaknesses identified: **No**
  - Significant deficiencies identified: **Yes**
- e) Type of auditor's report issued on compliance for major programs: **Unmodified**
- f) Any audit findings disclosed that are required to be reported in accordance 2 CFR section 200.516(a):  
**Yes**
- g) Major programs:
  - Assistance Listing Number 20.106 - Airport Improvement Program
  - Assistance Listing Number 14.228 – Community Development Block Grants/State' Program and Non-Entitlement Grants in Hawaii
- h) Dollar threshold used to distinguish between Type A and Type B programs: **\$750,000**
- i) Auditee qualified as a low-risk auditee: **No**

CITY OF OELWEIN, IOWA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2023

**Part II: Findings Related to the Financial Statements**

**INTERNAL CONTROL DEFICIENCIES:**

2023-001     Segregation of Duties – Generally, we noted that from time to time one individual has control over each one of the following areas:

- 1) Cash – handling, reconciling and recording.
- 2) Receipts – opening mail, collecting, depositing, journalizing, reconciling and posting.
- 3) Disbursements – purchasing, invoice processing, check writing, mailing, reconciling and recording.
- 4) Payroll – entering rates and hours into the system, recordkeeping, preparing, signing and distributing.
- 5) Utilities – billing, collecting, depositing, posting, and entering rates into the system.
- 6) Financial Reporting and Budgeting – preparing and reconciling.
- 7) Journal entries – preparing and journalizing.

Criteria –A proper system of internal control provides for adequate segregation of duties so no one individual handles a transaction from its inception to completion. In order to maintain proper internal control, duties should be segregated so the authorization, custody, and recording of transactions are not under the control of the same employee. This segregation of duties helps prevent losses from employee error or dishonesty and maximizes the accuracy of the City’s financial statements.

Condition – One individual has control over various functions of the City.

Cause – The City has a limited number of employees and procedures have not been designed to adequately segregate duties or provide compensating controls through additional oversight of transactions and processes.

Effect – Inadequate segregation of duties could adversely affect the City’s ability to prevent or detect and correct misstatements, errors, or misappropriation on a timely basis.

Recommendation – We realize segregation of duties is difficult and may impede productivity with a limited number of employees. However, the City should review its control procedures to obtain the maximum internal control possible under the circumstances utilizing all available staff and elected officials. Independent reviews of bank reconciliations and payroll records and payment should be done independent of those involved in the processes and the review should be evidenced by the signature or initials of the reviewer and the date of the review. Council members can also pick months at random and review bank statement activity and request supporting documentation for any large or unusual payments noted.

CITY OF OELWEIN, IOWA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2023

Response – We will continue to work toward improving segregation of duties.

Conclusion – Response accepted.

2023-002 Charges for Services – Certain charges for services are not properly reviewed and approved to ensure proper billing.

Criteria – During the audit, we noted the following:

- 1) One customer in one category of water and sewer rates were not updated timely in accordance with the approved ordinance.
- 2) One large customer was not billed timely for shared use of the Wellness Center.
- 3) Landfill and recycling rates are based upon the number of individual recipients per household, however, documentation to support the number per household was inadequate to determine if the amounts that the City was using for utility billing were complete and accurate.

Condition – A properly designed system of internal control provides for the prevention or the detection and correction of material misstatements in a timely manner.

Cause – The City does not have adequate controls in place to ensure rates for certain charges for services are being billed completely and accurately. Additionally, procedures have not been implemented to ensure documentation is updated and maintained to substantiate the accuracy of landfill and recycling charges.

Effect – The City billed a customer less than what was approved in the ordinance, causing the City to forgo approximately \$25,000 in water and sewer charges for services. The City also did not adequately monitor the receipts from a customer for shared use of the Wellness Center, which caused the City to have \$48,000 less in membership fees. The effect of inadequate documentation to support proper landfill and recycling charges has not been determined.

Recommendation – The charges for services should be properly supported by documentation that is periodically reviewed for completeness and accuracy.

Response – We have reviewed procedures and plan to make improvements to internal controls related to charges for services on water/sewer rates and Wellness Center fees. The City is currently working on making an update to the landfill and recycling charges.

Conclusion – Response accepted.

**INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

CITY OF OELWEIN, IOWA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2023

**Part III: Findings and Questioned Costs for Federal Awards**

**INSTANCES OF NON-COMPLIANCE:**

None were noted.

**INTERNAL CONTROL DEFICIENCIES:**

**Assistance Listing Number 20.106: Airport Improvement Program**

**Federal Award Year: 2023**

**Prior Year Finding Number: N/A**

**U.S. Department of Transportation**

2023-003     Special Tests and Provision

Criteria – The basic requirement for use of airport revenue is that all revenues generated by a public airport must be expended for the capital or operating costs of the airport and the local airport system. The City should have a proper policy in regards to how airport revenue is to be spent.

Condition – The City did not establish a policy for the use of airport revenue.

Cause – The City’s management was not aware that they needed to have a policy in regards to airport revenue.

Effect – The City is not in compliance with Federal regulations pertaining special tests and provisions as required by the Uniform Guidance.

Recommendation – The City should establish a policy for the use of airport revenue.

Corrective Action – The City will establish a policy for the use of airport revenue.

Conclusion – Response accepted.

CITY OF OELWEIN, IOWA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2023

**Part IV: Other Findings Related to Required Statutory Reporting**

- 2023-A Certified Budget – Disbursements during the year ended June 30, 2023 did not exceed the amounts budgeted.
- 2023-B Questionable Disbursements – No disbursements we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979 were noted.
- 2023-C Travel Expense – No disbursements of the City’s money for travel expense of spouses of its officials or employees were noted.
- 2023-D Business Transactions –Business transactions between the City and its officials or employees are detailed as follows:

Name, Title, and Business Connection	Transaction Description	Amount
Dave Garrigus, Council Member Greg Bryan, Airport Board Member Owners of Bryan Construction	2022 Residential & Comm Building Demolition	\$ 100,349

In accordance with Chapter 362.5(3)(j) of the Code of Iowa, the transaction listed above does not appear to represent a conflict of interest since it was entered into through competitive bidding in accordance with Chapter 362.5(3)(d) of the Code of Iowa.

Recommendation – The City should be aware of the potential for a conflict of interest when dealing with members of the City Council, its employees, and relatives of council and employees.

Response – We understand the compliance requirements for related parties and will keep this in mind when future possible conflicts of interest arise.

Conclusion – Response accepted.

- 2023-E Restricted Donor Activity – No transactions were noted between the City, City officials, City employees and restricted donors in compliance with 68B of the Code of Iowa.
- 2023-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 that the coverage is adequate for current operations.

CITY OF OELWEIN, IOWA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2023

2023-G Council Minutes – No transactions were found that we believe should have been approved in the City Council meeting minutes but were not. Minutes of City Council proceedings were published as required by Chapter 372.13(6) of the Code of Iowa.

2023-H Deposits and Investments – We noted no instances of noncompliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the City's investment policy.

2023-I Revenue Bonds and Notes – No instances of non-compliance with the revenue bond and note resolutions were noted.

2023-J Financial Condition – The Capital Projects – Airport Grant fund and Plaza Park Expansion fund had deficit balances of \$24,910 and \$339,122, respectively at June 30, 2023. The Proprietary – West Water Tower fund had a deficit balance of \$300,682 at June 30, 2023.

Recommendation – The City should investigate alternatives to eliminate this deficit in order to return these funds to a sound financial position.

Response – The city works to ensure that all accounts do not carry a deficit. This can be difficult as the city works on a reimbursement basis for some projects. The problem with a reimbursement basis is that contractors do not finish on time and the city must wait to close out a project and carry the deficit of the project.

Conclusion – Response accepted.

2023-K Annual Urban Renewal Report – The annual urban renewal report was approved and certified to the Iowa Department of Management on or before December 1 as required.

## APPENDIX B

### DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

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

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

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

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

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

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

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

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

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

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

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

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



**APPENDIX C**

**DRAFT FORM OF BOND COUNSEL OPINION**

We hereby certify that we have examined certified copies of the proceedings (the “Proceedings”) of the City Council of the City of Oelwein (the “Issuer”), in Fayette County, State of Iowa, passed preliminary to the issue by the Issuer of its General Obligation Bridge Improvement Bonds, Series 2024 (the “Bonds”) in the amount of \$1,450,000, in the denomination of \$5,000 each, or any integral multiple thereof, dated June 25, 2024, in evidence of the Issuer’s obligation under a certain loan agreement (the “Loan Agreement”), dated as of June 25, 2024. 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, 2024, 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>
2025	\$120,000	_____ %	2030	\$145,000	_____ %
2026	\$125,000	_____ %	2031	\$155,000	_____ %
2027	\$130,000	_____ %	2032	\$160,000	_____ %
2028	\$135,000	_____ %	2033	\$165,000	_____ %
2029	\$140,000	_____ %	2034	\$175,000	_____ %

Principal of the Bonds maturing in the years 2032 through 2034, 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.

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).

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

**\*This form of bond counsel opinion is subject to change pending the results of the sale of the Bonds contemplated herein.**

## APPENDIX D

### DRAFT CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the City of Oelwein, Iowa (the “Issuer”), in connection with the issuance of \$1,450,000 General Obligation Bridge Improvement Bonds, Series 2024 (the “Bonds”), dated June 25, 2024. The Bonds are being issued pursuant to a resolution of the Issuer approved on June 10, 2024 (the “Resolution”). The Issuer covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12.

Section 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

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

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

“Financial Obligation” shall mean a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or, (iii) guarantee of either (i) or (ii). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB pursuant to the Rule.

“Holders” shall mean the registered holders of the Bonds, as recorded in the registration books of the Registrar.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“Municipal Securities Rulemaking Board” or “MSRB” shall mean the Municipal Securities Rulemaking Board, 1300 I Street, N.W., Suite 1000, Washington, D.C. 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 2023-2024 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**

**Property Tax Rates**

**Financial Information**

**Cash Basis Statement of Activities and Net Position**

**Statement of Cash Receipts, Disbursements, and Changes in Cash Balances**

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, event of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material.

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

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

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

Section 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds or upon the Issuer's receipt of an opinion of nationally recognized bond counsel to the effect that, because of legislative action or final judicial action or administrative actions or proceedings, the failure of the Issuer to comply with the terms hereof will not cause Participating Underwriters to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended.

Section 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or Annual Report prepared by the Issuer pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be Speer Financial, Inc.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) (i) the amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted; (ii) the undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (iii) the amendment or waiver either (1) is approved by a majority of the Holders, or (2) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners; or

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

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing audited financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made will present a comparison or other discussion in narrative form (and also, if feasible, in quantitative form) describing or illustrating the material differences between the audited financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any Holder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. Direct, indirect, consequential and punitive damages shall not be recoverable by any person for any default hereunder and are hereby waived to the extent permitted by law. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent, if any, shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: June 25, 2024

CITY OF OELWEIN, IOWA

By \_\_\_\_\_  
Mayor

Attest:

By \_\_\_\_\_  
City Clerk

**OFFICIAL BID FORM**

City of Oelwein  
20 2<sup>nd</sup> Avenue SW  
Oelwein, IA 50662

May 28, 2024  
Speer Financial, Inc.  
Facsimile: (319) 291-8628

City Council:

For the \$1,450,000\* General Obligation Bridge Improvement Bonds, Series 2024 (the “Bonds”), of the City of Oelwein, Fayette County, Iowa (the “City”), as described in the annexed Official Terms of Offering, which is expressly made a part of this bid, we will pay you \$ \_\_\_\_\_ (no less than \$1,438,400). The Bonds are to bear interest at the following respective rates (each a multiple of 1/8 or 1/100 of 1%) for the Bonds of each designated maturity.

**AMOUNTS\* AND MATURITIES – JUNE 1**

\$120,000 .....2025	_____ %	\$135,000 .....2028	_____ %	\$160,000 .....2032	_____ %
125,000 .....2026	_____ %	140,000 .....2029	_____ %	165,000 .....2033	_____ %
130,000 .....2027	_____ %	145,000 .....2030	_____ %	175,000 .....2034	_____ %
		155,000 .....2031	_____ %		

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

*Maturities: \_\_\_\_\_ Term Maturity \_\_\_\_\_ Maturities: \_\_\_\_\_ Term Maturity \_\_\_\_\_*  
*Maturities: \_\_\_\_\_ Term Maturity \_\_\_\_\_ Maturities: \_\_\_\_\_ Term Maturity \_\_\_\_\_*

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

In submitting this bid, we represent that (i) this bid constitutes a firm offer to purchase the Bonds, and (ii) we have an established industry reputation for underwriting new issuances of municipal bonds and notes.

The Bonds are to be executed and delivered to us in accordance with the terms of this bid accompanied by the approving legal opinion of Dorsey & Whitney LLP, Des Moines, Iowa. The City will pay for the legal opinion. **The Purchaser agrees to** pay the fee charged by the CUSIP Service Bureau and will accept the Bonds with the CUSIP numbers as entered on the Bonds.

As evidence of our good faith, if we are the winning bidder, we will wire transfer the amount of **TWO PERCENT OF PAR** (the “Deposit”) **WITHIN TWO HOURS** after the bid opening time to the City’s good faith bank and under the terms provided in the Official Terms of Offering for the Bonds. Alternatively, we have wire transferred or enclosed herewith a check payable to the City in the amount of the Deposit under the terms provided in the Official Terms of Offering for the Bonds.

Attached hereto is a list of members of our account on whose behalf this bid is made.

**Form of Deposit (Check One)**

Prior to Bid Opening:  
 Certified/Cashier’s Check   
 Wire Transfer

Within TWO Hours of Bid Opening:  
 Wire Transfer

Amount: \$29,000

**Account Manager Information**

Underwriter/Bank \_\_\_\_\_  
 Address \_\_\_\_\_  
 Authorized Rep \_\_\_\_\_  
 City \_\_\_\_\_ State/Zip \_\_\_\_\_  
 Direct Phone (\_\_\_\_\_) \_\_\_\_\_  
 FAX Number (\_\_\_\_\_) \_\_\_\_\_  
 E-Mail Address \_\_\_\_\_

**Bidders Option Insurance**

We have purchased insurance from:  <b><u>Name of Insurer</u></b> (Please fill in)  _____  Premium: _____  Maturities: (Check One) <input type="checkbox"/> _____ Years <input type="checkbox"/> All
--

The foregoing bid was accepted and the Bonds sold by resolution of the City on May 28, 2024, and receipt is hereby acknowledged of the good faith Deposit which is being held in accordance with the terms of the annexed Official Terms of Offering.

ATTEST:

CITY OF OELWEIN  
FAYETTE COUNTY, IOWA

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Mayor

-----NOT PART OF THE BID-----  
 (Calculation of true interest cost)

Gross Interest	\$
Less Premium/Plus Discount	\$
True Interest Cost	\$
True Interest Rate	%
TOTAL BOND YEARS	8,373.33
AVERAGE LIFE	5.775 Years



## OFFICIAL TERMS OF OFFERING

**\$1,450,000\***  
**CITY OF OELWEIN**  
**Fayette County, Iowa**

### General Obligation Bridge Improvement Bonds, Series 2024

The City of Oelwein, Fayette County, Iowa, (the “City”), will receive electronic bids on the SpeerAuction (“SpeerAuction”) website address “www.SpeerAuction.com” for its \$1,450,000\* General Obligation Bridge Improvement Bonds, Series 2024 (the “Bonds”), on an all or none basis between 10:30 A.M. and 11:00 A.M., C.D.T., Tuesday, May 28, 2024. To bid electronically, bidders must have: (1) completed the registration form on the SpeerAuction website, and (2) requested and received admission to the City’s sale (as described below). The City will also receive sealed bids for the Bonds, on an all or none basis, at City Hall, 20 2<sup>nd</sup> Avenue SW, Oelwein, Iowa, before 11:00 A.M., C.D.T., Tuesday, May 28, 2024. The City will also receive facsimile bids at (319) 291-8628 for the Bonds, on an all or none basis, before 11:00 A.M., C.D.T., Tuesday, May 28, 2024. Upon receipt, facsimile bids will be sealed and treated as sealed bids, and along with all other sealed bids will be publicly opened and, together with any electronic bids, read.

Award will be made or all bids rejected at a meeting of the City on that date. The City reserves the right to reject all bids, to reject any bid proposal not conforming to this Official Terms of Offering, and to waive any irregularity or informality with respect to any bid. Additionally, the City reserves the right to modify or amend this Official Terms of Offering; however, any such modification or amendment shall not be made less than twenty-four (24) hours prior to the date and time for receipt of bids on the Bonds and any such modification or amendment will be announced on the Amendments Page of the SpeerAuction webpage and through *Thomson Municipal News*.

The Bonds 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.

*\*ADJUSTMENTS TO PRINCIPAL AMOUNT AFTER DETERMINATION OF BEST BID. The aggregate principal amount of the Bonds, and each scheduled maturity thereof, are subject to increase or reduction by the City or its designee after the determination of the Winning Bidder. The City may increase or decrease each maturity in increments of \$5,000, but the total amount to be issued will not exceed \$1,500,000. Interest rates specified by the Winning Bidder for each maturity will not change. Final adjustments shall be in the sole discretion of the City.*

*The dollar amount of the purchase price proposed by the Winning Bidder will be changed if the aggregate principal amount of the Bonds is adjusted as described above. Any change in the principal amount of any maturity of the Bonds will be made while maintaining, as closely as possible, the Winning Bidder’s net compensation, calculated as a percentage of bond principal. The Winning Bidder may not withdraw or modify its bid as a result of any post-bid adjustment. Any adjustment shall be conclusive, and shall be binding upon the Winning Bidder.*

### Establishment of Issue Price

- (a) The winning bidder shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at closing an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the Public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as **Exhibit A** to this Official Terms of Offering, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the City and Dorsey & Whitney LLP (“Bond Counsel”). All actions to be taken by the City under this Official Terms of Offering to establish the issue price of the Bonds may be taken on behalf of the City by the City’s municipal advisor and any notice or report to be provided to the City may be provided to Speer Financial, Inc., Chicago, Illinois (“Speer”).

- (b) The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “competitive sale requirements”) because:
- (i) the City shall disseminate this Official Terms of Offering to potential Underwriters in a manner that is reasonably designed to reach potential Underwriters;
  - (ii) all bidders shall have an equal opportunity to bid;
  - (iii) the City may receive bids from at least three Underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
  - (iv) the City anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the lowest true interest cost, as set forth in this Official Terms of Offering.

Any bid submitted pursuant to this Official Terms of Offering shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

- (c) In the event that the competitive sale requirements are not satisfied, the City shall so advise the winning bidder. **The City will not require bidders to comply with the “hold-the-offering-price rule” and therefore does not intend to use the initial offering price to the Public as of the Sale Date of any maturity of the Bonds as the issue price of that maturity, though the winning bidder may elect to apply the “hold the offering price rule” (as described below). Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied. Unless a bidder intends to apply the “hold-the-offering-price rule” as described below, bidders should prepare their bids on the assumption that all of the maturities of the Bonds will be subject to the 10% test (as described below) in order to establish the issue price of the Bonds.** If the competitive sale requirements are not satisfied, the 10% test shall apply to determine the issue price of each maturity of the Bonds unless the winning bidder shall request that the “hold-the-offering-price rule” (as described below) shall apply. The winning bidder must notify Speer of its intention to apply the “hold-the-offering-price rule” at or prior to the time the Bonds are awarded.

- (i) If the winning bidder does not request that the “hold-the-offering-price rule” apply to determine the issue price of the Bonds, the following two paragraphs shall apply:

The City shall treat the first price at which 10% of a maturity of the Bonds (the “10% test”) is sold to the Public as the issue price of that maturity, applied on a maturity-by-maturity basis. The winning bidder shall advise the City if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds.

Until the 10% test has been satisfied as to each maturity of the Bonds, the winning bidder agrees to promptly report to the City the prices at which the unsold Bonds of that maturity have been sold to the Public. That reporting obligation shall continue, whether or not the closing date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the Public. In addition, if the 10% test has not been satisfied with respect to any maturity of the Bonds prior to closing, then the purchaser shall provide the City with a representation as to the price of prices, as of the date of closing, at which the purchaser reasonably expects to sell the remaining Bonds of such maturity.

- (ii) If the winning bidder does request that the “hold-the-offering-price rule” apply to determine the issue price of the Bonds, the following three paragraphs shall apply:

The City may determine to treat (i) pursuant to the 10% test, the first price at which 10% of a maturity of the Bonds is sold to the Public as the issue price of that maturity and/or (ii) the initial offering price to the Public as of the Sale Date of any maturity of the Bonds as the issue price of that maturity (the “hold-the-offering-price rule”), in each case applied on a maturity-by-maturity basis. The winning bidder shall advise the City if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds. The City shall promptly advise the winning bidder, at or before the time of award of the Bonds, which maturities of the Bonds shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule or both. Bids will *not* be subject to cancellation in the event that the City determines to apply the hold-the-offering-price rule to any maturity of the Bonds.

By submitting a bid, the winning bidder shall (i) confirm that the Underwriters have offered or will offer the Bonds to the Public on or before the date of award at the offering price or prices (the “*initial offering price*”), and (ii) agree, on behalf of the Underwriters participating in the purchase of the Bonds, that the Underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the Public during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth business day after the Sale Date; or
- (2) the date on which the Underwriters have sold at least 10% of that maturity of the Bonds to the Public at a price that is no higher than the initial offering price to the Public.

The City acknowledges that, in making the representation set forth above, the winning bidder will rely on (i) the agreement of each Underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among Underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the Public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the Public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The City further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price applicable to the Bonds.

- (d) By submitting a bid, each bidder confirms that: (i) any agreement among Underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (a) report the prices at which it sells to the Public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public and (b) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires which shall be at least until the 10% test has been satisfied as to the Bonds of that maturity or until the close of the fifth business day following the date of the award, and (ii) any agreement among Underwriters relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each broker-dealer that is a party to such retail distribution agreement to (a) report the prices at which it sells to the Public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder or such Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public and (b) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder or such Underwriter and as set forth in the related pricing wires, which shall be at least until the 10% test has been satisfied as to the Bonds of that maturity or until the close of the fifth business day following the date of the award.
- (e) Sales of any Bonds to any person that is a Related Party to an Underwriter shall not constitute sales to the Public for purposes of this Official Terms of Offering. Further, for purposes of this Official Terms of Offering:
- (i) “Public” means any person other than an Underwriter or a Related Party,
  - (ii) “Underwriter” means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public including, specifically, the purchaser, and (b) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public),
  - (iii) a purchaser of any of the Bonds is a “Related Party” to an Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
  - (iv) “Sale Date” means the date that the Bonds are awarded by the City to the winning bidder.

**Bond Details**

The Bonds will be in fully registered form in the denominations of \$5,000 and integral multiples thereof in the name of Cede & Co. as nominee of The Depository Trust Company (“DTC”), New York, New York, to which principal and interest payments on the Bonds will be paid. Individual purchases will be in book-entry form only. Interest on each Bond shall be paid by check or draft of the Bond Registrar to the person in whose name such Bond is registered at the close of business on the fifteenth day of the month next preceding an interest payment date on such bond. The principal of the Bonds shall be payable in lawful money of the United States of America at the principal office maintained for the purpose by the Bond Registrar in West Des Moines, Iowa. Semiannual interest is due June 1 and December 1 of each year, commencing December 1, 2024 and is payable by UMB Bank, n.a., West Des Moines, Iowa (the “Bond Registrar”). The Bonds are dated the date of delivery (expected to be on or about June 25, 2024).

**AMOUNTS\* AND MATURITIES – JUNE 1**

\$120,000 .....	2025	\$135,000 .....	2028	\$160,000 .....	2032
125,000 .....	2026	140,000 .....	2029	165,000 .....	2033
130,000 .....	2027	145,000 .....	2030	175,000 .....	2034
		155,000 .....	2031		

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

The Bonds due June 1, 2025 - 2031, inclusive, are non-callable. The Bonds due June 1, 2032 - 2034, inclusive, are callable in whole or in part and 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 any order of maturity as determined by the City and within any maturity by lot.

**Method of Bidding Electronically**

Notwithstanding the fact that the City permits receiving bids electronically using SpeerAuction, all bidders must have a signed, but uncompleted, Official Bid Form delivered to Speer Financial, Inc., Suite 608, 531 Commercial Street, Waterloo, Iowa, (319) 291-8628 facsimile, prior to the close of bidding to which a printout of the electronic bid will be attached and delivered to the City.

If bidding electronically, all-or-none bids must be submitted via the internet address [www.SpeerAuction.com](http://www.SpeerAuction.com). The use of SpeerAuction shall be at the bidder’s risk and expense and the City shall have no liability with respect thereto, including (without limitation) liability with respect to incomplete, late arriving and non-arriving bids.

To bid via the SpeerAuction webpage, bidders must first visit the SpeerAuction webpage where, if they have not previously registered with either SpeerAuction, Grant Street Group (the “Auction Administrator”) or any other website administered by the Auction Administrator, they may register and then request admission to bid on the Bonds. Bidders will be notified prior to the scheduled bidding time of their eligibility to bid. Only registered broker-dealers and dealer banks with DTC clearing arrangements will be eligible to bid electronically.

The “Rules” of the SpeerAuction bidding process may be viewed on the SpeerAuction webpage and are incorporated herein by reference. Bidders must comply with the Rules of SpeerAuction in addition to the requirements of the City’s Official Terms of Offering. In the event the Rules of SpeerAuction and this Official Terms of Offering conflict, this Official Terms of Offering shall be controlling.

All electronic bids must be submitted on the SpeerAuction webpage. Electronic bidders may change and submit bids as many times as they choose during the sale period but may not delete a submitted bid. The last bid submitted by an electronic bidder before the deadline for receipt of bids will be compared to all other final bids to determine the winning bidder. During the bidding, no bidder will see any other bidder’s bid nor the status of their bid relative to other bids (e.g., whether their bid is a leading bid). The electronic bidder bears all risk of transmission failure. Any questions regarding bidding on the SpeerAuction website should be directed to Grant Street Group at (412) 391-5555 x 370.

Each bidder shall be solely responsible for making necessary arrangements to access SpeerAuction for purposes of submitting its internet bid in a timely manner and in compliance with the requirements of the Terms of Offering. The City is permitting bidders to use the services of the SpeerAuction solely as a communication mechanism to conduct the internet bidding and the SpeerAuction is not an agent of the City. Provisions of the Terms of Offering and Official Bid Form shall control in the event of conflict with information provided by the Internet Bid System.

**Electronic Facsimile Bidding:** Bids may be submitted via facsimile at (319) 291-8628. Electronic facsimile bids will be sealed and treated as sealed bids. Neither the City nor its agents will assume liability for the inability of the bidder to reach the above named fax numbers prior to the time of sale specified above. Transmissions received after the deadline will be rejected. Bidders electing to submit bids via facsimile transmission bear full and complete responsibility for the transmission of such bid. Neither the City nor its agents will assume responsibility for the inability of the bidder to reach the above specified fax number prior to the time of sale. Time of receipt shall be the time recorded by the person receiving the facsimile and shall be conclusive.

### **Bidding Parameters and Award of the Bonds**

All interest rates must be in multiples of one-eighth or one one-hundredth of one percent (1/8 or 1/100 of 1%), and not more than one rate for a single maturity shall be specified. The rates bid shall be in non-descending order. The differential between the highest rate bid and the lowest rate bid shall not exceed six percent (6%). All bids must be for all of the Bonds and must be for not less than \$1,438,400.

**Award of the Bonds:** The Bonds will be awarded on the basis of true interest cost, determined in the following manner. True interest cost shall be computed by determining the annual interest rate (compounded semi-annually) necessary to discount the debt service payments on the Bonds from the payment dates thereof to the dated date and to the bid price. For the purpose of calculating true interest cost, the Bonds shall be deemed to become due in the principal amounts and at the times set forth in the table of maturities set forth above. In the event two or more qualifying bids produce the identical lowest true interest cost, the winning bid shall be the bid that was submitted first in time on the SpeerAuction webpage or if all such bids are not submitted electronically, the winning bid shall be determined by lot.

The Bonds will be awarded to the bidder complying with the terms of this Official Terms of Offering whose bid produces the lowest true interest cost rate to the City as determined by the City's Registered Municipal Advisor, which determination shall be conclusive and binding on all bidders; provided, that the City reserves the right to reject all bids or any non-conforming bid and reserves the right to waive any informality in any bid. Electronic bidders should verify the accuracy of their final bids and compare them to the winning bids reported on the SpeerAuction Observation Page immediately after the bidding.

**The premium or discount, if any, is subject to pro rata adjustment if the maturity amounts of the Bonds are changed, maintaining, as close as possible, the same dollar amount of profit per \$1,000 bond as bid.**

The true interest cost of each electronic bid will be computed by SpeerAuction and reported on the Observation Page of the SpeerAuction webpage immediately following the date and time for receipt of bids. These true interest costs are subject to verification by the City's Municipal Advisor, will be posted for information purposes only and will not signify an actual award of any bid or an official declaration of the winning bid. The City or its Municipal Advisor will notify the bidder to whom the Bonds will be awarded, if and when such award is made.

The winning bidder will be required to make the standard filings and maintain the appropriate records routinely required pursuant to MSRB Rules G-8, G-11 and G-36. The winning bidder will be required to pay the standard MSRB charge for Bonds purchased. In addition, the winning bidder who is a member of the Securities Industry and Financial Markets Association ("SIFMA") will be required to pay SIFMA's standard charge per Bond.

## Good Faith Deposit and Other Matters

The winning bidder is required to a wire transfer from a solvent bank or trust company to the City's good faith bank the amount of **TWO PERCENT OF PAR** (the "Deposit") **WITHIN TWO HOURS** after the bid opening time as evidence of the good faith of the bidder. Alternatively, a bidder may submit its Deposit upon or prior to the submission of its bid in the form of a certified or cashier's check on, or a wire transfer from, a solvent bank or trust company for **TWO PERCENT OF PAR** payable to the Treasurer of the City. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received within such two hour time period provided that such winning bidder's federal wire reference number has been received. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award.

If a wire transfer is used for the Deposit, it must be sent according to the following wire instructions:

Amalgamated Bank of Chicago  
Corporate Trust  
30 North LaSalle Street  
38<sup>th</sup> Floor  
Chicago, IL 60602  
ABA # 071003405

Credit To: 3281 Speer Bidding Escrow  
RE: City of Oelwein, Fayette County, Iowa bid for  
\$1,450,000\* General Obligation Bridge Improvement Bonds, Series 2024

If the wire shall arrive in such account prior to the date and time of the sale of the Bonds. Contemporaneously with such wire transfer, the prospective purchaser shall send an email to [biddingscrow@aboc.com](mailto:biddingscrow@aboc.com) with the following information: (1) indication that a wire transfer has been made, (2) the amount of the wire transfer, (3) the issue to which it applies, and (4) the return wire instructions if such prospective purchaser is not awarded the Bonds. The City and any prospective purchaser who chooses to wire the Deposit hereby agree irrevocably that Speer Financial, Inc. ("Speer") shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: (i) if the bid is not accepted, Speer shall, at its expense, promptly return the Deposit amount to the unsuccessful prospective purchaser; (ii) if the bid is accepted, the Deposit shall be forwarded to the City, (iii) Speer shall bear all costs of maintaining the escrow account and returning the funds to the prospective purchaser; (iv) Speer shall not be an insurer of the Deposit amount and shall have no liability except if it willfully fails to perform, or recklessly disregards, its duties specified herein; and (v) income earned on the Deposit, if any, shall be retained by Speer.

The City covenants and agrees to enter into a written agreement, certificate or contract, constituting an undertaking (the "Undertaking") to provide ongoing disclosure about the City for the benefit of the beneficial owners of the Bonds on or before the date of delivery of the Bonds as required under Section (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The Undertaking shall be as described in the Official Statement, with such changes as may be agreed in writing by the Underwriter.

The Underwriter's obligation to purchase the Bonds shall be conditioned upon the City delivering the Undertaking on or before the date of delivery of the Bonds.

The Bonds will be delivered to the successful purchaser against full payment in immediately available funds as soon as they can be prepared and executed, which is expected to be on or about June 25, 2024. Should delivery be delayed beyond sixty (60) days from the date of sale for any reason beyond the control of the City except failure of performance by the purchaser, the City may cancel the award or the purchaser may withdraw the good faith deposit and thereafter the purchaser's interest in and liability for the Bonds will cease.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts, and interest rates of the Bonds, and any other information required by law or deemed appropriate by the City, shall constitute a “Final Official Statement” of the City with respect to the Bonds, as that term is defined in the Rule. By awarding the Bonds to any underwriter or underwriting syndicate, the City agrees that, no more than seven (7) business days after the date of such award, it shall provide, without cost to the senior managing underwriter of the syndicate to which the Bonds are awarded, up to 50 copies of the Final Official Statement to permit each “Participating Underwriter” (as that term is defined in the Rule) to comply with the provisions of such Rule. The City shall treat the senior managing underwriter of the syndicate to which the Bonds are awarded as its designated agent for purposes of distributing copies of the Final Official Statement to each Participating Underwriter. Any underwriter executing and delivering an Official Bid Form with respect to the Bonds agrees thereby that if its bid is accepted by the City it shall enter into a contractual relationship with all Participating Underwriters of the Bonds for purposes of assuring the receipt by each such Participating Underwriter of the Final Official Statement.

By submission of its bid, the senior managing underwriter of the successful purchaser agrees to supply all necessary pricing information and any Participating Underwriter identification necessary to complete the Official Statement within 24 hours after award of the Bonds. Additional copies of the Final Official Statement may be obtained by Participating Underwriters from the printer at cost.

The City will, at its expense, deliver the Bonds to the purchaser in New York, New York (or arrange for “FAST” delivery) through the facilities of DTC and will pay for the bond attorney’s opinion. At the time of closing, the City will also furnish to the purchaser the following documents, each dated as of the date of delivery of the Bonds: (1) the legal opinion of Dorsey & Whitney LLP, Des Moines, Iowa, that the Bonds are lawful and enforceable obligations of the City in accordance with their terms; (2) the opinion of said attorneys that the interest on the Bonds is exempt from federal income taxes as and to the extent set forth in the Official Statement for the Bonds; and (3) a no litigation certificate by the City.

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

Purchaser consents to the receipt of electronic transcripts and acknowledges the City’s intended use of electronically executed documents. Iowa Code Chapter 554D establishes electronic signatures have the full weight and legal authority as manual signatures.

The City has authorized the printing and distribution of an Official Statement containing pertinent information relative to the City and the Bonds. Copies of such Official Statement or additional information may be obtained from Dylan Mulfinger, City Administrator, City of Oelwein, 20 2<sup>nd</sup> Avenue S.W., Oelwein, Iowa, 50662 or an electronic copy of this Official Statement is available from the [www.speerfinancial.com](http://www.speerfinancial.com) website under “Official Statement Sales/Competitive Calendar” or from the Registered Municipal Advisor to the City, Speer Financial, Inc., 531 Commercial Street, Suite 608, Waterloo, Iowa 50701 (telephone (319) 291-2077), and 230 West Monroe Street, Suite 2630, Chicago, Illinois 60606 (telephone (312) 346-3700).

/s/ **DYLAN MULFINGER**  
*City Administrator*  
CITY OF OELWEIN  
Fayette County, Iowa



**EXHIBIT A**

**EXAMPLE ISSUE PRICE CERTIFICATE**

**\$1,450,000**  
**GENERAL OBLIGATION BRIDGE IMPROVEMENT BONDS, SERIES 2024**

**Form of ISSUE PRICE CERTIFICATE**

**(Fewer than 3 Bids)**

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] ([“SHORT NAME OF UNDERWRITER”])[the “Representative”][, on behalf of itself and [UNDERWRITER OF OTHER UNDERWRITERS] (together, the “Underwriting Group”),] hereby certifies as set forth below with respect to the sale of the obligations named above (the “Bonds”).

1. **Initial Offering Price of the Bonds.** [SHORT NAME OF UNDERWRITER][The Underwriting Group] offered the Bonds to the Public for purchase at the specified initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire for the Bonds is attached to this certificate as Schedule B.

2. **First Price at which Sold to the Public.** On the Sale Date, at least 10% of each Maturity [listed in Schedule C] was first sold to the Public at the respective Initial Offering Price [or price specified [therein][in Schedule C], if different].

3. **Hold the Offering Price Rule.** [SHORT NAME OF UNDERWRITER][Each member of the Underwriting Group] has agreed in writing that, (i) for each Maturity less than 10% of which was first sold to the Public at a single price as of the Sale Date, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “Hold-the-Offering-Price Rule”), and (ii) any agreement among underwriters, selling group agreement, or third-party distribution agreement contains the agreement of each underwriter, dealer, or broker-dealer who is a party to such agreement to comply with the Hold-the-Offering-Price Rule. Based on the [Representative][SHORT NAME OF UNDERWRITER]’s own knowledge and, in the case of sales by other Members of the Distribution Group, representations obtained from the other Members of the Distribution Group, no Member of the Distribution Group has offered or sold any such Maturity at a price that is higher than the respective Initial Offering Price during the respective Holding Period.

4. **Defined Terms.** For purposes of this Issue Price Certificate:

(a) **Holding Period** means the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (June 4, 2024), or (ii) the date on which Members of the Distribution Group have sold at least 10% of such Maturity to the Public at one or more prices, none of which is higher than the Initial Offering Price for such Maturity.

(b) **Issuer** means the City of Oelwein, Iowa.

(c) *Maturity* means Bonds with the same credit and payment terms. Any Bonds with different maturity dates, or with the same maturity date but different stated interest rates, are treated as separate Maturities.

(d) *Member of the Distribution Group* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

(e) *Public* means any person (*i.e.*, an individual, trust, estate, partnership, association, company, or corporation) other than a Member of the Distribution Group or a related party to a Member of the Distribution Group. A person is a “related party” to a Member of the Distribution Group if the Member of the Distribution Group and that person are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(f) *Sale Date* means the first day on which there is a binding contract in writing for the sale of the respective Maturity. The Sale Date of each Maturity was May 28, 2024.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [NAME OF UNDERWRITING FIRM] interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Closing Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Dorsey & Whitney LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER][REPRESENTATIVE]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Dated: June 25, 2024

**SCHEDULE A**  
**INITIAL OFFERING PRICES OF THE BONDS**  
*(Attached)*

**SCHEDULE B**  
**PRICING WIRE**  
*(Attached)*

**SCHEDULE C**

**SALES OF AT LEAST 10% OF MATURITY TO THE PUBLIC ON THE SALE DATE  
AT THE INITIAL OFFERING PRICE**

*(Attached)*

**\$1,450,000**  
**GENERAL OBLIGATION BRIDGE IMPROVEMENT BONDS, SERIES 2024**

**Form of ISSUE PRICE CERTIFICATE**

**(3 or More Bids)**

The undersigned, on behalf of [NAME OF UNDERWRITER] (“[SHORT NAME OF UNDERWRITER]”), hereby certifies as set forth below with respect to the sale of the obligations named above (the “Bonds”).

**1. Reasonably Expected Initial Offering Price.**

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.

**2. Defined Terms.** For purposes of this Issue Price Certificate:

(a) *Issuer* means the City of Oelwein, Iowa.

(b) *Maturity* means Bonds with the same credit and payment terms. Any Bonds with different maturity dates, or with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) *Member of the Distribution Group* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

(d) *Public* means any person (*i.e.*, an individual, trust, estate, partnership, association, company, or corporation) other than a Member of the Distribution Group or a related party to a Member of the Distribution Group. A person is a “related party” to a Member of the Distribution Group if the Member of the Distribution Group and that person are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities

are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(e) *Sale Date* means the first day on which there is a binding contract in writing for the sale of the respective Maturity. The Sale Date of each Maturity was May 28, 2024.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Closing Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Dorsey & Whitney LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Dated: June 25, 2024



**SCHEDULE A**  
**EXPECTED OFFERING PRICES**

*(Attached)*

**SCHEDULE B**  
**COPY OF UNDERWRITER'S BID**

*(Attached)*