



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 Dysart, Tama County, Iowa.
<b>Issue:</b>	\$1,400,000* General Obligation Corporate Purpose Bonds, Series 2024.
<b>Dated Date:</b>	Date of delivery (expected to be on or about June 6, 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, 2026 through 2039, as detailed on the cover page of this Official Statement.
<b>Optional Redemption:</b>	Bonds maturing on or after June 1, 2033, are callable at the option of the City on any date on or after June 1, 2032, at a price of par plus accrued interest. See “ <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>No Investment Rating:</b>	The City does not intend to apply for an investment rating on the Bonds.
<b>Purpose:</b>	The proceeds of the Bonds will be used to: (i) pay the costs of constructing street, water system, sanitary sewer system, storm water drainage and sidewalk improvements; (ii) pay the costs of acquiring and installing street lighting, signage and signalization improvements, (iii) 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 6, 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 DYSART**  
**Tama County, Iowa**

Tim Glenn  
*Mayor*

**Council Members**

Jenn Alpers

Stacey Dabney

Derek Neegaard

Steven Stoner

Mary Wankowicz

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**Officials**

Tabby Kaiser  
*City Clerk*

Corey Lorenzen, Esq.  
*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.

### **No Investment Rating**

The City does not intend to apply for an investment rating on the Bonds.

### **Redemption Prior to Maturity**

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

### **Forward-Looking Statements**

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

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

As discussed under the heading “**TAX EXEMPTION AND RELATED TAX MATTERS**” herein, the interest on the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date of delivery of the Bonds, as a result of acts or omissions of the City in violation of its covenants in the Resolution. Should such an event of taxability occur, the Bonds would not be subject to a special 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 the Iowa Public Employee’s Retirement System (IPERS). Summary descriptions of the IPERS Plan follows 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%. Protection occupation members contributed 6.21% of covered payroll and the City contributed 9.31% for a total rate of 15.52%. The City’s contributions to IPERS for the year ended June 30, 2023 were \$63,266. 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 \$(3,929) for its proportionate share of the IPERS net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2022 and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The discount rate used to measure the total pension liability was 7%. The City’s proportion of the net pension liability (asset) 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.

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

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, 2020, the City contributed \$482,981. 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 approximately 20 miles south of the Waterloo/Cedar Falls metropolitan area and 80 miles northeast of Des Moines, Iowa. The land area of the City is approximately 1.25 square miles. The City was first incorporated in 1873 and operates under the Home Rule provisions of the Constitution of Iowa. The 2020 Census population for the City was 1,281.

## **City Organization and Services**

The City has a Mayor-Council form of government. The Mayor is elected to a four-year term and five council members are elected to staggered four-year terms. Policy is established by the Mayor and the City Council. The City Clerk/Treasurer and City Attorney are appointed by the City Council. The City provides numerous services to citizens, including public safety, public works, culture and recreation, community and economic development, and general government services. The City also provides water, sewer, electric and garbage utilities for its citizens.

The City employs ten people on a full-time basis and eight people on a part-time. The City has approximately 18 part-time seasonal employees for the aquatic center June - August. Fire protection for the City is provided by a 25-member volunteer fire department and police protection is provided by three full-time police officers.

The City's municipal utility supplies water and sanitary sewer service to the City's residents. The City's elevated water storage capacity is 300,000 gallons per day (gpd), with an average consumption of 115,000 gpd. The source of the City's water is through Poweshiek Water Association. The City's sewage treatment plant has a design capacity of 2,307,000 gpd, a peak load of 600,000 gpd and an average load of 150,000 gpd. Almost all of the residents of the City are connected to the sewage treatment plant.

Dysart Municipal Utility supplies electric power to the City residents and natural gas is supplied by Alliant Energy. The local telephone company is Farmers Coop Telephone. Cellular and internet service are available to all City residents.

## **Community Life**

The City has a library, a museum, and a historical society. The City also maintains a city park and the CR Roberts Memorial Bike Trail. The Dysart Country Club operates a 9-hole golf course near the City.

The City is served, within a one-hour driving distance, by six hospitals with approximately 1,223 beds. Emergency medical treatment is within 20 minutes north of the City and a medical clinic is located in the City.

**Education**

Public education is provided for the City residents by the Union Community School District (the “District”). The District serves the City of La Porte City, the City and the rural area between and surrounding such cities. The District has a 2023-24 certified enrollment of 945 students. The District’s middle school and one elementary school are located in the City.

Higher education opportunities are provided for City residents at Hawkeye Community College, approximately 20 minutes north of the City, and the University of Northern Iowa, approximately 30 minutes north of the City. Additional higher educational opportunities are provided at the University of Iowa, located approximately 80 miles southeast of the City, and the Iowa State University, located approximately 90 miles west of the City.

**Transportation**

The City is located at the crossroads of State Highways 8 and 21. The nearest interstate interchange is located approximately 20 minutes northeast of the City (Interstate 380).

The Waterloo Regional Airport is approximately 35 miles north of the City. The Eastern Iowa Airport (CID) in Cedar Rapids, Iowa, is approximately 50 miles southeast of the City.

The City is not directly served by a railroad. The closest piggyback rail service is approximately 25 miles from the City.

**SOCIOECONOMIC INFORMATION**

The following demographic information is for the City. Additional comparisons are made with Tama 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 .....	1,251	n/a	20,147	n/a	2,824,376	n/a
1980 .....	1,355	8.31%	19,533	(3.05%)	2,913,808	3.17%
1990 .....	1,230	(9.23%)	17,419	(10.82%)	2,776,755	(4.70%)
2000 .....	1,303	5.93%	18,103	3.93%	2,926,324	5.39%
2010 .....	1,379	5.83%	17,767	(1.86%)	3,046,355	4.10%
2020 .....	1,281	(7.11%)	17,135	(3.56%)	3,190,369	4.73%

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

## Employment

Following are lists of large employers located in the surrounding area.

### Major Area Employers(1)

<u>Location</u>	<u>Name</u>	<u>Product/Service</u>	<u>Approximate Employment</u>
Cedar Rapids/Coralville	Collins Aerospace	Aircraft Parts & Equipment	8,200
Cedar Falls/Waterloo	John Deere	Manufacturing	5,800
Cedar Rapids	Unity Point Health–St Luke’s Hospital	Healthcare	3,000
Waterloo	Tyson Fresh Meats	Meat Processing	2,980
Cedar Rapids	Transamerica	Insurance	2,600
Cedar Falls/Waterloo	Mercy One	Healthcare	2,575
Cedar Rapids	Hy-Vee Food Stores	Grocery Store	2,425
Cedar Rapids	Nordstrom	Logistics	2,150
Cedar Rapids	Cedar Rapids CSD	Education	1,825
Cedar Falls	Target Distribution Center	Logistics	1,700

Note: (1) Source: the 2024 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)

<u>Classification</u>	<u>The City</u>		<u>The County</u>		<u>The State</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Agriculture, forestry, fishing and hunting, and mining	19	2.5%	520	6.4%	59,661	3.7%
Construction	21	2.7%	704	8.6%	109,620	6.7%
Manufacturing	90	11.8%	1,344	16.5%	241,735	14.9%
Wholesale trade	18	2.4%	372	4.6%	43,644	2.7%
Retail trade	63	8.2%	1,055	12.9%	188,572	11.6%
Transportation and warehousing, and utilities	65	8.5%	400	4.9%	84,056	5.2%
Information	0	0.0%	68	0.8%	23,201	1.4%
Finance and insurance, and real estate and rental and leasing	37	4.8%	294	3.6%	125,957	7.7%
Professional, scientific, and management, and administrative and waste management services	54	7.1%	431	5.3%	122,753	7.5%
Educational services, and health care and social assistance	294	38.5%	1,729	21.2%	393,500	24.2%
Arts, entertainment, and recreation, and accommodation and food services	31	4.1%	593	7.3%	114,116	7.0%
Other services, except public administration	44	5.8%	295	3.6%	68,874	4.2%
Public administration	28	3.7%	360	4.4%	51,745	3.2%
Total	764	100.0%	8,165	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)

<u>Classification</u>	<u>The City</u>		<u>The County</u>		<u>The State</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Management, business, science, and arts occupations	286	37.4%	2,289	28.0%	620,397	38.1%
Service occupations	171	22.4%	1,378	16.9%	251,632	15.5%
Sales and office occupations	101	13.2%	1,652	20.2%	321,247	19.7%
Natural resources, construction, and maintenance occupations	80	10.5%	1,038	12.7%	154,866	9.5%
Production, transportation, and material moving occupations	126	16.5%	1,808	22.1%	279,292	17.2%
Total	764	100.0%	8,165	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 .....	4.3%	3.7%	5.3%
2016 .....	4.1%	3.6%	4.9%
2017 .....	3.4%	3.1%	4.4%
2018 .....	3.0%	2.6%	3.9%
2019 .....	3.0%	2.7%	3.7%
2020(3) .....	5.0%	5.2%	8.1%
2021(3) .....	4.3%	3.8%	5.4%
2022 .....	3.4%	2.8%	3.6%
2023 .....	3.9%	2.9%	3.6%
2024(4) .....	5.9%	3.6%	4.1%

- 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 January 2024.

**Building Permits**

**City Building Permits(1)(2)**  
 (Excludes the Value of Land)

Calendar Year	Total Value
2015 .....	\$ 746,811
2016 .....	190,500
2017 .....	376,850
2018 .....	286,670
2019 .....	1,455,440
2020 .....	1,679,812
2021 .....	836,568
2022 .....	1,420,499
2023 .....	1,608,787

- Notes: (1) Source: the City.  
 (2) Includes new construction and remodels.

**Housing**

The U.S. Census Bureau 5-year estimated values reported that the median value of the City’s owner-occupied homes was \$152,000. This compares to \$129,400 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 .....	17	3.4%	461	9.1%	66,889	7.2%
\$50,000 to \$99,999 .....	105	21.1%	1,300	25.7%	129,783	14.1%
\$100,000 to \$149,999 .....	119	23.9%	1,171	23.1%	158,953	17.2%
\$150,000 to \$199,999 .....	116	23.3%	607	12.0%	157,129	17.0%
\$200,000 to \$299,999 .....	107	21.5%	970	19.2%	206,136	22.3%
\$300,000 to \$499,999 .....	25	5.0%	408	8.1%	152,269	16.5%
\$500,000 to \$999,999 .....	8	1.6%	91	1.8%	44,144	4.8%
\$1,000,000 or more .....	0	0.0%	56	1.1%	7,381	0.8%
Total .....	497	100.0%	5,064	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.....	284	57.1%	2,788	55.1%	552,272	59.9%
Housing units without a mortgage.....	213	42.9%	2,276	44.9%	370,412	40.1%
Total .....	497	100.0%	5,064	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 \$83,333. This compares to \$78,503 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.....	7	1.7%	209	4.5%	19,266	2.4%
\$10,000 to \$14,999.....	0	0.0%	75	1.6%	12,209	1.5%
\$15,000 to \$24,999.....	9	2.2%	214	4.7%	31,695	3.9%
\$25,000 to \$34,999.....	12	2.9%	239	5.2%	40,734	5.1%
\$35,000 to \$49,999.....	28	6.9%	463	10.1%	75,502	9.4%
\$50,000 to \$74,999.....	118	28.9%	941	20.5%	136,964	17.1%
\$75,000 to \$99,999.....	53	13.0%	814	17.7%	131,007	16.3%
\$100,000 to \$149,999.....	127	31.1%	1,105	24.0%	188,746	23.5%
\$150,000 to \$199,999.....	24	5.9%	281	6.1%	86,058	10.7%
\$200,000 or more.....	30	7.4%	256	5.6%	81,095	10.1%
Total .....	408	100.0%	4,597	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 \$72,917. This compares to \$65,483 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.....	18	2.8%	314	4.7%	53,544	4.2%
\$10,000 to \$14,999.....	33	5.2%	304	4.5%	46,854	3.6%
\$15,000 to \$24,999.....	75	11.8%	581	8.7%	96,051	7.4%
\$25,000 to \$34,999.....	30	4.7%	454	6.8%	100,749	7.8%
\$35,000 to \$49,999.....	61	9.6%	847	12.6%	153,024	11.9%
\$50,000 to \$74,999.....	109	17.1%	1,327	19.8%	231,140	17.9%
\$75,000 to \$99,999.....	87	13.7%	970	14.5%	183,917	14.3%
\$100,000 to \$149,999.....	156	24.5%	1,274	19.0%	234,590	18.2%
\$150,000 to \$199,999.....	26	4.1%	357	5.3%	98,518	7.6%
\$200,000 or more.....	42	6.6%	275	4.1%	91,752	7.1%
Total .....	637	100.0%	6,703	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)

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Average Value Per Acre:					
The County.....	\$7,842	\$8,113	\$10,194	\$11,791	\$12,406
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. The Local Option Tax for the City became effective July 1, 2003. The City’s Local Option Tax referendum question stated that proceeds of such tax would be designated for any lawful purpose of the City with no sunset date.

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)

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Local</u> <u>Option Sales Tax</u> <u>Receipts(2)</u>	<u>Percent</u> <u>Change +/-</u>
2015.....	\$ 91,587	n/a
2016.....	92,241	0.71%
2017.....	85,703	(7.09%)
2018.....	93,091	8.62%
2019.....	95,293	2.36%
2020.....	102,045	7.09%
2021.....	135,477	32.76%
2022.....	123,719	(8.68%)
2023.....	118,200	(4.46%)
2024.....	118,200(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.....	\$8,844,968	n/a
2014.....	8,741,540	(1.17%)
2015.....	8,478,447	(3.01%)
2016.....	8,417,067	(0.72%)
2017.....	7,970,987	(5.30%)
2018.....	7,837,844	(1.67%)
2019.....	7,435,849	(5.13%)
2020.....	7,302,590	(1.79%)
2021.....	8,257,458	13.08%
2022.....	8,781,960	6.35%

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

**THE PROJECT**

Bond proceeds will be used to: (i) pay the costs of constructing street, water system, sanitary sewer system, storm water drainage and sidewalk improvements; (ii) pay the costs of acquiring and installing street lighting, signage and signalization improvements, and (iii) 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 \$3,960,000\* principal amount of general obligation debt. In addition, the City has outstanding approximately \$4,240,916 principal amount of sewer revenue debt issued through the State Revolving Fund program that does not count against the City’s debt capacity.

**Debt Limitation**

The amount of general obligation debt a political subdivision of the State can incur is controlled by the constitutional debt limit, which is an amount equal to 5% of the actual value of taxable property within the corporate limits, taken from the last County Tax list. According to and based upon the January 1, 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 .....	\$90,892,543
Constitutional Debt Limit .....	\$ 4,544,627
Outstanding Bonds/Notes Applicable to Debt Limit:	
Total G.O. Debt Subject to Debt Limit.....	<u>\$ 3,960,000*</u>
Total Applicable Debt .....	<u>\$ 3,960,000*</u>
Remaining Debt Capacity.....	\$ 584,627*

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 2013.....	\$ 210,000
Series 2015.....	175,000
Series 2017.....	255,000
Series 2019.....	350,000
Series 2020.....	385,000
Series 2021.....	510,000
Series 2022.....	675,000
The Bonds(2) .....	<u>1,400,000</u>
Total(2) .....	<u>\$3,960,000</u>

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

\*Subject to change.

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

Fiscal Year Ending June 30	Series	Series	Series	Series	Series	Series	Series	Total	The	Total General	Cumulative Retirement(2)	
	2013	2015	2017	2019	2020	2021	2022	Outstanding GO Debt	Bonds(2)	Obligation Debt(2)	Amount	Percent
2024 .....	\$ 40,000	\$115,000	\$ 65,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 50,000	\$ 390,000	\$ 0	\$ 390,000	\$ 390,000	9.85%
2025 .....	40,000	30,000	65,000	40,000	40,000	45,000	50,000	310,000	0	310,000	700,000	17.68%
2026 .....	40,000	30,000	65,000	40,000	40,000	45,000	50,000	310,000	75,000	385,000	1,085,000	27.40%
2027 .....	45,000	0	60,000	45,000	45,000	45,000	50,000	285,000	80,000	365,000	1,450,000	36.62%
2028 .....	45,000	0	0	45,000	45,000	45,000	55,000	235,000	85,000	320,000	1,770,000	44.70%
2029 .....	0	0	0	45,000	45,000	45,000	55,000	190,000	85,000	275,000	2,045,000	51.64%
2030 .....	0	0	0	45,000	45,000	45,000	55,000	190,000	90,000	280,000	2,325,000	58.71%
2031 .....	0	0	0	50,000	45,000	50,000	60,000	205,000	95,000	300,000	2,625,000	66.29%
2032 .....	0	0	0	0	45,000	50,000	60,000	155,000	95,000	250,000	2,875,000	72.60%
2033 .....	0	0	0	0	0	50,000	60,000	110,000	100,000	210,000	3,085,000	77.90%
2034 .....	0	0	0	0	0	50,000	65,000	115,000	105,000	220,000	3,305,000	83.46%
2035 .....	0	0	0	0	0	0	65,000	65,000	110,000	175,000	3,480,000	87.88%
2036 .....	0	0	0	0	0	0	0	0	115,000	115,000	3,595,000	90.78%
2037 .....	0	0	0	0	0	0	0	0	120,000	120,000	3,715,000	93.81%
2038 .....	0	0	0	0	0	0	0	0	120,000	120,000	3,835,000	96.84%
2039 .....	0	0	0	0	0	0	0	0	125,000	125,000	3,960,000	100.00%
Total .....	\$210,000	\$175,000	\$255,000	\$350,000	\$385,000	\$510,000	\$675,000	\$2,560,000	\$1,400,000	\$3,960,000		

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

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

City Actual Value, January 1, 2022.....	\$90,892,543
City Taxable Value, January 1, 2022 .....	\$49,223,030

	Total	Applicable		Ratio to City Actual Value	Ratio to City Taxable Value	Per Capita (2020 Pop. 1,281 )
		Percent	Amount			
Direct Bonded Debt .....	\$ 3,960,000	100.00%	\$3,960,000	4.36%	8.05%	\$3,091.33
Overlapping Debt:						
Union Community School District.....	\$ 0	10.01%	\$ 0	0.00%	0.00%	\$ 0.00
Hawkeye Community College(3) .....	6,780,000	0.42%	28,476	0.03%	0.06%	22.23
Tama County.....	8,570,000	3.90%	334,230	0.37%	0.68%	260.91
Total Applicable Overlapping Bonded Debt .....			<u>\$ 362,706</u>	<u>0.40%</u>	<u>0.74%</u>	<u>\$ 283.14</u>
Total Direct and Overlapping Bonded Debt.....			\$4,322,706	4.76%	8.79%	\$3,374.48

Per Capita Actual Value .....	\$70,954.37
Per Capita Taxable Value.....	\$38,425.47

- 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 County, School District and Community College.  
 (2) As of the date of issuance for the Direct Bonded Debt and June 30, 2022 for Overlapping Debt.  
 (3) Excludes \$18,355,000 in Industrial New Jobs Training Certificates, which are expected to be paid by proceeds from anticipated job credits from withholding taxes.

### 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.

### 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 .....		\$67,786,960	\$67,962,570	\$72,319,350	\$77,813,139	\$89,376,301
Agricultural .....		596,600	596,600	623,780	629,470	737,650
Commercial .....		7,887,342	8,035,122	8,212,772	8,975,211	9,558,559
Industrial .....		123,720	123,720	123,720	140,450	144,090
Multi-residential(3).....		2,521,891	2,521,891	2,521,891	0	0
Utilities without Gas and Electric(4).....		77,129	53,000	34,481	0	0
Gas and Electric Utility(4).....		1,171,184	1,154,570	1,153,639	3,458,357	3,523,730
Less: Exemptions .....		<u>(150,012)</u>	<u>(140,752)</u>	<u>(131,492)</u>	<u>(124,084)</u>	<u>(642,250)</u>
Total .....		\$80,014,814	\$80,306,721	\$84,858,141	\$90,892,543	\$102,698,080
Percent Change +(-).....		14.97%(5)	0.36%	5.67%	7.11%	12.99%

- 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 .....	\$ 1,449,072	\$ 1,373,821	\$ 1,438,998	\$ 1,175,269	\$ 1,146,237

- (3) Included in Residential Property Class starting with January 1, 2022 valuations.  
 (4) See "PROPERTY ASSESSMENT AND TAX INFORMATION - Utility Property Tax Replacement" herein.  
 (5) Based on 2018 Actual Valuation of \$69,598,692.

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For the January 1, 2023 levy year, the City's Taxable Valuation was comprised of approximately 88% residential, 13% commercial, 1% utilities and less than 1% industrial, agriculture and exemptions.

### 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 .....		\$37,333,157	\$38,337,252	\$39,146,599	\$42,524,997	\$41,419,464
Agricultural .....		268,265	283,462	308,776	330,221	169,752
Commercial .....		7,098,608	7,231,610	7,391,495	6,069,114	5,968,573
Industrial .....		111,348	111,348	111,348	76,757	66,775
Multi-residential(3) .....		1,796,848	1,702,278	1,607,706	0	0
Utilities without Gas and Electric(4) .....		77,129	52,230	34,481	0	0
Gas and Electric Utility(4) .....		202,914	188,797	174,924	346,025	351,419
Less: Exemptions .....		(150,012)	(140,752)	(131,492)	(124,084)	(642,250)
Total .....		\$46,738,257	\$47,766,225	\$48,643,837	\$49,223,030	\$47,333,733
Percent Change +(-) .....		11.98%(5)	2.20%	1.84%	1.19%	(3.84%)

- 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 .....	\$ 1,449,072	\$ 1,373,821	\$ 1,438,998	\$ 1,175,269	\$ 1,130,870

- (3) Included in Residential Property Class starting with January 1, 2022 valuations.  
 (4) See "PROPERTY ASSESSMENT AND TAX INFORMATION - Utility Property Tax Replacement" herein.  
 (5) Based on 2018 Taxable Valuation of \$41,736,732.

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.....	\$479,477	\$479,362	99.98%
2014.....	2015-16.....	494,159	485,524	98.25%
2015.....	2016-17.....	529,032	538,372	101.77%
2016.....	2017-18.....	571,474	561,941	98.33%
2017.....	2018-19.....	568,100	568,132	100.01%
2018.....	2019-20.....	601,401	605,569	100.69%
2019.....	2020-21.....	706,445	711,912	100.77%
2020.....	2021-22.....	727,969	726,478	99.80%
2021.....	2022-23.....	733,583	744,816	101.53%
2022.....	2023-24.....	762,296	- In Collection - -	

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

### Principal Taxpayers(1)

Taxpayer Name	Business/Service	Levy Year 2022 Taxable Valuation(2)
Tama-Benton Cooperative Co .....	Fertilizer Blending .....	\$2,288,879
DG Dysart IA LLC .....	Discount Store .....	654,169
KJD Development LLC .....	Real Estate .....	513,328
Individual .....	Residential Property .....	367,238
Individual .....	Residential Property .....	269,441
Individual .....	Residential Property .....	244,226
Individual .....	Residential Property .....	233,651
Helm Family Corporation .....	Maintenance/Construction .....	229,594
Individual .....	Residential Property .....	216,267
Individual .....	Residential Property .....	216,207
Total .....		\$5,233,000
Ten Largest Taxpayers as Percent of City's 2022 Taxable Valuation (\$49,223,030) .....		10.63%

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

## Levy Limits

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

The property tax rates for the City from levy year 2018 through levy year 2022 are shown below:

### Property Tax Rates<sup>(1)(2)</sup> (Per \$1,000 Actual Valuation)

	Fiscal Year: Levy Year:	2019/20 2018	2020/21 2019	2021/22 2020	2022/23 2021	2023/24 2022
<b>City:</b>						
General Fund .....		\$ 8.10000	\$ 8.10000	\$ 8.10000	\$ 8.10000	\$ 8.10000
Emergency Levy .....		0.00000	0.00000	0.00000	0.00000	0.00000
Debt Service Fund .....		4.47762	5.78586	5.83262	5.21791	5.46718
Employee Benefits .....		1.60667	1.14653	1.16286	1.54177	1.65558
Capital Improvement .....		0.00000	0.00000	0.00000	0.00000	0.00000
Other .....		0.79394	0.52531	0.52531	0.66104	0.71253
Total City .....		\$14.97823	\$15.55770	\$15.65988	\$15.52072	\$15.93529
<b>Tama County:</b>						
Tama County .....		\$ 7.60814	\$ 7.10577	\$ 6.97096	\$ 6.56933	\$ 6.53676
Union Community School District .....		12.28479	12.19252	12.27340	12.22529	11.91518
Hawkeye Community College .....		1.11803	1.15802	1.17640	1.18571	1.21183
Other .....		0.66679	0.62209	0.64898	0.74491	0.69419
Total Tax Rate .....		\$36.65598	\$36.36310	\$36.72962	\$36.24596	\$36.29325

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

## FINANCIAL INFORMATION

### Financial Reports

The City’s financial statements are audited annually by certified public accountants. The City 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 Rachele K. Thompson, CPA, PLLC, Certified Public Accountants, Hampton, 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 decrease by approximately \$92,000. The City has approved a budget for fiscal year 2025 with an anticipated decrease to the General Fund balance of approximately \$29,000.

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

	Audited Fiscal Year Ended June 30				
	2019	2020	2021	2022	2023
<b>Functions/Programs:</b>					
<b>Governmental Activities:</b>					
Public Safety .....	\$ (584,565)	\$ (439,202)	\$ (418,419)	\$ (428,459)	\$ (647,704)
Public Works .....	(200,878)	(32,921)	101,229	65,097	(55,800)
Culture and Recreation.....	(163,188)	(162,285)	(151,897)	(187,730)	(186,882)
Community and Economic Development .....	(33,148)	(31,903)	(32,356)	(31,558)	(27,514)
General Government .....	(67,537)	(51,537)	(31,346)	(64,540)	(67,532)
Debt Service.....	(355,158)	(397,776)	(412,815)	(342,702)	(402,548)
Capital Projects .....	0	(524,858)	(368,298)	(606,199)	(684,688)
Total Governmental Activities .....	<u>\$(1,404,474)</u>	<u>\$(1,640,482)</u>	<u>\$(1,313,902)</u>	<u>\$(1,596,091)</u>	<u>\$(2,072,668)</u>
<b>General Receipts and Transfers:</b>					
Property and Other City Tax Levied for:					
General Purposes.....	\$ 409,410	\$ 418,626	\$ 442,407	\$ 451,699	\$ 489,901
Debt Service.....	158,722	186,943	269,504	275,598	255,485
Tax Increment Financing .....	66,029	67,274	47,712	45,256	48,333
Local Option Sales Tax.....	101,414	91,916	110,764	159,540	120,010
Commercial/Industrial Tax Replacement .....	10,237	5,102	10,205	10,233	8,948
American Rescue Plan Act .....	0	0	0	98,162	98,162
Unrestricted Interest on Investments .....	4,776	5,949	4,514	3,802	8,198
Miscellaneous.....	109,622	62,525	108,081	54,980	90,496
Bond Proceeds.....	0	500,000	500,000	550,000	669,600
Sale of Capital Assets .....	4,700	0	0	0	0
Transfers .....	111,801	102,143	140,538	143,613	279,435
Total General Receipts and Transfers .....	<u>\$ 976,711</u>	<u>\$ 1,440,478</u>	<u>\$ 1,633,725</u>	<u>\$ 1,792,883</u>	<u>\$ 2,068,568</u>
Change In Cash Basis Net Position .....	\$ (427,763)	\$ (200,004)	\$ 319,823	\$ 196,792	\$ (4,100)
Cash Basis Net Position Beginning of Year .....	<u>\$ 1,072,224</u>	<u>\$ 644,461</u>	<u>\$ 444,457</u>	<u>\$ 764,280</u>	<u>\$ 961,072</u>
Cash Basis Net Position End of Year.....	<u>\$ 644,461</u>	<u>\$ 444,457</u>	<u>\$ 764,280</u>	<u>\$ 961,072</u>	<u>\$ 956,972</u>
<b>Cash Basis Net Position:</b>					
Restricted:					
Expendable:					
Streets.....	\$ 36,316	\$ 3,395	\$ 105,464	\$ 171,177	\$ 118,074
Debt Service.....	131,446	116,378	207,742	192,522	205,937
Capital Projects .....	4,868	0	0	0	0
Urban Renewal Purposes.....	30,257	0	0	0	0
Other Purposes .....	80,103	177,784	132,154	406,481	395,682
Unrestricted .....	<u>361,471</u>	<u>146,784</u>	<u>318,920</u>	<u>190,892</u>	<u>237,279</u>
Total Cash Basis Net Position .....	<u>\$ 644,461</u>	<u>\$ 444,457</u>	<u>\$ 764,280</u>	<u>\$ 961,072</u>	<u>\$ 956,972</u>

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

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

	Audited Fiscal Year Ended June 30				
	2019	2020	2021	2022	2023
<b>Receipts:</b>					
Property Tax.....	\$ 346,800	\$ 354,573	\$ 390,514	\$398,356	\$416,812
Other City Tax.....	9,320	3,186	8,346	2,777	2,455
Licenses and Permits.....	3,837	4,077	2,941	6,293	4,149
Use of Money and Property.....	12,144	10,012	8,331	5,476	9,081
Intergovernmental.....	10,798	14,173	12,175	39,386	17,914
Charges for Services.....	99,360	95,183	106,554	107,147	98,401
Miscellaneous.....	<u>122,343</u>	<u>115,487</u>	<u>119,283</u>	<u>143,931</u>	<u>122,538</u>
Total Receipts.....	<u>\$ 604,602</u>	<u>\$ 596,691</u>	<u>\$ 648,144</u>	<u>\$ 703,366</u>	<u>\$ 671,350</u>
<b>Disbursements:</b>					
Operating:					
Public Safety.....	\$ 667,648	\$ 566,069	\$ 511,729	\$ 612,296	\$ 767,642
Public Works.....	907	0	840	616	2,697
Culture and Recreation.....	207,843	202,622	198,875	242,825	237,184
Community and Economic Development.....	33,148	31,903	32,356	31,558	27,514
General Government.....	<u>67,537</u>	<u>51,537</u>	<u>62,552</u>	<u>64,540</u>	<u>67,532</u>
Total Disbursements.....	<u>\$ 977,083</u>	<u>\$ 852,131</u>	<u>\$ 806,352</u>	<u>\$951,835</u>	<u>\$1,102,569</u>
Excess (Deficiency) of Receipts Over (Under) Disbursements.....	<u>\$(372,481)</u>	<u>\$(255,440)</u>	<u>\$(158,208)</u>	<u>\$(248,469)</u>	<u>\$(431,219)</u>
Other Financing Sources (Uses):					
Sale of Assets.....	\$ 4,700	\$ 0	\$ 0	\$ 0	\$ 0
Transfers In.....	175,587	<u>166,810</u>	<u>192,868</u>	<u>285,943</u>	<u>417,584</u>
Total Other Financing Sources (Uses).....	<u>\$ 180,287</u>	<u>\$ 166,810</u>	<u>\$ 192,868</u>	<u>\$ 285,943</u>	<u>\$ 417,584</u>
Change in Cash Balances.....	\$(192,194)	\$ (88,630)	\$ 34,660	\$ 37,474	\$ (13,635)
Cash Balances Beginning of Year.....	<u>\$ 459,604</u>	<u>\$ 267,410</u>	<u>\$ 178,780</u>	<u>\$ 213,440</u>	<u>\$ 250,914</u>
Cash Balances End of Year.....	<u>\$ 267,410</u>	<u>\$ 178,780</u>	<u>\$ 213,440</u>	<u>\$ 250,914</u>	<u>\$ 237,279</u>

Note: (1) Source: The City's audited financial statements for fiscal years ending June 30, 2019 - 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, 2026 - 2032 inclusive, are not subject to optional redemption. Bonds due June 1, 2033 - 2039, inclusive, are subject to optional redemption in whole or in part on any date on or after June 1, 2032, at a price of par and accrued interest.

If less than 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.

## UNDERWRITING

The Bonds were offered for sale by the City at a public, competitive sale on Wednesday, May 8, 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.

*The remainder of this page was left blank intentionally.*

## MISCELLANEOUS

Brief descriptions or summaries of the City, the Bonds, the Resolution and other documents, agreements and statutes are included in this Official Statement. The summaries or references herein to the Bonds, the Resolution and other documents, agreements and statutes referred to herein, and the description of the Bonds included herein, do not purport to be comprehensive or definitive, and such summaries, references and descriptions are qualified in their 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/ **TABBY KAISER**  
*City Clerk*  
CITY OF DYSART  
Tama County, Iowa

/s/ **TIM GLENN**  
*Mayor*  
CITY OF DYSART  
Tama County, Iowa



**APPENDIX A**

**CITY OF DYSART  
TAMA COUNTY, IOWA**

**FISCAL YEAR 2023 AUDITED FINANCIAL STATEMENTS**

**CITY OF DYSART, IOWA**

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

**JUNE 30, 2023**

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**City of Dysart**

**Officials**

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Tim Glenn	Mayor	Jan 2024
Mary Wankowicz	Mayor Pro Tem	Jan 2024
Stacey Dabney	Council Member	Jan 2024
Jenn Alpers	Council Member	Jan 2026
Derek Neegaard	Council Member	Jan 2026
Steven Stoner	Council Member	Jan 2026
Tabby Kaiser	City Clerk	Indefinite
Rachel Hala	Deputy City Clerk	Indefinite
Corey Lorenzen	Attorney	Indefinite

**City of Dysart**

## Independent Auditor's Report

To the Honorable Mayor and  
Members of the City Council:  
City of Dysart, Iowa

### Report on the Audit of the Financial Statements

#### Opinions

I 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 Dysart, 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 as listed in the table of contents.

In my 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 Dysart 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

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

#### Basis of Accounting

I 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. My 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 of Dysart'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**

My 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 my 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 make by a reasonable user based on the financial statements.

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

- 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 purposes of expressing an opinion on the effectiveness of the City of Dysart'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 my judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Dysart's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

## Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Dysart's basic financial statements. I previously audited, in accordance with the standards referred to in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of this report, the financial statements for the five years ended June 30, 2022 (which are not presented herein) and expressed unmodified opinions on those financial statements which were prepared on the cash basis of accounting. The financial statements for the four years ended June 30, 2017 (which are not presented herein) were audited by other auditors in accordance with the standards referred to in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of this report who expressed unmodified opinions on those financial statements which were prepared on the cash basis of accounting. The supplementary information included on pages 26 and 27, 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 GAAS. In my opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

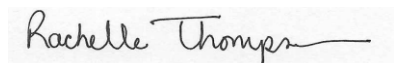
## Other Information

Management is responsible for the other information included in this report. The other information comprises the budgetary comparison information, the schedule of the City's proportionate share of the net pension liability and the schedule of city contributions on pages 21 through 25, but does not include the basic financial statements and my auditor's report thereon. My opinions on the basic financial statements do not cover the other information, and I do not express an opinion or any form of assurance thereon.

In connection with my audit of the basic financial statements, my 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, I conclude that an uncorrected material misstatement of the other information exists, I am required to describe it in my report.

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated January 5, 2024 on my consideration of the City of Dysart's internal control over financial reporting and on my 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 my 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 of Dysart's internal control over financial reporting and compliance.



RACHELLE K. THOMPSON, CPA  
Hampton, Iowa

January 5, 2024



## **Basic Financial Statements**

City of Dysart - Cash Basis Statement of Activities and Net Position

As of and for the year ended June 30, 2023

	Program Receipts			Net (Disbursements) Receipts and Changes in Cash Basis Net Position		
	Disbursements	Charges for Services	Operating Grants, Contributions and Restricted Interest	Governmental Activities	Business Type Activities	Total
<b>Functions/Programs</b>						
<b>Governmental activities</b>						
Public safety	\$ 863,041	\$ 154,734	\$ 60,603	\$ (647,704)	\$ -	\$ (647,704)
Public works	232,080	-	176,280	(55,800)	-	(55,800)
Culture and recreation	237,184	38,190	12,112	(186,882)	-	(186,882)
Community and economic development	27,514	-	-	(27,514)	-	(27,514)
General government	67,532	-	-	(67,532)	-	(67,532)
Debt service	402,548	-	-	(402,548)	-	(402,548)
Capital projects	684,688	-	-	(684,688)	-	(684,688)
<b>Total governmental activities</b>	<b>2,514,587</b>	<b>192,924</b>	<b>248,995</b>	<b>(2,072,668)</b>	<b>-</b>	<b>(2,072,668)</b>
<b>Business type activities</b>						
Water	333,057	285,577	-	-	(47,480)	(47,480)
Electric	1,143,290	1,149,997	-	-	6,707	6,707
Garbage	240,464	247,633	-	-	7,169	7,169
Sewer	4,386,538	380,301	-	-	(4,006,237)	(4,006,237)
<b>Total business type activities</b>	<b>6,103,349</b>	<b>2,063,508</b>	<b>-</b>	<b>-</b>	<b>(4,039,841)</b>	<b>(4,039,841)</b>
<b>Total</b>	<b>8,617,936</b>	<b>2,256,432</b>	<b>248,995</b>	<b>(2,072,668)</b>	<b>(4,039,841)</b>	<b>(6,112,509)</b>
<b>General Receipts and Transfers</b>						
Property and other city tax levied for:						
General purposes				489,901	-	489,901
Debt service				255,485	-	255,485
Tax increment financing				48,333	-	48,333
Local option sales tax				120,010	-	120,010
Commercial/industrial tax replacement				8,948	-	8,948
American Rescue Plan Act				98,162	-	98,162
Unrestricted interest on investments				8,198	6,323	14,521
Miscellaneous				90,496	36,011	126,507
Bond proceeds, net of \$11,600 premium and \$17,000 issuance costs				669,600	4,080,605	4,750,205
Transfers				279,435	(279,435)	-
<b>Total general receipts and transfers</b>				<b>2,068,568</b>	<b>3,843,504</b>	<b>5,912,072</b>
Change in cash basis net position				(4,100)	(196,337)	(200,437)
Cash basis net position beginning of year				961,072	2,005,905	2,966,977
<b>Cash basis net position end of year</b>				<b>\$ 956,972</b>	<b>\$ 1,809,568</b>	<b>\$ 2,766,540</b>
<b>Cash Basis Net Position</b>						
Restricted:						
Expendable:						
Streets				\$ 118,074	\$ -	\$ 118,074
Debt service				205,937	-	205,937
Other purposes				395,682	-	395,682
Utility deposits				-	44,275	44,275
Unrestricted				237,279	1,765,293	2,002,572
<b>Total cash basis net position</b>				<b>\$ 956,972</b>	<b>\$ 1,809,568</b>	<b>\$ 2,766,540</b>

See notes to financial statements.

**City of Dysart - Statement of Cash Receipts, Disbursements and Changes in Cash Balances -- Governmental Funds**

As of and for the year ended June 30, 2023

	General	Special Revenue Local Option Sales Tax	Dysart Fire Fighters, Inc.	Capital Projects 2022 Crisman Reconstruction	Nonmajor Governmental	Total
<b>Receipts</b>						
Property tax	\$ 416,812	\$ -	\$ -	\$ -	\$ 328,539	\$ 745,351
Local option sales tax	-	120,009	-	-	-	120,009
Tax increment financing	-	-	-	-	48,333	48,333
Other city tax	2,455	-	-	-	-	2,455
Licenses and permits	4,149	-	-	-	-	4,149
Use of money and property	9,081	1,086	142	219	2,967	13,495
Intergovernmental	17,914	-	-	-	278,388	296,302
Charges for services	98,401	-	-	-	-	98,401
Miscellaneous	122,538	-	82,984	-	27,435	232,957
<b>Total receipts</b>	<b>671,350</b>	<b>121,095</b>	<b>83,126</b>	<b>219</b>	<b>685,662</b>	<b>1,561,452</b>
<b>Disbursements</b>						
Operating:						
Public safety	767,642	-	95,399	-	-	863,041
Public works	2,697	-	-	-	229,383	232,080
Culture and recreation	237,184	-	-	-	-	237,184
Community and economic development	27,514	-	-	-	-	27,514
General government	67,532	-	-	-	-	67,532
Debt service	-	-	-	-	402,548	402,548
Capital projects	-	-	-	454,094	230,594	684,688
<b>Total disbursements</b>	<b>1,102,569</b>	<b>-</b>	<b>95,399</b>	<b>454,094</b>	<b>862,525</b>	<b>2,514,587</b>
<b>Excess (Deficiency) of receipts over (under) disbursements</b>	<b>(431,219)</b>	<b>121,095</b>	<b>(12,273)</b>	<b>(453,875)</b>	<b>(176,863)</b>	<b>(953,135)</b>
<b>Other financing sources (uses)</b>						
General obligation bond proceeds, net of \$11,600 premium and \$17,000 issuance costs	-	-	-	669,600	-	669,600
Transfers in	417,584	-	-	-	521,337	938,921
Transfers out	-	(110,000)	-	(4,822)	(544,664)	(659,486)
<b>Total other financing sources (uses)</b>	<b>417,584</b>	<b>(110,000)</b>	<b>-</b>	<b>664,778</b>	<b>(23,327)</b>	<b>949,035</b>
<b>Change in cash balances</b>	<b>(13,635)</b>	<b>11,095</b>	<b>(12,273)</b>	<b>210,903</b>	<b>(200,190)</b>	<b>(4,100)</b>
Cash balances beginning of year	250,914	166,514	150,881	(210,903)	603,666	961,072
<b>Cash balances end of year</b>	<b>\$ 237,279</b>	<b>\$ 177,609</b>	<b>\$ 138,608</b>	<b>\$ -</b>	<b>\$ 403,476</b>	<b>\$ 956,972</b>
<b>Cash Basis Fund Balances</b>						
Restricted for:						
Streets	\$ -	\$ -	\$ -	\$ -	\$ 118,074	\$ 118,074
Debt service	-	-	-	-	205,937	205,937
Other purposes	-	177,609	-	-	79,465	257,074
Assigned	-	-	138,608	-	-	138,608
Unassigned	237,279	-	-	-	-	237,279
<b>Total cash basis fund balances</b>	<b>\$ 237,279</b>	<b>\$ 177,609</b>	<b>\$ 138,608</b>	<b>\$ -</b>	<b>\$ 403,476</b>	<b>\$ 956,972</b>

See notes to financial statements.

**City of Dysart - Statement of Cash Receipts, Disbursements and Changes in Cash Balances --  
Proprietary Funds**

As of and for the year ended June 30, 2023

	<u>Water</u>	<u>Electric</u>	<u>Sewer</u>	<u>Non major Garbage</u>	<u>Total</u>
<b>Operating receipts</b>					
Charges for service	<u>\$ 285,577</u>	<u>\$ 1,149,997</u>	<u>\$ 380,301</u>	<u>\$ 247,633</u>	<u>\$ 2,063,508</u>
<b>Operating disbursements</b>					
Business type activities	<u>333,057</u>	<u>1,143,290</u>	<u>4,386,538</u>	<u>240,464</u>	<u>6,103,349</u>
<b>Excess (Deficiency) of operating receipts over (under) operating disbursements</b>	<u>(47,480)</u>	<u>6,707</u>	<u>(4,006,237)</u>	<u>7,169</u>	<u>(4,039,841)</u>
<b>Non-operating receipts (disbursements)</b>					
Interest on investments	99	4,965	1,144	115	6,323
Miscellaneous	200	35,811	-	-	36,011
<b>Net non-operating receipts</b>	<u>299</u>	<u>40,776</u>	<u>1,144</u>	<u>115</u>	<u>42,334</u>
<b>Excess (deficiency) of receipts over (under) disbursements</b>	<u>(47,181)</u>	<u>47,483</u>	<u>(4,005,093)</u>	<u>7,284</u>	<u>(3,997,507)</u>
<b>Other financing sources (uses)</b>					
Sewer revenue bond proceeds	-	-	4,080,605	-	4,080,605
Transfers out	-	(279,435)	-	-	(279,435)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(279,435)</u>	<u>4,080,605</u>	<u>-</u>	<u>3,801,170</u>
<b>Change in cash balances</b>	<u>(47,181)</u>	<u>(231,952)</u>	<u>75,512</u>	<u>7,284</u>	<u>(196,337)</u>
Cash balances beginning of year	<u>68,601</u>	<u>1,680,959</u>	<u>156,838</u>	<u>99,507</u>	<u>2,005,905</u>
<b>Cash balances end of year</b>	<u>\$ 21,420</u>	<u>\$ 1,449,007</u>	<u>\$ 232,350</u>	<u>\$ 106,791</u>	<u>\$ 1,809,568</u>
<b>Cash Basis Fund Balances</b>					
Unrestricted	<u>\$ 21,420</u>	<u>\$ 1,449,007</u>	<u>\$ 232,350</u>	<u>\$ 106,791</u>	<u>\$ 1,809,568</u>

See notes to financial statements.

## City of Dysart – Notes to the Financial Statements

### (1) Summary of Significant Accounting Policies

The City of Dysart is a political subdivision of the State of Iowa located in Tama 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, culture and recreation, community and economic development and general government services. The City also provides water, sewer, electric and garbage utilities for its citizens.

#### Reporting Entity

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

These financial statements present the City of Dysart (the primary government), and the following component unit: Dysart Fire Fighters, Incorporated. This component unit is included in the City's reporting entity because of the significance of their operational or financial relationship with the City.

#### Blended Component Unit

Dysart Fire Fighters, Incorporated (Corporation) is legally separate from the City but is so intertwined with the City it is, in substance, the same as the City. It is reported as part of the City and blended into the Special Revenue Funds. Although the Corporation is legally separate from the City, its purposes and objectives are to benefit the City of Dysart by providing assistance to the City in execution and performance of responsibilities to the citizens of Dysart and vicinity with regard to the study and advancement of the science of fire prevention, protection and suppression, and general emergency response and to conduct civic and social services, charitable and fundraising activities which support the City.

#### 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: Tama County Assessor's Conference Board, Tama County Sheriff's Department, Tama County Economic Development Commission, Dysart Rural Fire Agency, Inc., Poweshiek Water Association, Resale Power Group of Iowa (RPGI), Tama County Emergency Communications Network, Inc. (Code RED) and Tama County Solid Waste Disposal Commission.

#### Basis of Presentation

**Government-wide Financial Statement** – The cash basis statement of activities and net position reports information on all of 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 receipts are reported separately from business type activities, which rely to a significant extent on fees and charges for service.

## City of Dysart – Notes to the Financial Statements

### (1) Summary of Significant Accounting Policies

The cash basis statement of activities and net position presents the City's nonfiduciary net position. Net position is reported in the following categories:

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

Unrestricted net position consists of cash balances not meeting the definition of the preceding category. Unrestricted net position is often subject to constraints 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 not paid from other funds.

#### *Special Revenue:*

The *Local Option Sales Tax Fund* is used to account for receipts from the local option sales tax collections.

The *Dysart Fire Fighters, Inc. Fund* is used to account for the activities of the blended component unit.

#### *Capital Projects:*

The *2022 Crisman Reconstruction Fund* is used to account for the bond proceeds and construction of the Crisman Street project.

## City of Dysart – Notes to the Financial Statements

### (1) Summary of Significant Accounting Policies

The City reports the following major proprietary funds:

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

The *Enterprise, Electric Fund* accounts for the operation and maintenance of the City's electric utility system.

The *Enterprise, Sewer Fund* accounts for the operation and maintenance of the City's wastewater treatment and sanitary sewer system.

#### 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 accounting principles generally accepted in the United States.

Under the 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 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.

#### Property Taxes and Governmental Cash Basis Fund Balances

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

Property tax revenue recognized in the governmental funds becomes due and collectible in September and March of the current fiscal year with a 1 ½% 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:

**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 are imposed by law through constitutional provisions or enabling legislation.

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

**Unassigned** – All amounts not included in the preceding classifications.

## City of Dysart – Notes to the Financial Statements

### (1) Summary of Significant Accounting Policies

#### 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.

#### Estimates and Assumptions

The preparation of the financial statements in conformity with the cash basis of accounting requires management to make estimates and assumptions that affect the reported amount of assets and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of receipts and disbursements during the reporting period. Actual results could differ from those estimates.

### (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.

At June 30, 2023, the City had the following investments:

Investment	Carrying Amount	Fair Value
Certificates of Deposit	\$ 586,092	\$ 586,092

The City uses the fair value hierarchy established by generally accepted accounting principles based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, Level 3 inputs are significant unobservable inputs.

The recurring fair value of the certificates of deposit was determined using other observable inputs. (Level 2 inputs)

**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.



**City of Dysart – Notes to the Financial Statements**

**(3) Bonds and Notes Payable**

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

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>	<u>Due Within One Year</u>
<b>Governmental activities</b>					
General Obligation Bonds	<u>\$2,225,000</u>	<u>\$ 675,000</u>	<u>\$ 340,000</u>	<u>\$2,560,000</u>	<u>\$ 390,000</u>
<b>Business type activities</b>					
Sewer Revenue Bonds	<u>\$ 278,310</u>	<u>\$ 4,080,606</u>	<u>\$ 118,000</u>	<u>\$4,240,916</u>	<u>\$ 203,874</u>

**General Obligation Bonds**

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

Year Ending June 30,	General Obligation Bonds								
	Corporate Purpose & Refunding Series 2013			Corporate Purpose & Refunding Series 2015			Corporate Purpose Series 2017		
	Issued March 12, 2013			Issued May 27, 2015			Issued June 29, 2017		
	Interest Rate	Principal	Interest	Interest Rate	Principal	Interest	Interest Rate	Principal	Interest
2024	1.90%	40,000	4,755	3.00%	115,000	5,250	2.00%	65,000	5,725
2025	2.35%	40,000	3,995	3.00%	30,000	1,800	2.00%	65,000	4,425
2026	2.35%	40,000	3,055	3.00%	30,000	900	2.50%	65,000	3,125
2027	2.35%	45,000	2,115		-	-	2.50%	60,000	1,500
2028	2.35%	45,000	1,058		-	-		-	-
2029-2033	2.35%	-	-		-	-		-	-
		<u>\$ 210,000</u>	<u>\$ 14,978</u>		<u>\$ 175,000</u>	<u>\$ 7,950</u>		<u>\$ 255,000</u>	<u>\$ 14,775</u>

Year Ending June 30,	Corporate Purpose Series 2019			Corporate Purpose Series 2020			Corporate Purpose Series 2021		
	Issued September 16, 2019			Issued July 8, 2020			Issued August 25, 2021		
	Interest Rate	Principal	Interest	Interest Rate	Principal	Interest	Interest Rate	Principal	Interest
	Interest Rate	Principal	Interest	Interest Rate	Principal	Interest	Interest Rate	Principal	Interest
2024	1.70%	40,000	7,180	1.00%	40,000	5,383	1.00%	40,000	6,108
2025	1.70%	40,000	6,500	1.00%	40,000	4,983	1.00%	45,000	5,708
2026	2.00%	40,000	5,820	1.00%	40,000	4,583	1.00%	45,000	5,258
2027	2.00%	45,000	5,020	1.40%	40,000	4,183	1.00%	45,000	4,808
2028	2.00%	45,000	4,120	1.40%	45,000	3,623	1.00%	45,000	4,358
2029-2033	2.30%	140,000	6,555	1.40-1.75%	180,000	7,719	1.00-1.50%	240,000	13,891
2034-2038		-	-		-	-	1.50%	50,000	750
		<u>\$ 350,000</u>	<u>\$ 35,195</u>		<u>\$ 385,000</u>	<u>\$ 30,474</u>		<u>\$ 510,000</u>	<u>\$ 40,881</u>

## City of Dysart – Notes to the Financial Statements

### (3) Bonds and Notes Payable

Year Ending June 30,	Corporate Purpose Series 2022 Issued July 7, 2022			Total		
	Interest Rate	Principal	Interest	Principal	Interest	Total
2024	2.875%	\$ 50,000	\$ 20,593	390,000	\$ 54,994	\$ 444,994
2025	2.875%	50,000	19,155	310,000	46,566	356,566
2026	2.875%	50,000	17,718	310,000	40,459	350,459
2027	2.875%	50,000	16,280	285,000	33,906	318,906
2028	2.875%	55,000	14,843	235,000	28,002	263,002
2029-2033	2.875-3.200%	290,000	48,941	850,000	77,106	927,106
2034-2038	3.200%	130,000	6,240	180,000	6,990	186,990
		<u>\$ 675,000</u>	<u>\$ 143,770</u>	<u>\$ 2,560,000</u>	<u>\$ 288,023</u>	<u>\$ 2,848,023</u>

The Code of Iowa requires principal and interest on general obligation bonds to be paid from the Debt Service Fund. The Bonds are payable from ad valorem taxes levied against all taxable property within the City.

The City issued \$1,320,000 of general obligation corporate purpose and refinancing bonds in March 2013 with interest rates range from 0.35% to 2.35% per annum. The bonds were issued for the purpose of paying the costs of constructing certain street, curb and gutter and storm sewer improvements and refunding of previous general obligation corporate purpose notes. During the year ended June 30, 2023, the City paid \$40,000 of principal and \$5,515 of interest on the bonds.

The City issued \$1,070,000 general obligation corporate purpose and refunding bonds in May 2015 with interest rates range from 0.70% to 3.00%. The bonds were issued for the purpose of constructing street, water and sewer improvements and refunding of previous general obligation corporate purpose notes. During the year ended June 30, 2023, the City paid \$115,000 of principal and \$8,413 of interest on the bonds.

The City issued \$500,000 of general obligation corporate purpose bonds in June 2017 with interest rates ranging from 1.25% to 2.50%. The bonds were issued for the purpose of constructing street and sanitary sewer improvements. During the year ended June 30, 2023, the City paid \$65,000 of principal and \$6,798 of interest on the bonds.

The City issued \$500,000 of general obligation corporate purpose bonds in September 2019 with interest rates ranging from 1.40% to 2.30%. The bonds were issued for the purpose of constructing infrastructure projects. During the year ended June 30, 2023, the City paid \$40,000 of principal and \$7,860 of interest on the bonds.

The City issued \$500,000 of general obligation corporate purpose bonds in July 2020 with interest rates ranging from 0.60% to 1.75%. The bonds were issued for the purpose of financing certain street, storm and sanitary sewer, water, sidewalks, traffic signals and related improvements. During the year ended June 30, 2023, the City paid \$40,000 of principal and \$5,623 of interest on the bonds.

The City issued \$550,000 of general obligation corporate purpose bonds in August 2021 with interest rates ranging from 1.00% to 1.50%. The bonds were issued for the purpose of financing construction of street, water system, sanitary sewer system and storm water drainage improvements, acquiring and installing street lighting, signage and signal improvements, and acquiring a street sweeper. During the year ended June 30, 2023, the City paid \$40,000 of principal and \$6,508 of interest on the bonds.

## City of Dysart – Notes to the Financial Statements

### (3) Bonds and Notes Payable

The City issued \$675,000 of general obligation corporate purpose bonds in July 2022 with interest rates ranging from 2.875% to 3.200%. The bonds were issued for the purpose of financing construction of street, water system, sanitary sewer system and storm water drainage improvements and acquiring and installing street lighting, signage and signal improvements. During the year ended June 30, 2023, the City paid no principal and \$18,533 of interest on the bonds.

#### **Sewer Revenue Bonds – Direct Borrowing**

On June 3, 2023, the City entered into an agreement with the Iowa Finance Authority (IFA) for the issuance of up to \$5,462,000 sewer revenue bonds with interest at 1.75% per annum. The bonds were issued pursuant to Chapters 384.24A and 384.83 of the Code of Iowa to pay the costs of construction of a wastewater treatment system. In the event of a default, the issuer shall have the right to take any action authorized under the regulations, the revenue bonds or the agreement and to take whatever action at law or equity may appear necessary or desirable to collect the amounts then due and thereafter to become due under the agreement or to enforce the performance and observance of any duty, covenant, obligation or agreement of the participant under the agreement. During the year ended June 30, 2023, the City drew down \$4,080,606 of the authorized amount, leaving a balance of \$1,103,084 to draw. The agreement also requires the City to pay 0.25% servicing fee on the outstanding principal balance. As of June 30, 2023 a final repayment schedule had not yet been adopted for the bonds. During the year ended June 30, 2023, the City paid \$118,000 of principal and \$39,086 of interest on the bonds.

#### **Other Obligation**

In June 2019, the Enterprise, Electric Fund advanced \$100,000 to the Enterprise, Sewer Fund. During the year ended June 30, 2023, no principal and no interest was repaid. As of June 30, 2023, the balance of the interfund loan was \$100,000.

### (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.

## City of Dysart – Notes to the Financial Statements

### (4) Pension Plan

Protection occupation members may retire at normal retirement age, which is generally age 55 and may retire any time after reaching age 50 with 22 or more years of covered employment.

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

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

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25% for each month the member receives benefits before the member's earliest normal retirement age. For service earned on or after July 1, 2012, the reduction is 0.50% for each month 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 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%. Protection occupation members contributed 6.21% of covered payroll and the City contributed 9.31% of covered payroll, for a total rate of 15.52%.

The City's contributions to IPERS for the year ended June 30, 2023 totaled \$63,266.

## City of Dysart – Notes to the Financial Statements

### (4) Pension Plan

**Net Pension Liability (Asset), Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** – At June 30, 2023, the City reported a liability of \$(3,929) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2022 and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The City’s proportion of the net pension liability (asset) 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 0.000104%, which was an decrease of 0.067691% 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 \$(7,525), \$331,266 and \$348,953, respectively.

There were no non-employer contributing entities to IPERS.

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

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	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
<b>Total</b>	<b><u>100.0%</u></b>	

**City of Dysart – Notes to the Financial Statements**

**(4) Pension Plan**

**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 (asset).

**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.

	<b>1% Decrease (6.00%)</b>	<b>Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
City’s proportionate share of the net pension liability .....	\$ 239,707	\$ (3,929)	\$ (217,912)

**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).

**(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 \$99,123 and plan members eligible for benefits contributed \$5,737 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.

**OPEB Benefits** – Individuals who are employed by the City of Dysart 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 service. At June 30, 2023, there were two active and two retired members covered by the benefit terms.

The City also approved a one-time retirement benefit in March 1994 for one employee where the City pays for the retiree’s Medicare and drug supplement. For the year ended June 30, 2023, the City contributed \$2,852 to the individual’s Medicare supplement.

**City of Dysart – Notes to the Financial Statements**

**(6) Compensated Absences**

City employees accumulate a limited amount of earned but unused vacation and sick leave hours based on the length of their employment. Vacation leave is accumulated for subsequent use or for payment upon termination, retirement or death. Unused sick leave is forfeited upon termination, retirement, or death. The accumulation of vacation leave is not recognized as a disbursement by the City until used or paid. The City’s approximate liability for earned vacation leave payable to employees at June 30, 2023, primarily relating to the General Fund, was \$25,700. This liability has been computed based on rates of pay in effect at June 30, 2023.

**(7) Interfund Transfers**

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

<b>Transfer To</b>	<b>Transfer From</b>	<b>Amount</b>
General	Special Revenue	
	Employee Trust	\$ 74,164
	Local Option Sales Tax	63,985
	Enterprise	
	Electric	<u>279,435</u>
		<u>417,584</u>
Debt Service 2013 Talmage/Pool	Special Revenue	
	Local Option Sales Tax	<u>46,015</u>
Debt Service 2015 Debt	Special Revenue	
	Urban Renewal Tax Increment	47,794
	Debt Service	
	Debt Service	<u>58,119</u>
		<u>105,913</u>
Debt Service 2019 Infrastructure	Debt Service	
	Debt Service	48,460
	Capital Projects	
	Chip Seal Project	<u>38</u>
		<u>48,498</u>
Debt Service West Street	Debt Service	
	Debt Service	<u>72,298</u>
Debt Service 2020 Debt	Debt Service	
	Debt Service	<u>26,223</u>
Debt Service 2021 Debt	Debt Service	
	Debt Service	47,108
	Capital Projects	
	Chip Seal Project	<u>106,749</u>
		<u>153,857</u>

**City of Dysart – Notes to the Financial Statements**

**(7) Interfund Transfers**

<b>Transfer To</b>	<b>Transfer From</b>	<b>Amount</b>
Debt Service	Debt Service	
2022 Debt	Debt Service	13,711
	Capital Projects	
	2022 Crisman Reconstruction	<u>4,822</u>
		<u>18,533</u>
Capital Projects	Debt Service	
American Rescue Plan	2020 Debt	<u>50,000</u>
<b>Total</b>		<b><u>\$ 938,921</u></b>

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

**(8) Commitments**

Under an annual wholesale power agreement, the City is committed to purchase electric power and energy requirements from Resale Power Group of Iowa. The agreement automatically renews each calendar year. Under a water purchase contract, the City is committed to the purchase of bulk water from Poweshiek Water Association through 2038. Under a sanitation contract, the City is committed to purchase sanitation services from Serious Sanitation through June 30, 2026. The rates under the above contracts are subject to review annually.

The City participates in a 28E organization with Tama County and other cities within Tama County. This organization is the Tama County Solid Waste Disposal Commission. The estimated costs of closure and post closure care as of June 30, 2023, the most recent date for which such information is available, is approximately \$3,200,700. The Commission has accumulated resources to fund these costs and, at June 30, 2023, assets of \$2,752,912 are restricted for these purposes.

**(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 limitations. 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 \$1,200 during the year ended June 30, 2023.



## City of Dysart – Notes to the Financial Statements

### (11) Tax Abatements

Governmental Accounting Standards Board Statement No. 77 defines tax abatements as a reduction in tax revenue that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax receipts 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, \$14,375 of property tax was diverted from the City under urban renewal and economic development agreements.

#### **Tax Abatements of Other Entities**

Property tax revenues of the City were not reduced for the year ended June 30, 2023 as a result of any agreements entered into by other entities.

### (12) Subsequent Events

Management has evaluated subsequent events through January 5, 2024, the date the financial statements were available to be issued.

### (13) Commitments

The City Council has approved several contracts total approximately \$5.2 million for a lagoon project and street projects. As of June 30, 2023, the remaining commitment on these contracts was approximately \$283,000.

## **Other Information**

**City of Dysart - Budgetary Comparison Schedule of Receipts, Disbursements, and Changes in Balances – Budget and Actual – All Governmental Funds and Proprietary Funds**  
Other Information

Year ended June 30, 2023

	<b>Governmental Funds Actual</b>	<b>Proprietary Funds Actual</b>	<b>Less Funds Not Required to be Budgeted</b>	<b>Total</b>	<b>Budgeted Amounts</b>		<b>Final to Total Variance</b>
					<b>Original</b>	<b>Final</b>	
<b>Receipts</b>							
Property tax	\$ 745,351	\$ -	\$ -	\$ 745,351	\$ 733,583	\$ 733,583	\$ 11,768
Tax increment financing	48,333	-	-	48,333	47,794	47,794	539
Other city tax	122,464	-	-	122,464	112,714	112,714	9,750
Licenses and permits	4,149	-	-	4,149	5,175	5,175	(1,026)
Use of money and property	13,495	6,323	142	19,676	10,865	10,865	8,811
Intergovernmental	296,302	-	-	296,302	340,567	340,567	(44,265)
Charges for services	98,401	2,063,508	-	2,161,909	2,595,050	2,595,050	(433,141)
Miscellaneous	232,957	36,011	82,984	185,984	71,225	123,044	62,940
<b>Total receipts</b>	<b>1,561,452</b>	<b>2,105,842</b>	<b>83,126</b>	<b>3,584,168</b>	<b>3,916,973</b>	<b>3,968,792</b>	<b>(384,624)</b>
<b>Disbursements</b>							
Public safety	863,041	-	95,399	767,642	611,235	786,235	18,593
Public works	232,080	-	-	232,080	162,265	303,265	71,185
Culture and recreation	237,184	-	-	237,184	226,515	237,515	331
Community and economic development	27,514	-	-	27,514	35,500	40,000	12,486
General government	67,532	-	-	67,532	67,778	67,778	246
Debt service	402,548	-	-	402,548	409,017	409,017	6,469
Capital projects	684,688	-	-	684,688	650,000	913,000	228,312
Business type activities	-	6,103,349	-	6,103,349	7,041,235	7,211,235	1,107,886
<b>Total disbursements</b>	<b>2,514,587</b>	<b>6,103,349</b>	<b>95,399</b>	<b>8,522,537</b>	<b>9,203,545</b>	<b>9,968,045</b>	<b>1,445,508</b>
<b>Excess (Deficiency) of receipts over (under) disbursements</b>	<b>(953,135)</b>	<b>(3,997,507)</b>	<b>(12,273)</b>	<b>(4,938,369)</b>	<b>(5,286,572)</b>	<b>(5,999,253)</b>	<b>1,060,884</b>
Other financing sources, net	949,035	3,801,170	-	4,750,205	5,653,000	5,653,000	(902,795)
<b>Change in fund balances</b>	<b>(4,100)</b>	<b>(196,337)</b>	<b>(12,273)</b>	<b>(188,164)</b>	<b>366,428</b>	<b>(346,253)</b>	<b>158,089</b>
Balances beginning of year	961,072	2,005,905	150,881	2,816,096	2,145,039	2,145,039	671,057
<b>Balances end of year</b>	<b>\$ 956,972</b>	<b>\$ 1,809,568</b>	<b>\$ 138,608</b>	<b>\$ 2,627,932</b>	<b>\$ 2,511,467</b>	<b>\$ 1,798,786</b>	<b>\$ 829,146</b>

See accompanying independent auditor's report.

## **City of Dysart – 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 the Dysart Fire Fighters, Inc. (a blended component unit). 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, the Special Revenue Funds, the Debt Service Funds, the Capital Projects Funds and the Enterprise Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. During the year, three budget amendments increased budgeted disbursements by \$764,500. The budget amendment is reflected in the final budgeted amounts.

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

**City of Dysart - Schedule of the City's Proportionate Share of the Net Pension Liability (Asset)**  
**Iowa Public Employees' Retirement System**  
Other Information

For the Last Nine Years\*

	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability (asset).....	(0.000104)%	0.0675874%	0.0035691%	0.003122%	0.003349%	0.003277%	0.003066%	0.002660%	0.002265%
City's proportionate share of the net pension liability (asset).....	\$ (3,929)	\$ (233,330)	\$ 250,721	\$ 180,778	\$ 211,940	\$ 218,285	\$ 192,951	\$ 131,415	\$ 89,834
City's covered payroll.....	\$ 586,612	\$ 522,040	\$ 528,918	\$ 527,428	\$ 470,881	\$ 436,527	\$ 424,381	\$ 423,967	\$ 398,775
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll .....	(0.67)%	(44.70)%	47.40%	34.28%	45.01%	50.00%	45.47%	31.00%	22.53%
IPERS' net position as a percentage of the total pension liability (asset) .....	91.40%	100.81%	82.90%	85.45%	83.62%	82.21%	81.82%	85.19%	87.61%

\*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 Dysart – Schedule of City Contributions  
Iowa Public Employees’ Retirement System  
Other Information**

For the Last Ten Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Satorily required contribution .....	\$ 63,266	\$ 54,922	\$ 49,751	\$ 51,208	\$ 51,801	\$ 44,032	\$ 40,835	\$ 39,895	\$ 40,329	\$ 37,807
Contributions in relation to the satorily required contributions ...	<u>(63,266)</u>	<u>(54,922)</u>	<u>(49,751)</u>	<u>(51,208)</u>	<u>(51,801)</u>	<u>(44,032)</u>	<u>(40,835)</u>	<u>(39,895)</u>	<u>(40,329)</u>	<u>(37,807)</u>
Contribution Deficiency (Excess) ...	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>
City’s covered payroll .....	\$ 676,018	\$ 586,612	\$ 522,040	\$ 528,918	\$ 527,428	\$ 470,881	\$ 436,527	\$ 424,381	\$ 423,967	\$ 398,775
Contributions as a percentage of covered payroll .....	9.36%	9.36%	9.53%	9.68%	9.82%	9.35%	9.35%	9.40%	9.51%	9.48%

See accompanying independent auditor’s report.

## City of Dysart - Notes to Other Information – Pension Liability

Year ended June 30, 2023

### 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 (unfunded actuarial liability) beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20-year period.

## **Supplementary Information**



**City of Dysart - 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				Debt Service							Capital Projects				Total		
	Road Use Tax	Employee Benefits	Urban Renewal Tax Increment	Low to Moderate Income	Debt Service Levy	2013 Talmage/Pool	2015 Debt	2019 Infrastructure	West Street	2020 Debt	2021 Debt	2022 Debt	American Rescue Plan	Chip Seal Project	Equipment Replacement		Pocket Park	
<b>Receipts</b>																		
Property tax	\$ -	\$ 73,054	\$ -	\$ -	\$ 255,485	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 328,539
Tax increment financing	-	-	48,333	-	-	-	-	-	-	-	-	-	-	-	-	-	-	48,333
Use of money and property	-	96	149	31	906	9	245	12	15	361	410	-	486	196	29	22	2,967	
Intergovernmental	176,280	879	-	-	3,067	-	-	-	-	-	-	-	98,162	-	-	-	278,388	
Miscellaneous	-	-	-	-	-	-	35	-	-	-	-	-	-	-	-	27,400	27,435	
<b>Total receipts</b>	<b>176,280</b>	<b>74,029</b>	<b>48,482</b>	<b>31</b>	<b>259,458</b>	<b>9</b>	<b>280</b>	<b>12</b>	<b>15</b>	<b>361</b>	<b>410</b>	<b>-</b>	<b>98,648</b>	<b>196</b>	<b>29</b>	<b>27,422</b>	<b>685,662</b>	
<b>Disbursements</b>																		
Public works	229,383	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	229,383	
Debt service	-	-	-	-	-	46,015	123,913	48,460	72,297	46,223	47,107	18,533	-	-	-	-	402,548	
Capital projects	-	-	-	-	-	-	-	-	-	-	-	-	205,976	-	-	24,618	230,594	
<b>Total disbursements</b>	<b>229,383</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>46,015</b>	<b>123,913</b>	<b>48,460</b>	<b>72,297</b>	<b>46,223</b>	<b>47,107</b>	<b>18,533</b>	<b>205,976</b>	<b>-</b>	<b>-</b>	<b>24,618</b>	<b>862,525</b>	
<b>Excess (Deficiency) of receipts over (under) disbursements</b>	<b>(53,103)</b>	<b>74,029</b>	<b>48,482</b>	<b>31</b>	<b>259,458</b>	<b>(46,006)</b>	<b>(123,633)</b>	<b>(48,448)</b>	<b>(72,282)</b>	<b>(45,862)</b>	<b>(46,697)</b>	<b>(18,533)</b>	<b>(107,328)</b>	<b>196</b>	<b>29</b>	<b>2,804</b>	<b>(176,863)</b>	
<b>Other financing sources (uses)</b>																		
Transfers in	-	-	-	-	-	46,015	105,913	48,498	72,298	26,223	153,857	18,533	50,000	-	-	-	521,337	
Transfers out	-	(74,164)	(47,794)	-	(265,919)	-	-	-	-	(50,000)	-	-	-	(106,787)	-	-	(544,664)	
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(74,164)</b>	<b>(47,794)</b>	<b>-</b>	<b>(265,919)</b>	<b>46,015</b>	<b>105,913</b>	<b>48,498</b>	<b>72,298</b>	<b>(23,777)</b>	<b>153,857</b>	<b>18,533</b>	<b>50,000</b>	<b>(106,787)</b>	<b>-</b>	<b>-</b>	<b>(23,327)</b>	
<b>Change in cash balances</b>	<b>(53,103)</b>	<b>(135)</b>	<b>688</b>	<b>31</b>	<b>(6,461)</b>	<b>9</b>	<b>(17,720)</b>	<b>50</b>	<b>16</b>	<b>(69,639)</b>	<b>107,160</b>	<b>-</b>	<b>(57,328)</b>	<b>(106,591)</b>	<b>29</b>	<b>2,804</b>	<b>(200,190)</b>	
Cash balances beginning of year	171,177	135	423	29,583	30,736	3,714	46,918	5,235	5,363	100,556	-	-	98,322	106,591	4,913	-	603,666	
<b>Cash balances end of year</b>	<b>\$ 118,074</b>	<b>\$ -</b>	<b>\$ 1,111</b>	<b>\$ 29,614</b>	<b>\$ 24,275</b>	<b>\$ 3,723</b>	<b>\$ 29,198</b>	<b>\$ 5,285</b>	<b>\$ 5,379</b>	<b>\$ 30,917</b>	<b>\$ 107,160</b>	<b>\$ -</b>	<b>\$ 40,994</b>	<b>\$ -</b>	<b>\$ 4,942</b>	<b>\$ 2,804</b>	<b>\$ 403,476</b>	
<b>Cash Basis Fund Balances</b>																		
Restricted for:																		
Streets	\$ 118,074	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 118,074	
Debt service	-	-	-	-	24,275	3,723	29,198	5,285	5,379	30,917	107,160	-	-	-	-	-	205,937	
Other purposes	-	-	1,111	29,614	-	-	-	-	-	-	-	-	40,994	-	4,942	2,804	79,465	
<b>Total cash basis fund balances</b>	<b>\$ 118,074</b>	<b>\$ -</b>	<b>\$ 1,111</b>	<b>\$ 29,614</b>	<b>\$ 24,275</b>	<b>\$ 3,723</b>	<b>\$ 29,198</b>	<b>\$ 5,285</b>	<b>\$ 5,379</b>	<b>\$ 30,917</b>	<b>\$ 107,160</b>	<b>\$ -</b>	<b>\$ 40,994</b>	<b>\$ -</b>	<b>\$ 4,942</b>	<b>\$ 2,804</b>	<b>\$ 403,476</b>	

See accompanying independent auditor's report

**City of Dysart - Schedule of Receipts By Source and Disbursements By Function -  
All Governmental Funds**

For the Last Ten Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Receipts</b>										
Property tax	\$ 745,351	\$ 727,297	\$ 711,912	\$ 605,569	\$ 568,132	\$ 561,941	\$ 538,372	\$ 485,524	\$ 479,362	\$ 466,300
Local option sales tax	120,009	159,540	-	-	-	-	-	-	-	-
Tax increment financing	48,333	45,256	47,712	67,274	66,029	65,281	68,609	77,072	69,838	71,864
Other city tax	2,455	2,777	123,657	95,102	114,641	106,505	101,225	102,004	90,795	87,884
Licenses and permits	4,149	6,293	2,941	4,077	3,837	3,193	2,564	3,303	4,946	4,376
Use of money and property	13,495	7,498	11,036	12,636	14,034	10,379	11,977	7,926	5,666	9,503
Intergovernmental	296,302	321,640	218,559	193,499	188,945	186,379	181,144	382,916	212,408	156,701
Charges for services	98,401	107,147	106,554	95,183	99,360	125,870	118,313	135,843	134,233	125,609
Special assessments	-	-	-	-	-	13,836	1,221	14,803	29,315	12,137
Miscellaneous	232,957	211,268	183,485	137,652	176,140	78,853	86,734	63,311	164,607	325,692
<b>Total receipts</b>	<b><u>\$ 1,561,452</u></b>	<b><u>\$ 1,588,716</u></b>	<b><u>\$ 1,405,856</u></b>	<b><u>\$ 1,210,992</u></b>	<b><u>\$ 1,231,118</u></b>	<b><u>\$ 1,152,237</u></b>	<b><u>\$ 1,110,159</u></b>	<b><u>\$ 1,272,702</u></b>	<b><u>\$ 1,191,170</u></b>	<b><u>\$ 1,260,066</u></b>
<b>Disbursements</b>										
Operating										
Public safety	\$ 863,041	\$ 634,784	\$ 546,520	\$ 594,268	\$ 732,671	\$ 423,571	\$ 428,779	\$ 461,878	\$ 539,718	\$ 633,468
Public works	232,080	114,424	105,155	210,175	379,025	111,087	185,056	89,174	169,309	102,646
Culture and recreation	237,184	242,825	198,875	202,622	207,843	247,736	224,886	217,473	204,186	226,894
Community and economic development	27,514	31,558	32,356	31,903	33,148	20,288	26,912	21,937	14,063	14,736
General government	67,532	64,540	62,552	51,537	67,537	68,513	54,647	58,117	61,495	61,585
Debt service	402,548	342,702	412,815	397,776	355,158	354,678	338,510	303,864	999,515	289,233
Capital projects	684,688	654,704	368,298	524,858	-	480,421	147,011	541,533	733,115	763,466
<b>Total disbursements</b>	<b><u>\$ 2,514,587</u></b>	<b><u>\$ 2,085,537</u></b>	<b><u>\$ 1,726,571</u></b>	<b><u>\$ 2,013,139</u></b>	<b><u>\$ 1,775,382</u></b>	<b><u>\$ 1,706,294</u></b>	<b><u>\$ 1,405,801</u></b>	<b><u>\$ 1,693,976</u></b>	<b><u>\$ 2,721,401</u></b>	<b><u>\$ 2,092,028</u></b>

See accompanying independent auditor's report.

# Rachelle K. Thompson, CPA, PLLC

Certified Public Accountant

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

To the Honorable Mayor and  
Members of the City Council  
City of Dysart

I have audited in accordance with auditing standards generally accepted in the United States 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 City of Dysart, 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 my report thereon dated January 5, 2024. My 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 accounting principles generally accepted in the United States.

### **Report on Internal Control Over Financial Reporting**

In planning and performing my audit of the financial statements, I considered the City of Dysart'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 my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Dysart's internal control. Accordingly, I do not express an opinion on the effectiveness of City of Dysart'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 City of Dysart's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the preceding 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. I identified a deficiency in internal control, described in Part II of the accompanying schedule of findings as item 2023-001 that I consider to be a material weakness.

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To the Honorable Mayor and  
Members of the City Council  
City of Dysart  
Page 2

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether City of Dysart's financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of non-compliance or other matters which are required to be reported under *Government Auditing Standards*. However, I noted a certain immaterial instance of non-compliance or other matter which is described in Part III of the accompanying schedule of findings.

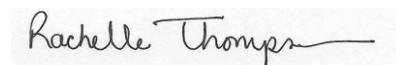
Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2023 are based exclusively on knowledge obtained from procedures performed during my audit of the financial statements of the City. Since my audit was based on tests and samples, not all transactions 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.

### **The City of Dysart's Responses to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City of Dysart's responses to the findings identified in my audit and described in the accompanying schedule of findings. The City of Dysart's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on the responses.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of my 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.



RACHELLE K. THOMPSON, CPA

Hampton, Iowa  
January 5, 2024

## City of Dysart – Schedule of Findings

June 30, 2023

### Part I: Summary of the Independent Auditor’s Results:

- (a) Unmodified opinions were issued on the financial statements based on the basis of cash receipts and disbursements, which is a basis of accounting other than accounting principles generally accepted in the United States.
- (b) A material weakness in internal control over financial reporting was disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which was material to the financial statements.

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

#### INSTANCES OF NON-COMPLIANCE

No matters were noted.

#### INTERNAL CONTROL DEFICIENCY

##### 2023-001 Segregation of Duties

**Criteria** – Management is responsible for establishing and maintaining internal control. A good 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 in the City has control over the cash receipts listing, bank deposits and the posting of cash receipts to the cash receipts journal and reconciling the bank accounts.

**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 by employees in the normal course of performing their assigned functions.

**Auditor’s Recommendation** – The City should review its control activities to obtain the maximum internal control possible under the circumstances utilizing currently available staff, including elected officials.

**City’s Response** – We will consider this and attempt to segregate duties where possible.

**Auditor’s Conclusion** – Response accepted.

## City of Dysart – Schedule of Findings

June 30, 2023

### Part III: 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 were noted that I believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.

**2023-C Travel Expense** – No disbursements of City money for travel expenses of spouses of City officials or employees were noted.

**2023-D Business Transactions** – Business transactions between the City and City officials or employees which may represent conflicts of interest are detailed as follows:

Name, Title and Business Connection	Transaction Description	Amount
Billie Van Egmond, Paramedic, Owner of building rented to City	Public Works office rent	\$ 1,200

In accordance with Chapter 362.5(3)(j) of the Code of Iowa, the above transaction does not appear to represent a conflict of interest since total transactions were less than \$6,000 during the fiscal year.

**2023-E Restricted Donor Activity** – No transactions were noted between the City, City officials, City employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.

**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 the coverage is adequate for current operations.

**2023-G City Council Minutes** – No transactions were found that I believe should have been approved in the City Council minutes but were not.

**2023-H Deposits and Investments** – No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the City's investment policy were noted.

**2023-I Revenue Bonds** – No instances of noncompliance with the revenue note resolutions were noted.

**2023-J Tax Increment Financing** – The Special Revenue, Tax Increment Financing (TIF) Fund properly disbursed payments for TIF loans. Also, the City of Dysart properly completed the Tax Increment Debt Certificate Forms to request TIF property taxes.

**2023-K Annual Urban Renewal Report** – The Annual Urban Renewal Report was properly approved and certified to the Iowa Department of Management on or before December 1 as required by Chapter 384.22(2)(a) of the Code of Iowa and no exceptions were noted.

## 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**

**\*(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 Dysart (the “Issuer”), in Tama County, Iowa, passed preliminary to the issue by the Issuer of its General Obligation Corporate Purpose Bonds, Series 2024 (the “Bonds”) in the amount of \$1,400,000, in the denomination of \$5,000 each, or any integral multiple thereof, dated June 6, 2024, in evidence of the Issuer’s obligation under a certain loan agreement (the “Loan Agreement”), dated as of June 6, 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>
2026	\$ 75,000	_____ %	2033	\$100,000	_____ %
2027	\$ 80,000	_____ %	2034	\$105,000	_____ %
2028	\$ 85,000	_____ %	2035	\$110,000	_____ %
2029	\$ 85,000	_____ %	2036	\$115,000	_____ %
2030	\$ 90,000	_____ %	2037	\$120,000	_____ %
2031	\$ 95,000	_____ %	2038	\$120,000	_____ %
2032	\$ 95,000	_____ %	2039	\$125,000	_____ %

Principal of the Bonds maturing in the years 2033 through 2039, inclusive, is subject to optional redemption prior to maturity on June 1, 2032, 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 Dysart, Iowa (the “Issuer”), in connection with the issuance of \$1,400,000 General Obligation Corporate Purpose Bonds, Series 2024 (the “Bonds”), dated June 6, 2024. The Bonds are being issued pursuant to a resolution of the Issuer approved on May 22, 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 NW, Suite 1000, Washington, DC 20005.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” shall mean the State of Iowa.

Section 3. Provision of Annual Reports.

(a) To the extent such information is customarily prepared by the Issuer and is made publicly available, not later than June 30 (the “Submission Deadline”) of each year following the end of the 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) other financial information and operating data regarding the Issuer of the type presented in the final official statement distributed in connection with the primary offering of the Bonds; provided, however, other than information included in its audited financial statements, the Issuer does not customarily prepare or make publicly available, most of the information in the final official statement, and accordingly no financial information or operating data (other than that normally included in the audited financial statements) will be provided by the Issuer in the Annual Report other than the following:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Dated: June 6, 2024

CITY OF DYSART, IOWA

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

Attest:

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

**OFFICIAL BID FORM**

City of Dysart  
601 Wilson Street  
Dysart, IA 52224

May 8, 2024  
Speer Financial, Inc.  
Facsimile: (319) 291-8628

City Council:

For the \$1,400,000\* General Obligation Corporate Purpose Bonds, Series 2024 (the "Bonds"), of the City of Dysart, Tama 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 \$1,388,800). 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**

\$75,000 .....	2026	_____ %	\$ 95,000 .....	2031	_____ %	\$110,000 .....	2035	_____ %
80,000 .....	2027	_____ %	95,000 .....	2032	_____ %	115,000 .....	2036	_____ %
85,000 .....	2028	_____ %	100,000 .....	2033	_____ %	120,000 .....	2037	_____ %
85,000 .....	2029	_____ %	105,000 .....	2034	_____ %	120,000 .....	2038	_____ %
90,000 .....	2030	_____ %				125,000 .....	2039	_____ %

*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: \$28,000

**Account Manager Information**

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

**Bidders Option Insurance**

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

The foregoing bid was accepted and the Bonds sold by resolution of the City on May 8, 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 DYSART  
TAMA 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	_____
AVERAGE LIFE	_____ Years



## OFFICIAL TERMS OF OFFERING

**\$1,400,000\***  
**CITY OF DYSART**  
**Tama County, Iowa**

### **General Obligation Corporate Purpose Bonds, Series 2024**

The City of Dysart, Tama County, Iowa, (the “City”), will receive electronic bids on the SpeerAuction (“SpeerAuction”) website address “www.SpeerAuction.com” for its \$1,400,000\* General Obligation Corporate Purpose Bonds, Series 2024 (the “Bonds”), on an all or none basis between 10:30 A.M. and 11:00 A.M., C.D.T., Wednesday, May 8, 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, 601 Wilson Street, Dysart, Iowa, before 11:00 A.M., C.D.T., Wednesday, May 8, 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., Wednesday, May 8, 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 \$1,400,000. 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 6, 2024).

**AMOUNTS\* AND MATURITIES – JUNE 1**

\$75,000 .....	2026	\$ 95,000 .....	2031	\$110,000 .....	2035
80,000 .....	2027	95,000 .....	2032	115,000 .....	2036
85,000 .....	2028	100,000 .....	2033	120,000 .....	2037
85,000 .....	2029	105,000 .....	2034	120,000 .....	2038
90,000 .....	2030			125,000 .....	2039

*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, 2026 - 2032, inclusive, are non-callable. The Bonds due June 1, 2033 - 2039, inclusive, are callable in whole or in part and on any date on or after June 1, 2032, at a price of par and accrued interest. If less than all the Bonds are called, they shall be redeemed in 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 \$1,388,800.

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 Dysart, Tama County, Iowa bid for  
\$1,400,000\* General Obligation Corporate Purpose 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 6, 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 Tabby Kaiser, City Clerk, City of Dysart, 601 Wilson Street, P.O. Box 686, Dysart, Iowa, 52224 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/ **TABBY KAISER**  
City Clerk  
CITY OF DYSART  
Tama County, Iowa



**EXHIBIT A**

**EXAMPLE ISSUE PRICE CERTIFICATE**

**\$1,400,000**  
**GENERAL OBLIGATION CORPORATE PURPOSE 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 (May 15, 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 Dysart, 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 8, 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[ and the Borrower] from time to time relating to the Bonds.

[UNDERWRITER][REPRESENTATIVE]

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

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

Dated: June 6, 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)*

**\$1,400,000**  
**GENERAL OBLIGATION CORPORATE PURPOSE 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 Dysart, 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 8, 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 6, 2024



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

*(Attached)*

**SCHEDULE B**  
**COPY OF UNDERWRITER'S BID**  
*(Attached)*