

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

Official Statement

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

\$2,015,000*
CITY OF EVANSDALE
Black Hawk County, Iowa
General Obligation Corporate Purpose Bonds, Series 2024A

Dated Date of Delivery **Book-Entry** **Bank Qualified** **Due Serially June 1, 2026 - 2039**

The \$2,015,000* General Obligation Corporate Purpose Bonds, Series 2024A (the "Bonds") are being issued by the City of Evansdale, Black Hawk County, Iowa (the "City" or the "Issuer"). Interest is payable semiannually on June 1 and December 1 of each year, commencing June 1, 2025. Interest is calculated based on a 360-day year of twelve 30-day months. The Bonds will be issued using a book-entry system. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The ownership of one fully registered Bond for each maturity will be registered in the name of Cede & Co., as nominee for DTC and no physical delivery of Bonds will be made to purchasers. The Bonds will mature on June 1 in the following years and amounts.

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

Principal Amount*	Due June 1	Interest Rate	Price or Yield	CUSIP Number(1)	Principal Amount*	Due June 1	Interest Rate	Price or Yield	CUSIP Number(1)
\$105,000	2026	_____ %	_____ %	_____	\$145,000	2033	_____ %	_____ %	_____
110,000	2027	_____ %	_____ %	_____	150,000	2034	_____ %	_____ %	_____
115,000	2028	_____ %	_____ %	_____	160,000	2035	_____ %	_____ %	_____
120,000	2029	_____ %	_____ %	_____	165,000	2036	_____ %	_____ %	_____
125,000	2030	_____ %	_____ %	_____	175,000	2037	_____ %	_____ %	_____
135,000	2031	_____ %	_____ %	_____	180,000	2038	_____ %	_____ %	_____
140,000	2032	_____ %	_____ %	_____	190,000	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.

OPTIONAL REDEMPTION

Bonds due June 1, 2026 - 2032, inclusive, are not subject to optional redemption. Bonds due June 1, 2033 - 2039, inclusive, are callable in whole or in part on any date on or after June 1, 2032, at a price of par and accrued interest. If less than all the Bonds are called, they shall be redeemed in such principal amounts and from such maturities as determined by the City and within any maturity by lot. See "OPTIONAL REDEMPTION" herein.

PURPOSE, LEGALITY AND SECURITY

The proceeds of the Bonds are expected to 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.

The Bonds are valid and binding general obligations of the City, and all taxable property within the boundaries of the City is subject to the levy of taxes to pay the principal of and interest on the Bonds without constitutional or statutory limitation as to rate or amount. See "SECURITY AND SOURCE OF PAYMENT" herein.

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

This Official Statement is dated July 17, 2024, and has been prepared under the authority of the City. An electronic copy of this Official Statement is available from the www.speerfinancial.com web site under "Official Statement Sales Calendar". Additional copies may be obtained from DeAnne Kobliska, Mayor, City of Evansdale, 123 N Evans Road, Evansdale, Iowa, 50707, or from the Registered Municipal Advisors to the City.



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

(1) CUSIP numbers appearing in this Official Statement have been provided by CUSIP Global Services ("CGS") is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The City is not responsible for the selection of CUSIP numbers and makes no representation as to their correctness on the Bonds or as set forth on the cover of this Official Statement.

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

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

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

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

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

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

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

TABLE OF CONTENTS

	<u>Page</u>
BOND ISSUE SUMMARY.....	1
SECURITY AND SOURCE OF PAYMENT	2
CERTAIN BONDHOLDERS’ RISKS	3
Changes in Property Taxation.....	3
Matters Relating to Enforceability of Agreements	3
Secondary Market.....	3
No Investment Rating	4
Redemption Prior to Maturity	4
Forward-Looking Statements.....	4
Tax Matters, Bank Qualification and Loss of Tax Exemption	4
DTC-Beneficial Owners	5
Pension and OPEB Benefits.....	5
Continuing Disclosure	6
Cybersecurity	6
Suitability of Investment.....	6
Bankruptcy and Insolvency.....	7
Legislation.....	7
Tax Levy Procedures	7
Loss of Tax Base.....	8
Risk of Audit.....	8
Other Factors.....	8
THE CITY	8
City Organization and Services.....	8
Community Life.....	8
Education	9
Transportation.....	9
SOCIOECONOMIC INFORMATION	9
Population	9
Employment.....	10
Building Permits	11
Housing.....	11
Income and Benefits	12
Agriculture	13
Local Option Sales Tax.....	13
Retail Sales.....	14
THE PROJECT.....	14
DEFAULT RECORD	14
SHORT-TERM BORROWING	15
DEBT INFORMATION	15
Debt Limitation.....	15
PROPERTY ASSESSMENT AND TAX INFORMATION.....	17
Property Tax Assessment.....	17
Property Tax Collection.....	18
Levy Limits.....	19
FINANCIAL INFORMATION	20
Financial Reports	20
No Consent or Updated Information Requested of the Auditor.....	20
Summary Financial Information	20
REGISTRATION, TRANSFER AND EXCHANGE.....	22
TAX EXEMPTION AND RELATED TAX MATTERS.....	23
Federal Income Tax Exemption.....	23
Proposed Changes in Federal and State Tax Law.....	24
Qualified Tax-Exempt Obligations.....	24

Original Issue Premium	24
Original Issue Discount.....	24
CONTINUING DISCLOSURE	25
OPTIONAL REDEMPTION.....	26
LITIGATION.....	26
LEGAL MATTERS.....	26
OFFICIAL STATEMENT AUTHORIZATION	27
UNDERWRITING	27
MUNICIPAL ADVISOR.....	27
MISCELLANEOUS	28

APPENDIX A -FISCAL YEAR 2023 AUDITED FINANCIAL STATEMENTS
APPENDIX B -DESCRIBING BOOK-ENTRY-ONLY ISSUANCE
APPENDIX C -DRAFT FORM OF BOND COUNSEL OPINION
APPENDIX D -DRAFT FORM OF CONTINUING DISCLOSURE CERTIFICATE

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

BOND ISSUE SUMMARY

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

Issuer:	City of Evansdale, Black Hawk County, Iowa.
Issue:	\$2,015,000* General Obligation Corporate Purpose Bonds, Series 2024A.
Dated Date:	Date of delivery (expected to be on or about September 4, 2024).
Interest Due:	Each June 1 and December 1, commencing June 1, 2025.
Principal Due:	Serially each June 1, commencing June 1, 2026 through 2039, as detailed on the cover page of this Official Statement.
Optional Redemption:	Bonds maturing on or after June 1, 2033, are callable at the option of the City on any date on or after June 1, 2032, at a price of par plus accrued interest. See “ OPTIONAL REDEMPTION ” herein.
Authorization:	The Bonds are being issued pursuant to authority established in Code of Iowa, 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 expected to be adopted on August 20, 2024.
Security:	The Bonds are valid and binding general obligations of the City, and all taxable property within the boundaries of the City is subject to the levy of taxes to pay the principal of and interest on the Bonds without constitutional or statutory limitation as to rate or amount.
No Investment Rating:	The City does not intend to apply for an investment rating on the Bonds.
Purpose:	The proceeds of the Bonds will be used to: (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.
Tax Exemption:	Dorsey & Whitney LLP, Des Moines, Iowa, will provide an opinion as to the tax exemption of the Bonds as discussed under “ TAX EXEMPTION AND RELATED TAX MATTERS ” in this Official Statement.
Bank Qualified:	The City intends to designate the Bonds as “qualified tax-exempt obligations”.
Bond Registrar/Paying Agent:	UMB Bank, n.a., West Des Moines, Iowa (the “Registrar”).
Delivery:	The Bonds are expected to be delivered on or about September 4, 2024.
Book-Entry Form:	The Bonds will be registered in the name of Cede & Co. as nominee for The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository of the Bonds. See APPENDIX B herein.
Denomination:	\$5,000 or integral multiples thereof.
Municipal Advisor:	Speer Financial, Inc., Waterloo, Iowa and Chicago, Illinois.

*Subject to change.

CITY OF EVANSDALE
Black Hawk County, Iowa

DeAnne Kobliska
Mayor

Council Members

Sandy Clements

Richard DeWater

Adam Morris

Justin Smock

Dottie Wear

Officials

Misti Meron
City Clerk

Holly Corkery, Esq., Lynch Dallas, P.C.
City Attorney

SECURITY AND SOURCE OF PAYMENT

Pursuant to the Resolution and the Act, the Bonds and the interest thereon are general obligations of the City, and all taxable property within the corporate boundaries of the City is subject to the levy of taxes to pay the principal of and interest on the Bonds without constitutional or statutory limitation as to rate or amount.

Section 76.2 of the Code of Iowa, 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 such resolution shall be filed with the County Auditor in which the Issuer is located, giving rise to a duty of the County Auditor to annually enter this levy for collection from the taxable property within the boundaries of the Issuer, until funds are realized to pay the bonds in full.

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

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

CERTAIN BONDHOLDERS' RISKS

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

Changes in Property Taxation

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

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

Matters Relating to Enforceability of Agreements

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

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

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

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

Secondary Market

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

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

No Investment Rating

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

Redemption Prior to Maturity

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

Forward-Looking Statements

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

Tax Matters, Bank Qualification and Loss of Tax Exemption

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

The 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 Other Post-Employment Benefits (“OPEB”) Information

The City participates in two public pension systems, Iowa Public Employee’s Retirement System (IPERS) and Municipal Fire and Police Retirement System of Iowa (MFPRSI).

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 \$55,564. 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 \$167,965 for its proportionate share of the IPERS net pension liability. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The discount rate used to measure the total pension liability was 7%. The City’s proportion of the net pension liability was based on the City’s share of contributions to the pension plan relative to the contributions of all IPERS participating employers. While the City’s contributions to IPERS are controlled by state law, there can be no assurance the City will not be required by changes in State law to increase its contribution requirement in the future, which may have the effect of negatively impacting the finances of the City. See **“APPENDIX A – AUDITED FINANCIAL STATEMENTS”** for additional information on pension and liabilities of the City.

In fiscal year 2023, pursuant to the MFPRSI’s required rate, the City’s employees (members) contributed 9.40% of earnable compensation and the City contributed 23.90% earnable compensation. The City’s contribution to MFPRSI for year ended June 30, 2023 was \$101,430. The City’s share of the contributions, payable from the applicable funds of the City, is provided by a statutorily authorized annual levy of taxes without limit or restriction as to rate or amount. The City has always made its full required contributions to MFPRSI.

At June 30, 2023, the City reported a liability of \$730,160 for its proportionate share of the MFPRSI net pension liability. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The discount rate used to measure the total pension liability was 7.5%. The City’s proportion of the net pension liability was based on the City’s share of contributions to the pension plan relative to the contributions of all MFPRSI participating employers. While the City’s contributions to MFPRSI are controlled by state law, there can be no assurance the City will not be required by changes in State law to increase its contribution requirement in the future, which may have the effect of negatively impacting the finances of the City. See **“APPENDIX A – AUDITED FINANCIAL STATEMENTS OF THE ISSUER”** hereto for additional information on pension and liabilities of the City.

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

The City operates a single-employer health benefit plan, which provides medical/prescription drug benefits for employees, retirees and their spouses. Group insurance benefits are established under Iowa Code Chapter 509A.13. The City currently finances the benefit plan on a pay-as-you-go basis. For the year ended June 30, 2023, the City contributed \$176,521. 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. Material failures must be disclosed in accordance with Rule 15c2-12 (the “Rule”) adopted by the Securities and Exchange Commission (the “Commission”) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and may adversely affect the transferability and liquidity of the Bonds and their market price.

The City will covenant in a Continuing Disclosure Certificate for the benefit of the Owners and Beneficial Owners of the Bonds to provide annually certain financial information and operating data relating to the City (the “Annual Report”), and to provide notices of the occurrence of certain enumerated events. See “**APPENDIX D – FORM OF CONTINUING DISCLOSURE CERTIFICATE.**” The specific nature of the information to be contained in the Annual Report or the notices of events, and the manner in which such materials are to be filed, are summarized in “**APPENDIX D – FORM OF CONTINUING DISCLOSURE CERTIFICATE.**” These covenants have been made in order to assist the Underwriter in complying with the Rule.

Cybersecurity

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

Suitability of Investment

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

Bankruptcy and Insolvency

The rights and remedies provided in the Resolution may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations in legal remedies against exercise of judicial discretion in appropriate cases and to limitations on legal remedies against municipal corporations in the State. The various opinions of counsel to be delivered with respect to the Bonds 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 of Evansdale is located in Black Hawk County (the “County”) in east central Iowa and was incorporated in 1947 under the laws of the state of Iowa (the “State”). The City is located along U.S. Highway 20, approximately five miles east of the City of Waterloo.

City Organization and Services

The City operates under the Mayor-Council form of government. Policy is established by a Mayor and five Council members. The City Council members are elected on a non-partisan basis for four-year terms, which are staggered. The City Clerk and City Attorney are appointed by the City Council. The City provides numerous services to citizens including public safety, public works, health and social services, culture and recreation, community and economic development and general government services. The City also provides sewer, sanitation/recycling and storm water utilities for its citizens.

The City has 18 people employed on a full-time basis. In addition, there are 15 part-time and seasonal employees. The City currently employs seven full-time police officers and a police chief. The City is served by a volunteer Fire Department. Approximately 21 volunteers operate out of a centrally located fire station.

Community Life

Residents of the City enjoy library services provided by the Evansdale Public Library. The City has several parks distributed throughout the community and each offers a different type of recreational opportunity.

Numerous area recreational opportunities are offered in Black Hawk County. Including many private and public golf courses, public pools, tennis courts, baseball/softball fields and soccer fields. Residents can also enjoy the numerous public parks and rivers located throughout the County. Park activities include boating, fishing, camping, hiking, picnicking, and enjoying the bike trails to name a few. The County also has cultural facilities such as theaters, museums, and the Gallagher Bluedorn Performing Arts Center and the Waterloo – Cedar Falls Symphony Orchestra. The University of Northern Iowa Panthers, the Waterloo Bucks minor league baseball and Waterloo Black Hawks junior hockey teams offer spectator sports opportunities located within the County.

Education

The City is served by the Waterloo Community School District with a total enrollment of approximately 10,732 students. Two school buildings are located in the City, Bunger Middle School and Poyner Elementary schools.

Hawkeye Community College, whose main campus is located in Waterloo, offers more than 45 one-year and two-year programs for credit as well as business and community education classes. Hawkeye Community College has an enrollment of approximately 4,395 full-time equivalent students in addition the College serves approximately 14,000 additional registrants in continuing education programs and courses. College and graduate level degree programs are available from the University of Northern Iowa, located in adjacent Cedar Falls. The University of Northern Iowa has a fall 2023 enrollment of approximately 9,021 students and employs approximately 1,650. Other higher education opportunities in the area include Upper Iowa University (Waterloo Campus) which serves approximately 360 students, and Allen College which serves approximately 550 students in Waterloo.

Transportation

The City is located approximately 267 miles west of Chicago, Illinois and 108 miles northeast of Des Moines, Iowa. It is accessible by U.S. Highways 20. Interstate 380 links the City with the southeastern area of the State and connects with Interstate 80.

The Waterloo Regional Airport is a non-hub, primary commercial service airport offering commercial, corporate, and general aviation services located approximately eight miles from the City.

SOCIOECONOMIC INFORMATION

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

Population

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

Population Comparison(1)

<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	5,038	n/a	132,916	n/a	2,824,376	n/a
1980	4,798	(4.76%)	137,961	3.80%	2,913,808	3.17%
1990	4,638	(3.33%)	123,798	(10.27%)	2,776,755	(4.70%)
2000	4,526	(2.41%)	128,012	3.40%	2,926,324	5.39%
2010	4,751	4.97%	131,090	2.40%	3,046,355	4.10%
2020	4,561	(4.00%)	131,144	0.04%	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 Falls/Waterloo	John Deere	Manufacturing	5,800
Waterloo	Unity Point Health	Healthcare	3,380
Waterloo	Tyson Fresh Meats	Food Processing	2,980
Cedar Falls/Waterloo	Mercy One	Healthcare	2,575
Waterloo	Waterloo Community Schools	Education	1,700
Cedar Falls	Target Distribution Centers	Distribution/Logistics	1,700
Cedar Falls	University of Northern Iowa	Higher Education	1,650
Waterloo	VGM Group	Diversified	1,520
Cedar Falls/Waterloo	Hy-Vee Food Stores	Grocery Store	1,180
Cedar Falls	Cedar Falls Community Schools	Education	1,170

Note: (1) Source: Area Chamber of Commerce, selected telephone surveys and the 2022 Iowa Manufacturers Database.

The following tables show employment by industry and by occupation for the City, the County and the State as reported by the U.S. Census Bureau 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	21	0.8%	702	1.1%	59,661	3.7%
Construction	187	7.5%	3,543	5.3%	109,620	6.7%
Manufacturing	415	16.7%	11,521	17.3%	241,735	14.9%
Wholesale trade	44	1.8%	1,681	2.5%	43,644	2.7%
Retail trade	465	18.7%	9,109	13.7%	188,572	11.6%
Transportation and warehousing, and utilities	172	6.9%	2,879	4.3%	84,056	5.2%
Information	0	0.0%	756	1.1%	23,201	1.4%
Finance and insurance, and real estate and rental and leasing	65	2.6%	3,677	5.5%	125,957	7.7%
Professional, scientific, and management, and administrative and waste management services	258	10.4%	5,172	7.8%	122,753	7.5%
Educational services, and health care and social assistance	341	13.7%	15,992	24.0%	393,500	24.2%
Arts, entertainment, and recreation, and accommodation and food services	132	5.3%	7,236	10.9%	114,116	7.0%
Other services, except public administration	325	13.0%	2,787	4.2%	68,874	4.2%
Public administration	66	2.6%	1,564	2.3%	51,745	3.2%
Total	2,491	100.0%	66,619	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	284	11.4%	23,470	35.2%	620,397	38.1%
Service occupations	541	21.7%	12,262	18.4%	251,632	15.5%
Sales and office occupations	603	24.2%	12,959	19.5%	321,247	19.7%
Natural resources, construction, and maintenance occupations	478	19.2%	4,929	7.4%	154,866	9.5%
Production, transportation, and material moving occupations	585	23.5%	12,999	19.5%	279,292	17.2%
Total	2,491	100.0%	66,619	100.0%	1,627,434	100.0%

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

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

Annual Average Unemployment Rates(1)(2)

Calendar Year	The County	The State	United States
2015	4.5%	3.7%	5.3%
2016	4.6%	3.6%	4.9%
2017	3.7%	3.1%	4.4%
2018	2.8%	2.6%	3.9%
2019	3.1%	2.7%	3.7%
2020(3)	6.1%	5.2%	8.1%
2021(3)	4.2%	3.8%	5.4%
2022	3.0%	2.8%	3.6%
2023	3.2%	2.9%	3.6%
2024(4)	2.4%	2.2%	3.5%

- 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 April 2024.

Building Permits

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

Fiscal Year	Number of Permits	Total Value
2015	384	\$3,728,934
2016	388	2,980,066
2017	377	3,903,482
2018	362	3,697,801
2019	271	5,937,752
2020	314	4,500,022
2021		
2022		
2023		
2024(2)		

- Notes: (1) Source: the City. Includes new construction and remodeling.
 (2) Through May 2024.

Housing

The U.S. Census Bureau 5-year estimated values reported that the median value of the City’s owner-occupied homes was \$135,400. This compares to \$172,500 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	66	4.7%	2,209	6.3%	66,889	7.2%
\$50,000 to \$99,999	250	17.9%	4,701	13.4%	129,783	14.1%
\$100,000 to \$149,999	568	40.7%	7,092	20.2%	158,953	17.2%
\$150,000 to \$199,999	303	21.7%	7,124	20.3%	157,129	17.0%
\$200,000 to \$299,999	87	6.2%	7,812	22.3%	206,136	22.3%
\$300,000 to \$499,999	94	6.7%	4,761	13.6%	152,269	16.5%
\$500,000 to \$999,999	11	0.8%	1,132	3.2%	44,144	4.8%
\$1,000,000 or more	17	1.2%	225	0.6%	7,381	0.8%
Total	1,396	100.0%	35,056	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.....	965	69.1%	21,490	61.3%	552,272	59.9%
Housing units without a mortgage.....	431	30.9%	13,566	38.7%	370,412	40.1%
Total	1,396	100.0%	35,056	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 \$61,367. This compares to \$83,292 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.....	57	5.4%	861	2.8%	19,266	2.4%
\$10,000 to \$14,999.....	27	2.6%	688	2.2%	12,209	1.5%
\$15,000 to \$24,999.....	146	13.9%	1,695	5.4%	31,695	3.9%
\$25,000 to \$34,999.....	85	8.1%	1,920	6.1%	40,734	5.1%
\$35,000 to \$49,999.....	114	10.8%	3,080	9.8%	75,502	9.4%
\$50,000 to \$74,999.....	173	16.5%	5,566	17.8%	136,964	17.1%
\$75,000 to \$99,999.....	146	13.9%	4,934	15.8%	131,007	16.3%
\$100,000 to \$149,999.....	258	24.5%	6,863	21.9%	188,746	23.5%
\$150,000 to \$199,999.....	28	2.7%	2,683	8.6%	86,058	10.7%
\$200,000 or more	17	1.6%	2,988	9.6%	81,095	10.1%
Total	1,051	100.0%	31,278	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 \$54,575. This compares to \$62,329 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.....	105	4.8%	2,730	5.1%	53,544	4.2%
\$10,000 to \$14,999.....	92	4.2%	2,608	4.9%	46,854	3.6%
\$15,000 to \$24,999.....	306	14.1%	4,474	8.3%	96,051	7.4%
\$25,000 to \$34,999.....	208	9.6%	4,809	9.0%	100,749	7.8%
\$35,000 to \$49,999.....	198	9.1%	6,881	12.8%	153,024	11.9%
\$50,000 to \$74,999.....	428	19.8%	9,850	18.3%	231,140	17.9%
\$75,000 to \$99,999.....	400	18.5%	7,280	13.6%	183,917	14.3%
\$100,000 to \$149,999.....	320	14.8%	8,478	15.8%	234,590	18.2%
\$150,000 to \$199,999.....	50	2.3%	3,172	5.9%	98,518	7.6%
\$200,000 or more	59	2.7%	3,409	6.3%	91,752	7.1%
Total	2,166	100.0%	53,691	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	\$9,014	\$9,179	\$11,757	\$13,591	\$14,202
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 April 1, 1991 and was most recently reauthorized on November 7, 2024 to be effective January 1, 2026 until repealed. The City’s Local Option Tax referendum question stated that proceeds of such tax would be designated 30% for property tax relief, 50% to be allocated for the repair, replacement, maintenance, creation or reconstruction of city streets, curbs, bridges, storm sewer, sanitary sewer, buildings, and facilities and 20% to be allocated for capital expansion, capital improvement, and capital equipment to be used for library, park and recreation, fire, police, public works, and policy/administration departments’ capital needs.

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.

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

Local Option Tax Receipts(1)

Fiscal Year Ending June 30	Local Option Sales Tax Receipts(2)	Percent Change +(-)
2015	\$551,839	n/a
2016	557,507	1.03%
2017	552,289	(0.94%)
2018	568,216	2.88%
2019	588,006	3.48%
2020	633,578	7.75%
2021	723,844	14.25%
2022	680,048	(6.05%)
2023	690,526	1.54%
2024	690,526(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)

Fiscal Year Ending June 30	Taxable Sales	Annual Percent Change + (-)
2014	\$25,038,068	n/a
2015	26,049,280	4.04%
2016	26,928,819	3.38%
2017	27,555,020	2.33%
2018	28,806,044	4.54%
2019	29,399,969	2.06%
2020	31,102,537	5.79%
2021	34,004,102	9.33%
2022	29,951,436	(11.92%)
2023	36,067,197	20.42%

Growth from 2014 to 2023 44.05%

- 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.

DEBT INFORMATION

After issuance of the Bonds, the City will have outstanding \$7,725,000* principal amount of general obligation debt. In addition, the City has outstanding approximately \$9,598,000 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, 2023 property valuations, for taxes payable in September 2024 and March 2025, the City’s debt limit, based upon said valuation, amounts to the following:

2023 100% Actual Valuation of Property	\$345,483,084
Constitutional Debt Limit	\$ 17,274,154
Outstanding Bonds/Notes Applicable to Debt Limit:	
Total G.O. Debt Subject to Debt Limit.....	<u>\$ 7,725,000*</u>
Total Applicable Debt	<u>\$ 7,725,000*</u>
Remaining Debt Capacity.....	\$ 9,549,154*

The City expects to issue additional general obligation debt in calendar year 2024, including the possible issuance of an additional general obligation bonds.

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

Series 2015.....	\$ 495,000
Series 2017A	710,000
Series 2017B	80,000
Series 2020A	2,250,000
Series 2020B	2,175,000
The Bonds(2)	<u>2,015,000</u>
Total(2)	<u>\$7,725,000</u>

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

*Subject to change.

General Obligation Debt(1)
 (Principal Only)

Fiscal Year Ending June 30	Series	Series	Series	Series	Series	Total	The	Total General	Cumulative Retirement(2)	
	2015	2017A	2017B	2020A	2020B	Outstanding GO Debt	Bonds(2)	Obligation Debt(2)	Amount	Percent
2025.....	\$495,000	\$140,000	\$80,000	\$ 15,000	\$ 30,000	\$ 490,000	\$ 0	\$ 490,000	\$ 490,000	6.34%
2026.....	200,000	140,000	0	20,000	30,000	390,000	105,000	495,000	985,000	12.75%
2027.....	35,000	145,000	0	130,000	125,000	435,000	110,000	545,000	1,530,000	19.81%
2028.....	35,000	140,000	0	155,000	130,000	460,000	115,000	575,000	2,105,000	27.25%
2029.....	0	145,000	0	160,000	135,000	440,000	120,000	560,000	2,665,000	34.50%
2030.....	0	0	0	160,000	135,000	295,000	125,000	420,000	3,085,000	39.94%
2031.....	0	0	0	165,000	150,000	315,000	135,000	450,000	3,535,000	45.76%
2032.....	0	0	0	170,000	165,000	335,000	140,000	475,000	4,010,000	51.91%
2033.....	0	0	0	170,000	170,000	340,000	145,000	485,000	4,495,000	58.19%
2034.....	0	0	0	175,000	175,000	350,000	150,000	500,000	4,995,000	64.66%
2035.....	0	0	0	180,000	180,000	360,000	160,000	520,000	5,515,000	71.39%
2036.....	0	0	0	180,000	180,000	360,000	165,000	525,000	6,040,000	78.19%
2037.....	0	0	0	185,000	185,000	370,000	175,000	545,000	6,585,000	85.24%
2038.....	0	0	0	190,000	190,000	380,000	180,000	560,000	7,145,000	92.49%
2039.....	0	0	0	195,000	195,000	390,000	190,000	580,000	7,725,000	100.00%
Total.....	\$495,000	\$710,000	\$80,000	\$2,250,000	\$2,175,000	\$5,710,000	\$2,015,000	\$7,725,000		

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, 2023..... \$345,483,084
 City Taxable Value, January 1, 2023..... \$172,595,219

	Total	Applicable		Ratio to City Actual Value	Ratio to City Taxable Value	Per Capita (2020 Pop. 4,561)
		Percent	Amount			
Direct Bonded Debt(3)(4).....	\$ 7,725,000	100.00%	\$7,725,000	2.24%	4.48%	\$1,693.71
Overlapping Debt:						
Waterloo Community School District.....	\$ 0	5.01%	\$ 0	0.00%	0.00%	\$ 0.00
Hawkeye Community College(4)	4,380,000	1.41%	61,758	0.02%	0.04%	13.54
Black Hawk County	11,345,000	2.48%	281,356	0.08%	0.16%	61.69
Total Applicable Overlapping Debt.....			\$ 343,114	0.10%	0.20%	\$ 75.23
Total Direct and Overlapping Debt(3).....			\$8,068,114	2.34%	4.67%	\$1,844.16

Per Capita Actual Value \$75,747.22
 Per Capita Taxable Value..... \$37,841.53

- Notes: (1) Source: the City, Audited Financial Statements and Treasurer of the State of Iowa - Outstanding Obligations Report, debt as of June 30, 2023 for the School District, Community College and County.
 (2) As of the date of issuance for the Direct Bonded Debt and June 30, 2023 for Overlapping Debt.
 (3) Subject to change.
 (4) Excludes \$17,145,000 in Industrial New Jobs Training Certificates, which are expected to be paid by proceeds from anticipated job credits from withholding taxes.

PROPERTY ASSESSMENT AND TAX INFORMATION

Property Tax Assessment

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

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

Percentages for Taxable Valuation After Rollbacks(1)

Fiscal Year	Residential	Multi-Residential	Ag Land & Buildings	Commercial & Industrial
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, 2023, are used to calculate tax liability for the tax year starting July 1, 2024 through June 30, 2025.

Property Tax Collection

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

Property Class	Fiscal Year:	2020/21	2021/22	2022/23	2023/24	2024/25
	Levy Year:	2019	2020	2021	2022	2023
Residential		\$201,140,970	\$202,921,210	\$220,631,890	\$229,686,246	\$294,790,391
Agricultural		205,880	195,860	189,230	130,720	163,450
Commercial		30,020,859	31,159,197	31,094,667	32,885,537	43,955,799
Industrial		2,554,127	2,250,797	4,632,277	4,632,277	4,511,460
Multi-residential(3)		6,086,994	6,649,746	6,829,936	0	0
Utilities without Gas and Electric		444,450	303,848	185,099	0	0
Gas and Electric Utility		3,048,062	3,070,573	3,279,619	4,189,348	4,520,734
Less: Exemptions		(500,040)	(470,408)	(453,740)	(429,664)	(2,458,750)
Total		\$243,001,302	\$246,080,823	\$266,388,978	\$271,094,464	\$345,483,084
Percent Change +/-		1.18%(4)	1.27%	8.25%	1.77%	27.44%

- 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	\$20,759,129	\$23,369,128	\$20,644,062	\$22,607,220	\$22,680,334

- (3) Included in Residential Property Class starting with January 1, 2022 valuations.
 (4) Based on 2018 Actual Valuation of \$240,164,641.

For the January 1, 2023 levy year, the City's Taxable Valuation was comprised of approximately 79% residential, 19% commercial, 2% industrial, 1% utilities and less than 1% agriculture and exemptions.

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

Property Class	Fiscal Year:	2020/21	2021/22	2022/23	2023/24	2024/25
	Levy Year:	2019	2020	2021	2022	2023
Residential		\$110,776,994	\$114,466,672	\$119,428,438	\$125,523,756	\$136,614,117
Agricultural		167,758	164,582	168,495	119,796	117,417
Commercial		27,018,775	28,043,279	27,985,202	25,128,734	33,154,679
Industrial		2,298,714	2,025,717	4,169,049	3,925,692	3,817,661
Multi-residential(3)		4,336,988	4,488,581	4,354,088	0	0
Utilities without Gas and Electric		444,450	299,439	185,099	0	0
Gas and Electric Utility		1,433,483	1,337,975	1,437,303	1,412,723	1,350,095
Less: Exemptions		(500,040)	(470,408)	(453,740)	(429,664)	(2,458,750)
Total		\$145,977,122	\$150,355,837	\$157,273,934	\$155,681,037	\$172,595,219
Percent Change +/-		(1.54%)(4)	3.00%	4.60%	(1.01%)	10.86%

- 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	\$20,003,552	\$23,369,128	\$20,644,062	\$22,607,220	\$22,680,334

- (3) Included in Residential Property Class starting with January 1, 2022 valuations.
 (4) Based on 2018 Taxable Valuation of \$148,257,690.

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	\$ 844,933	\$ 867,542	102.68%
2014	2015-16	862,357	882,178	102.30%
2015	2016-17	886,739	906,943	102.28%
2016	2017-18	980,786	1,001,421	102.10%
2017	2018-19	978,151	997,395	101.97%
2018	2019-20	1,148,507	1,167,026	101.61%
2019	2020-21	989,110	1,025,997	103.73%
2020	2021-22	997,938	1,012,247	101.43%
2021	2022-23	1,077,913	1,093,268	101.42%
2022	2023-24	1,049,399	-- 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 for the City's tax increment finance district.
 (2) Includes delinquent taxes.

Principal Taxpayers(1)

Taxpayer Name	Business/Service	Levy Year 2023 Taxable Valuation(2)
Leejan Family Limited Partnership	Real Property	\$ 2,662,349
AC Investments LLC	Real Property	2,617,504
Individual	Real Property	2,490,038
Dean Properties LLC	Real Property	2,220,427
Pilot Travel Centers LLC	Travel Center	2,131,918
Rydell Warehousing LLC	Warehouse	1,907,113
Fareway Stores, Inc.	Grocery Store	1,788,703
Individual	Real Property	1,626,465
McDonalds Corporation	Restaurant	1,241,414
Kwik Trip Inc.	Convenient Store	1,217,473
Total		\$19,903,404
Ten Largest Taxpayers as Percent of City's 2023 Taxable Valuation (\$172,595,219)		11.53%

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

Levy Limits

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

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

Fiscal Year: Levy Year:	2019/20 2018	2020/21 2019	2021/22 2020	2022/23 2021	2023/24 2022
City:					
General Fund	\$ 7.69323	\$ 6.35901	\$ 6.37175	\$ 6.51384	\$ 6.47070
Emergency Levy	0.00000	0.00000	0.00000	0.00000	0.00000
Debt Service Fund	0.00000	0.00000	0.00000	0.00000	0.00000
Employee Benefits	1.61303	1.58975	1.57701	1.46562	1.50428
Capital Improvement	0.00000	0.00000	0.00000	0.00000	0.00000
Other	0.00000	0.00000	0.00000	0.00000	0.00000
Total City	\$ 9.30626	\$ 7.94876	\$ 7.94876	\$ 7.97946	\$ 7.97498
Black Hawk County	\$ 6.30363	\$ 6.33625	\$ 6.17391	\$ 5.63335	\$ 5.57357
Waterloo Community School District	14.20694	14.20694	13.84769	13.36236	13.36032
Hawkeye Community College	1.11803	1.15802	1.17640	1.18571	1.21183
Other	0.31688	0.31945	0.32235	0.34607	0.31139
Total Tax Rate	\$31.25174	\$29.96942	\$29.46911	\$28.50695	\$28.43209

- 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 BerganKDV, LTD., Certified Public Accountants, Minneapolis, Minnesota, (the "Auditor"), and received by the City Council. The City has not requested the Auditor to update information contained in the Excerpted Financial Information and the 2023 Audit; nor has the City requested that the Auditor consent to the use of the Excerpted Financial Information and the 2023 Audit in this Official Statement. The inclusion of the Excerpted Financial Information and the 2023 Audit in this Official Statement in and of itself is not intended to demonstrate the fiscal condition of the City since the date of the 2023 Audit. Questions or inquiries relating to financial information of the City since the date of the 2023 Audit should be directed to the City.

Summary Financial Information

The following tables are summaries and do not purport to be the complete audits, copies of which are available upon request. See **APPENDIX A** for the City's 2023 Audit. The City's expects its General Fund balance for the fiscal year ending June 30, 2024 to increase by approximately \$58,000. The City has approved a budget for fiscal year 2025 with an anticipated decrease to the General Fund balance of approximately \$60,000.

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

	Audited Fiscal Year Ended June 30				
	2019	2020	2021	2022	2023
FUNCTIONS/PROGRAMS:					
Governmental Activities:					
Public Safety	\$ (895,735)	\$ (1,015,488)	\$ (670,096)	\$ (979,574)	\$ (974,981)
Public Works	(172,270)	83,708	292,813	(1,629,061)	(366,824)
Health and Social Services	(18,556)	(18,516)	(18,994)	(19,485)	(21,282)
Culture and Recreation	(47,673)	(6,940)	(119,685)	12,551	(204,448)
Community and Economic Development	(7,547)	(7,404)	(4,941)	(2,489)	(2,373)
General Government	(388,943)	(346,649)	(325,443)	104,773	88,074
Debt Service	(916,908)	(828,054)	(777,721)	(724,507)	(612,481)
Capital Projects	(10,119)	(408,116)	(2,598,314)	0	0
Total Governmental Activities	<u>\$(2,457,751)</u>	<u>\$(2,547,459)</u>	<u>\$(4,222,381)</u>	<u>\$(3,237,792)</u>	<u>\$(2,094,315)</u>
GENERAL RECEIPTS AND TRANSFERS:					
Property and Other City Tax Levied For:					
General Purposes/Property Taxes	\$ 1,068,461	\$ 1,182,378	\$ 1,065,217	\$ 1,055,232	\$ 1,146,842
Tax Increment Financing	589,865	631,357	549,185	610,492	529,671
Local Option Sales Tax	591,250	584,730	678,938	777,873	710,375
Commercial/Industrial Tax Replacement	21,639	26,285	21,201	0	0
Unrestricted Interest on Investments	26,802	23,424	23,412	17,539	166,759
Bond Proceeds (Net)	0	0	4,513,309	0	0
Miscellaneous	16,497	35,786	46,132	0	0
Sale of Capital Assets	80,000	1,529	0	5,943	3,250
Transfers	<u>213,267</u>	<u>120,220</u>	<u>108,265</u>	<u>46,218</u>	<u>(112,992)</u>
Total General Receipts and Transfers	\$ 2,607,781	\$ 2,605,709	\$ 7,005,659	\$ 2,513,297	\$ 2,443,905
CHANGE IN CASH BASIS NET POSITION	\$ 150,030	\$ 58,250	\$ 2,783,278	\$ (724,495)	\$ (349,590)
CASH BASIS NET POSITION, BEGINNING OF YEAR	<u>\$ 1,924,492</u>	<u>\$ 2,074,522</u>	<u>\$ 2,132,772</u>	<u>\$ 4,916,050</u>	<u>\$ 4,191,555</u>
CASH BASIS NET POSITION, END OF YEAR	<u>\$ 2,074,522</u>	<u>\$ 2,132,772</u>	<u>\$ 4,916,050</u>	<u>\$ 4,191,555</u>	<u>\$ 4,541,145</u>
CASH BASIS NET POSITION					
Restricted:					
Streets	\$ 89,916	\$ 172,435	\$ 463,611	\$ 563,557	\$ 536,085
Debt Service	100,545	110,724	114,362	119,828	93,720
Capital Projects	627,481	313,959	2,468,238	1,055,960	1,023,953
Other Purposes	340,995	298,735	287,311	673,792	960,098
Unrestricted	<u>915,585</u>	<u>1,236,919</u>	<u>1,582,528</u>	<u>1,778,418</u>	<u>1,927,289</u>
Total Cash Basis Net Position	\$ 2,074,522	\$ 2,132,772	\$ 4,916,050	\$ 4,191,555	\$ 4,541,145

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(1)
 General Fund**

	Audited Fiscal Year Ended June 30				
	2019	2020	2021	2022	2023
RECEIPTS:					
Property Tax.....	\$ 799,582	\$ 947,627	\$ 825,750	\$ 813,752	\$ 892,434
Other City Tax.....	71,066	41,730	34,152	40,048	53,070
Licenses and Permits.....	57,290	75,907	84,232	72,688	83,320
Use of Money and Property.....	38,887	36,148	37,088	31,611	172,992
Intergovernmental.....	156,592	92,538	312,252	112,016	70,758
Charges for Service.....	354,775	391,655	583,754	556,058	576,120
Special Assessments.....	55	83	0	108	504
Miscellaneous.....	69,041	46,978	182,670	33,143	82,993
Total Receipts.....	<u>\$1,547,288</u>	<u>\$1,632,666</u>	<u>\$2,059,898</u>	<u>\$1,659,424</u>	<u>\$1,932,191</u>
DISBURSEMENTS:					
Operating:					
Public Safety.....	\$ 923,577	\$1,050,785	\$1,063,075	\$1,065,388	\$1,112,807
Health and Social Services.....	18,556	18,516	18,994	19,485	21,282
Culture and Recreation.....	302,231	185,385	514,223	305,438	562,820
Community and Economic Development.....	7,619	7,404	4,941	2,489	2,373
General Government.....	290,433	274,266	252,689	232,109	229,218
Total Disbursements.....	<u>\$1,542,416</u>	<u>\$1,536,356</u>	<u>\$1,853,922</u>	<u>\$1,624,909</u>	<u>\$1,928,500</u>
Excess (Deficiency) of Receipts Over (Under) Disbursements.....	\$ 4,872	\$ 96,310	\$ 205,976	\$ 34,515	\$ 3,691
Other Financing Sources (Uses):					
Sale of Capital Assets.....	\$ 80,000	\$ 1,529	\$ 0	\$ 5,800	\$ 3,105
Transfers In.....	331,881	223,495	139,633	155,575	142,075
Total Other Financing Sources (Uses).....	<u>\$ 411,881</u>	<u>\$ 225,024</u>	<u>\$ 139,633</u>	<u>\$ 161,375</u>	<u>\$ 145,180</u>
Change in Cash Balances.....	\$ 416,753	\$ 321,334	\$ 345,609	\$ 195,890	\$ 148,871
Cash Balances Beginning of Year.....	<u>\$ 498,832</u>	<u>\$ 915,585</u>	<u>\$1,236,919</u>	<u>\$1,582,528</u>	<u>\$1,778,418</u>
Cash Balances End of Year.....	\$ 915,585	\$1,236,919	\$1,582,528	\$1,778,418	\$1,927,289

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

REGISTRATION, TRANSFER AND EXCHANGE

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

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

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

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

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

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

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

TAX EXEMPTION AND RELATED TAX MATTERS

Federal Income Tax Exemption

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

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

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

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

Proposed Changes in Federal and State Tax Law

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

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

Qualified Tax-Exempt Obligations

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

Original Issue Premium

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

Original Issue Discount

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

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

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

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

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

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

CONTINUING DISCLOSURE

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

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

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 selection by lot within a maturity is required, the Registrar shall designate the Bonds to be redeemed by random selection of the names of the registered owners of the entire annual maturity until the total amount of Bonds to be called has been reached.

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

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

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

LITIGATION

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

LEGAL MATTERS

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

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

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

OFFICIAL STATEMENT AUTHORIZATION

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

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

UNDERWRITING

The Bonds were offered for sale by the City at a public, competitive sale on July 30, 2024. The best bid submitted at the sale was submitted by _____ (the “Underwriter”). The City awarded the contract for sale of the Bonds to the Underwriter at a price of \$ _____ (reflecting the par amount of \$ _____, plus a reoffering premium of \$ _____, and less an Underwriter’s discount of \$ _____). The Underwriter has represented to the City that the Bonds have been subsequently re-offered to the public initially at the yields or prices set forth in the Final Official Statement.

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

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

MUNICIPAL ADVISOR

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

MISCELLANEOUS

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

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

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

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

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

/s/ **DEANNE KOBLISKA**
Mayor
CITY OF EVANSDALE
Black Hawk County, Iowa

APPENDIX A

**CITY OF EVANSDALE
BLACK HAWK COUNTY, IOWA**

FISCAL YEAR 2023 AUDITED FINANCIAL STATEMENTS

City of Evansdale

**Independent Auditor's Reports
Basic Financial Statements
Supplementary and Other Information
Schedule of Findings and Responses**

June 30, 2023



**City of Evansdale
Table of Contents**

Officials	1
Independent Auditor's Report	2
Basic Financial Statements	
Government-Wide Financial Statement	
Statement of Activities	8
Cash Basis Statement of Activities and Net Position	11
Governmental Funds Financial Statement	
Statement of Cash Receipts, Disbursements, and Changes in Cash Fund Balances	12
Proprietary Fund Financial Statement	
Statement of Net Cash Position	16
Statement of Cash Receipts, Disbursements and Changes in Cash Balances	17
Statement of Net Cash Position – Component Unit	19
Statement of Cash Receipts, Disbursements, and Changes in Cash Fund Balances – Component Unit	20
Notes to Basic Financial Statements	22
Other Information	
Budgetary Comparison Schedule of Receipts, Disbursements, and Changes in Balances - Budget and Actual (Cash Basis) – All Governmental Funds, Proprietary Funds, and Discretely Presented Component Unit	44
Notes to Other Information – Budgetary Reporting	47
Schedule of the City's Proportionate Share of the Net Pension Liability for the Last Nine Years	48
Schedule of the City's Contributions for the Last Ten Fiscal Years	50
Notes to Other Information – Pension Liability	53
Supplementary Information	
Combining Statement of Cash Receipts, Disbursements, and Changes in Cash Fund – Nonmajor Governmental Funds	57
Schedule of Receipts by Source and Disbursements by Function – All Governmental Funds	58
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Basic Financial Statements Performed in Accordance with Government Auditing Standards	61
Schedule of Findings and Responses	63

**City of Evansdale
Officials
June 30, 2023**

Name	Title	Term Expires
Justin Smock	Council Member	January 2026
Ron Nichols	Council Member	January 2026
Kristi Osborne	Council Member	January 2026
Jeff Bergman	Council Member	January 2024
Steven Seible	Council Member	January 2024
DeAnne Kobliska	Mayor	January 2024
Dana Laidig (Resigned 06/15/2023)	City Clerk	January 2024
Holly Corkery (appointed 09/20/2022)	Attorney	Indefinite

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business type activities, each major fund, the aggregate remaining fund information and the discretely presented component unit of the City of Evansdale, Iowa, as of and for the year ended June 30, 2023, and the related notes to basic financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

Basis for Adverse Opinion on the Aggregate Discretely Presented Component Units

The basic financial statements do not include financial data for two of the City's legally separate component units. The Evansdale Municipal Housing Authority reports in accordance with U.S. generally accepted accounting principles, a different financial reporting framework than the City's cash basis of accounting. Accounting principles applicable to the cash basis of accounting require the financial data for all component units be reported with the financial data of the City's primary government unless the City also issues basic financial statements for the financial reporting entity which includes the financial data for all component units. The City has not issued such reporting entity basic financial statements. The financial statements also do not include financial data for the City of Evansdale Volunteer Fire Department Association. The amounts by which these omissions would affect the receipts, disbursements and cash balances of the governmental activities and the aggregate remaining fund information has not been determined.

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on the Aggregate Discretely Presented Component Units" paragraph, the basic financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of the City of Evansdale as of June 30, 2023, or the changes in its cash basis financial position thereof for the year then ended in accordance with the basis of accounting described in Note 1.

Unmodified Opinions

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

The management of the City of Evansdale is responsible for the preparation and fair presentation of these financial statements in accordance with cash basis of accounting discussed in Note 1. This includes 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, which raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, which raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Basis of Accounting

As discussed in Note 1, these basic financial statements were prepared on the basis of cash receipts and disbursements, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The basic financial statements for the eight years ended June 30, 2021 (which are not presented herein), were audited by other auditors and they expressed unmodified opinions on those basic financial statements which were prepared on the basis of cash receipts and disbursements and expressed an adverse opinion on the basic financial statements of the aggregate discretely presented component units due to the omission of the Evansdale Municipal Housing Authority and the Evansdale Volunteer Fire Department Association. The accompanying supplementary information identified in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other information, the Budgetary Comparison Information, the Schedule of the City's Proportionate Share of the Net Pension Liability (Asset) and the Schedule of City Contributions as listed in the Table of Contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2023, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

BerganKDV, Ltd.

Minneapolis, Minnesota
December 14, 2023

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BASIC FINANCIAL STATEMENTS

**City of Evansdale
Statement of Activities
Year Ended June 30, 2023**

Functions/Programs	Disbursements	Program Receipts		
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 340,521	\$ 43,760	\$ 384,835	\$ -
Public safety	1,370,526	356,987	38,558	-
Public works	1,012,801	-	639,507	6,470
Culture and recreation	577,084	273,640	98,996	-
Community and economic development	2,373	-	-	-
Health and social services	21,282	-	-	-
Debt service	687,275	-	74,794	-
Total governmental activities	<u>4,011,862</u>	<u>674,387</u>	<u>1,236,690</u>	<u>6,470</u>
Business-type activities				
Sewer	1,117,525	839,298	-	-
Sanitation/recycling	372,083	286,257	22,805	-
Stormwater	4,427	27,472	-	-
Total business-type activities	<u>1,494,035</u>	<u>1,153,027</u>	<u>22,805</u>	<u>-</u>
Total primary government	<u>\$ 5,505,897</u>	<u>\$ 1,827,414</u>	<u>\$ 1,259,495</u>	<u>\$ 6,470</u>
Discretely presented component unit				
Evansdale Water Works	<u>\$ 1,865,859</u>	<u>\$ 1,763,978</u>	<u>\$ -</u>	<u>\$ -</u>

General receipts, transfers, and debt proceeds

- Property taxes
- Tax increment financing
- Local option sales tax
- Unrestricted interest on investments
- Sale of capital assets
- Transfers
- Proceeds from long-term debt
- Total general receipts, transfers, and debt proceeds

Change in cash basis net position

Cash basis net position beginning of year

Cash basis net position end of year

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

Primary Government			Discretely Presented Component Unit
Governmental Activities	Business-Type Activities	Total	
\$ 88,074	\$ -	\$ 88,074	\$ -
(974,981)	-	(974,981)	-
(366,824)	-	(366,824)	-
(204,448)	-	(204,448)	-
(2,373)	-	(2,373)	-
(21,282)	-	(21,282)	-
(612,481)	-	(612,481)	-
<u>(2,094,315)</u>	<u>-</u>	<u>(2,094,315)</u>	<u>-</u>
-	(278,227)	(278,227)	-
-	(63,021)	(63,021)	-
-	23,045	23,045	-
<u>-</u>	<u>(318,203)</u>	<u>(318,203)</u>	<u>-</u>
(2,094,315)	(318,203)	(2,412,518)	-
			<u>(101,881)</u>
1,146,842	-	1,146,842	-
529,671	-	529,671	-
710,375	-	710,375	-
166,759	-	166,759	8,272
3,250	-	3,250	-
(112,992)	112,992	-	-
-	480,450	480,450	-
<u>2,443,905</u>	<u>593,442</u>	<u>3,037,347</u>	<u>8,272</u>
349,590	275,239	624,829	(93,609)
<u>4,191,555</u>	<u>1,152,700</u>	<u>5,344,255</u>	<u>731,482</u>
<u>\$ 4,541,145</u>	<u>\$ 1,427,939</u>	<u>\$ 5,969,084</u>	<u>\$ 637,873</u>

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City of Evansdale
Cash Basis Statement of Activities and Net Position
Year Ended June 30, 2023

	Primary Government			Discretely Presented Component Unit
	Governmental Activities	Business -Type Activities	Total	
Cash Basis Net Position				
Restricted				
Nonexpendable				
Utility deposits	\$ -	\$ -	\$ -	\$ 128,153
Expendable				
Streets	536,085	-	536,085	-
Debt service	93,720	-	93,720	-
Capital projects	1,023,953	-	1,023,953	-
Other purposes	960,098	-	960,098	-
Unrestricted	1,927,289	1,427,939	3,355,228	509,720
Total cash basis net position	\$ 4,541,145	\$ 1,427,939	\$ 5,969,084	\$ 637,873

City of Evansdale
Statement of Cash Receipts, Disbursements, and
Changes in Cash Fund Balances -
Governmental Funds
Year Ended June 30, 2023

	General Fund (001-002, 011, 015, 168, 177, 180)	Special Revenue	
		Road Use Tax (110)	Employee Benefit (112)
Receipts			
General property taxes	\$ 892,434	\$ -	\$ 200,834
Other taxes	53,070	-	-
Tax increments	-	-	-
Local option sales tax	-	-	-
Special assessments	504	-	-
Licenses and permits	83,320	-	-
Intergovernmental	70,758	627,645	3,421
Charges for services	576,120	-	-
Use of money and property	172,992	-	-
Miscellaneous	82,993	-	10,624
Total receipts	<u>1,932,191</u>	<u>627,645</u>	<u>214,879</u>
Disbursements			
Current			
General government	229,218	-	52,139
Public safety	1,052,972	-	257,719
Public works	-	655,117	-
Community and economic development	2,373	-	-
Culture and recreation	368,553	-	14,264
Health and social services	21,282	-	-
Debt service			
Principal and interest	-	-	-
Capital outlay			
Public safety	59,835	-	-
Public works	-	-	-
Culture and recreation	194,267	-	-
Total disbursements	<u>1,928,500</u>	<u>655,117</u>	<u>324,122</u>
Excess of receipts over (under) disbursements	3,691	(27,472)	(109,243)
Other Financing Sources (Uses)			
Proceeds from sale of capital asset	3,105	-	-
Transfers in	142,075	-	153,948
Transfers out	-	-	-
Total other financing sources (uses)	<u>145,180</u>	<u>-</u>	<u>153,948</u>
Net change in cash fund balances	148,871	(27,472)	44,705
Cash Fund Balances			
Beginning of year	<u>1,778,418</u>	<u>563,557</u>	<u>219,198</u>
End of year	<u>\$ 1,927,289</u>	<u>\$ 536,085</u>	<u>\$ 263,903</u>

	Special Revenue		Debt Service	Capital Projects		
Local Option Sales Tax (121)	Urban Renewal Tax Increment(125-128)	American Rescue Plan (003)	Debt Service (200)	Capital Projects (005,301,302,352)	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,093,268
-	-	-	-	-	-	53,070
-	529,671	-	-	-	-	529,671
710,375	-	-	-	-	-	710,375
-	-	-	-	6,342	-	6,846
-	-	-	-	-	-	83,320
-	-	354,593	74,794	-	-	1,131,211
-	-	-	-	-	-	576,120
-	8,714	-	-	-	-	181,706
-	-	-	-	11,990	-	105,607
<u>710,375</u>	<u>538,385</u>	<u>354,593</u>	<u>74,794</u>	<u>18,332</u>	<u>-</u>	<u>4,471,194</u>
-	-	-	-	-	59,164	340,521
-	-	-	-	-	-	1,310,691
-	-	-	-	348,661	-	1,003,778
-	-	-	-	-	-	2,373
-	-	-	-	-	-	382,817
-	-	-	-	-	-	21,282
-	-	-	687,275	-	-	687,275
-	-	-	-	-	-	59,835
-	-	-	-	9,023	-	9,023
-	-	-	-	-	-	194,267
<u>-</u>	<u>-</u>	<u>-</u>	<u>687,275</u>	<u>357,684</u>	<u>59,164</u>	<u>4,011,862</u>
710,375	538,385	354,593	(612,481)	(339,352)	(59,164)	459,332
-	-	-	-	145	-	3,250
-	-	-	612,481	378,535	59,164	1,346,203
<u>(710,375)</u>	<u>(564,493)</u>	<u>(112,992)</u>	<u>-</u>	<u>(71,335)</u>	<u>-</u>	<u>(1,459,195)</u>
<u>(710,375)</u>	<u>(564,493)</u>	<u>(112,992)</u>	<u>612,481</u>	<u>307,345</u>	<u>59,164</u>	<u>(109,742)</u>
-	(26,108)	241,601	-	(32,007)	-	349,590
-	91,040	354,594	28,788	1,055,960	100,000	4,191,555
<u>\$ -</u>	<u>\$ 64,932</u>	<u>\$ 596,195</u>	<u>\$ 28,788</u>	<u>\$ 1,023,953</u>	<u>\$ 100,000</u>	<u>\$ 4,541,145</u>

**City of Evansdale
Statement of Cash Receipts, Disbursements,
and Changes in Cash Fund Balances -
Governmental Funds
Year Ended June 30, 2023**

	General Fund (001-002, 011, 015, 168, 177, 180)	Special Revenue	
		Road Use Tax (110)	Employee Benefit (112)
Cash Basis Fund Balances			
Restricted for			
Streets	\$ -	\$ 536,085	\$ -
Debt service	-	-	-
Capital projects	-	-	-
Other purposes	-	-	263,903
Capital improvements	10,895	-	-
Unassigned	1,916,394	-	-
 Total cash fund balances	 <u>\$ 1,927,289</u>	 <u>\$ 536,085</u>	 <u>\$ 263,903</u>

<u>Special Revenue</u>			<u>Debt Service</u>	<u>Capital Projects</u>		
<u>Local Option Sales Tax (121)</u>	<u>Urban Renewal Tax Increment (125-128)</u>	<u>American Rescue Plan (003)</u>	<u>Debt Service (200)</u>	<u>Capital Projects (005,301,302, 352)</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 536,085
-	64,932	-	28,788	-	-	93,720
-	-	-	-	1,023,953	-	1,023,953
-	-	596,195	-	-	100,000	960,098
-	-	-	-	-	-	10,895
-	-	-	-	-	-	1,916,394
<u>\$ -</u>	<u>\$ 64,932</u>	<u>\$ 596,195</u>	<u>\$ 28,788</u>	<u>\$ 1,023,953</u>	<u>\$ 100,000</u>	<u>\$ 4,541,145</u>

**City of Evansdale
Statement of Net Cash Position
Proprietary Funds
June 30, 2023**

	Enterprise Funds			
	Sewer (610)	Sanitation/ Recycling (670)	Storm Water (740)	Total
Assets				
Cash	\$ 1,096,004	\$ 254,143	\$ 77,792	\$ 1,427,939
Net Cash Position				
Unrestricted	\$ 1,096,004	\$ 254,143	\$ 77,792	\$ 1,427,939

**City of Evansdale
Statement of Receipts, Disbursements, and
Changes in Cash Balances -
Proprietary Funds
Year Ended June 30, 2023**

	Enterprise Funds			Total
	Sewer (610,613)	Sanitation/ Recycling (670)	Storm Water (740)	
Operating Receipts				
Charges for services	\$ 834,079	\$ 279,726	\$ 27,472	\$ 1,141,277
Miscellaneous	5,219	6,531	-	11,750
Total operating receipts	<u>839,298</u>	<u>286,257</u>	<u>27,472</u>	<u>1,153,027</u>
Operating Disbursements				
Wages and salaries	15,500	8,732	-	24,232
Employee benefits	2,539	1,471	-	4,010
Materials and supplies	233	-	412	645
Professional services	63,455	361,880	-	425,335
Repairs and maintenance	195,788	-	4,015	199,803
Insurance	5,482	-	-	5,482
Total operating disbursements	<u>282,997</u>	<u>372,083</u>	<u>4,427</u>	<u>659,507</u>
Operating income	<u>556,301</u>	<u>(85,826)</u>	<u>23,045</u>	<u>493,520</u>
Nonoperating Receipts (Disbursements)				
Intergovernmental	-	22,805	-	22,805
Capital projects	(834,528)	-	-	(834,528)
Total nonoperating receipts (disbursements)	<u>(834,528)</u>	<u>22,805</u>	<u>-</u>	<u>(811,723)</u>
Excess of receipts over (under) disbursements	(278,227)	(63,021)	23,045	(318,203)
State revolving loan proceeds	480,450	-	-	480,450
Transfers in	112,992	-	-	112,992
Change in cash balances	315,215	(63,021)	23,045	275,239
Cash Balances				
Beginning of year	<u>780,789</u>	<u>317,164</u>	<u>54,747</u>	<u>1,152,700</u>
End of year	<u>\$ 1,096,004</u>	<u>\$ 254,143</u>	<u>\$ 77,792</u>	<u>\$ 1,427,939</u>

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Evansdale Water Works
(Component Unit of the City of Evansdale, Iowa)
Cash Basis Statement of Activities and Net Position
As of June 30, 2023

		Program Receipts		Net (Disbursements) Receipts and Changes in Cash Basis Net Position
Functions/Programs	Disbursements	Charges for Services	Operating Grants and Contributions	Business - Type Activities
Business - type activities				
Water	\$ 708,744	\$ 606,518	\$ -	\$ (102,226)
Sewer	844,047	845,353	-	1,306
Garbage	285,596	284,695	-	(901)
Storm Water	27,472	27,412	-	(60)
Total business activities	\$ 1,865,859	\$ 1,763,978	\$ -	(101,881)
General receipts				
Unrestricted interest on investments				8,272
Change in cash basis net position				(93,609)
Cash basis net position beginning of year				731,482
Cash basis net position end of year				\$ 637,873
Cash Basis Net Position				
Restricted				
Nonexpendable				
Utility deposits				\$ 128,153
Unrestricted				509,720
Total cash basis net position				\$ 637,873

Evansdale Water Works
(Component Unit of the City of Evansdale, Iowa)
Statement of Cash Receipts, Disbursements,
and Changes in Cash Balances
Proprietary Funds
As of June 30, 2023

	Proprietary Funds			
	Water Operating (600)	Water Deposits (601)	Sewer Deposits (609)	Garbage Deposits (671)
Operating Receipts				
Charges for service	\$ 495,531	\$ -	\$ -	\$ -
Customer deposits	-	8,340	15,525	5,605
Miscellaneous	48,270	-	-	-
Total operating receipts	<u>543,801</u>	<u>8,340</u>	<u>15,525</u>	<u>5,605</u>
Operating Disbursements				
Business - type activities	<u>477,085</u>	<u>8,755</u>	<u>12,739</u>	<u>5,870</u>
Excess of operating receipts over (under) operating disbursements	<u>66,716</u>	<u>(415)</u>	<u>2,786</u>	<u>(265)</u>
Non-Operating Receipts (Disbursements)				
Interest on investments	8,280	(3)	(3)	(2)
Fees collected for the City	-	-	-	-
Fees remitted to the City	-	-	-	-
Rent	54,377	-	-	-
Payment to the City for debt service	(74,253)	-	-	-
Capital projects	(148,651)	-	-	-
Net non-operating receipts (disbursements)	<u>(160,247)</u>	<u>(3)</u>	<u>(3)</u>	<u>(2)</u>
Net change in cash balances	(93,531)	(418)	2,783	(267)
Cash balances beginning of year	<u>603,251</u>	<u>42,515</u>	<u>56,499</u>	<u>27,041</u>
Cash balances end of year	<u><u>509,720</u></u>	<u><u>42,097</u></u>	<u><u>59,282</u></u>	<u><u>26,774</u></u>
Cash Basis Fund Balances				
Restricted				
Nonexpendable				
Utility deposits	-	42,097	59,282	26,774
Unrestricted	<u>509,720</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash basis fund balances	<u><u>\$ 509,720</u></u>	<u><u>\$ 42,097</u></u>	<u><u>\$ 59,282</u></u>	<u><u>\$ 26,774</u></u>

Proprietary Funds

Sewer Collections (610)	Garbage Collections (670)	Storm Water Collections (740)	Total
\$ -	\$ -	\$ -	\$ 495,531
-	-	-	29,470
-	-	-	48,270
-	-	-	573,271
-	-	-	504,449
-	-	-	68,822
-	-	-	8,272
829,828	279,090	27,412	1,136,330
(831,308)	(279,726)	(27,472)	(1,138,506)
-	-	-	54,377
-	-	-	(74,253)
-	-	-	(148,651)
(1,480)	(636)	(60)	(162,431)
(1,480)	(636)	(60)	(93,609)
1,480	636	60	731,482
-	-	-	637,873
-	-	-	128,153
-	-	-	509,720
\$ -	\$ -	\$ -	\$ 637,873

City of Evansdale
Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Evansdale is a political subdivision of the State of Iowa located in Black Hawk County. It was first incorporated in 1947 and operates under the Home Rule provisions of the Constitution of Iowa. The City operates under the Mayor-Council form of government with the Mayor and Council Members elected on a non-partisan basis. The City provides numerous services to citizens, including public safety, public works, health and social services, culture and recreation, community and economic development and general government services. The City also provides sewer, sanitation/recycling and storm water utilities for its citizens.

A. Reporting Entity

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

These financial statements present the City of Evansdale (the primary government) and the Evansdale Water Works (a component unit).

1. Discretely Presented Component Unit

The Evansdale Water Works was established pursuant to Chapter 388 of the *Code of Iowa* for the operation of the City's Water Works facilities. The Water Works is governed by a three-member Board of Trustees appointed by the City Council. A financial benefit/burden exists between the City and the Water Works in that the City is authorized by statute to issue general obligation debt for a city utility and may certify taxes for the payment of the debt. Complete financial statements can be obtained from the Evansdale Water Works, 123 N Evans Road, Evansdale, Iowa 50707.

2. Excluded Discretely Presented Component Unit

The Evansdale Municipal Housing Authority of Evansdale, Iowa is authorized to administer 126 units of Housing Choice Vouchers. The Housing Choice Vouchers Program had as its date of inception August 1, 1981. The Section 8 Programs were combined into one as a result of Congress passing the Quality Housing and Work Responsibility Act. The Housing Authority is governed by a five-member Board of Trustees appointed by the Mayor and approved by the City Council. In accordance with criteria set forth by the Governmental Accounting Standards Board, Evansdale Municipal Housing Authority meets the definition of a component unit which should be discretely presented. Basic financial statements for the Housing Authority were prepared on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles but are not included in the City's basic financial statements since the City prepares its basic financial statements on the cash basis. Complete basic financial statements can be obtained from the Evansdale Municipal Housing Authority 119 Morrell Court, Evansdale, IA 50707.

City of Evansdale
Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

3. Excluded Blended Component Unit

The Evansdale Volunteer Fire Department Association is incorporated under Chapter 504 of the *Code of Iowa*. Its mission is to prevent and control fires, to provide emergency services and to perform such duties in connection therewith as may be required of it under the control of the Evansdale City Council and such officers that may be elected by the Fire Department from year to year. Contributions are used for training and to purchase items which are not included in the City's budget. The Evansdale Volunteer Fire Department Association is not presented in these basic financial statements because the information was not made available.

4. 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: Black Hawk County Assessor's Conference Board, Black Hawk County 911 Joint Service Board, Black Hawk County Emergency Management Agency, Iowa Northland Regional Council of Governments, Criminal Justice Information Systems, Black Hawk Consolidated Public Safety Communications Board, and the Black Hawk County Solid Waste Management Commission.

B. Basis of Presentation

1. 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.

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

- 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 categories. Unrestricted net position is often subject to constraints imposed by management which can be removed or modified.

City of Evansdale
Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

1. Government-Wide Financial Statement (Continued)

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.

2. Fund Financial Statements

Separate basic 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 – This fund is the general operating fund of the City. All general tax receipts and other receipts not allocated by law or contractual agreement to some other funds 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.

The Road Use Tax Special Revenue Fund – This fund is used to account for the road use tax allocation from the State of Iowa to be used for road construction and maintenance.

The Employee Benefits Special Revenue Fund – This fund is used to account for the collection and use of property tax for pension, retirement and insurance benefits.

The Local Option Sales Tax Special Revenue Fund – This fund is used to account for the collection and use of local option sales tax.

The Urban Renewal Tax Increment Special Revenue Fund – This fund is used to account for tax increment financing collections and the repayment of tax increment financing indebtedness.

The American Rescue Plan Special Revenue Fund – This fund is used to account for the American Rescue Plan Act grant and related expenditures.

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

The Capital Projects Fund – This fund is used to account for all resources used in the acquisition and construction of capital facilities with the exception of those financed through Enterprise Funds.

City of Evansdale
Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

2. Fund Financial Statements (Continued)

The City reports the following major proprietary funds:

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

The Enterprise, Sanitation/Recycling Fund – This fund accounts for the operation and maintenance of the City's garbage system.

The Enterprise, Storm Water Fund – This fund accounts for the operation and maintenance of the City's storm water system.

C. Measurement Focus and Basis of Accounting

The City maintains its financial records on the basis of cash receipts and disbursements and the basic 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 basic financial statements do not present financial position and results of operations of the funds in accordance with accounting principles generally expected in the United States of America.

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.

D. Property Taxes and Governmental Cash Basis Fund Balances

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

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

**City of Evansdale
Notes to Basic Financial Statements**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Property Taxes and Governmental Cash Basis Fund Balances (Continued)

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 imposed by law through constitutional provisions or enabling legislation.
- Assigned – Amounts which the City Council intends to use for a specific purpose.
- Unassigned – All amounts not included in the preceding classifications.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Other Information. At June 30, 2023, disbursements did exceed budgeted amounts in the health and social services and debt service functions.

NOTE 2 – CASH AND POOLED INVESTMENTS

The City's deposits in banks at June 30, 2023, were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the *Code of Iowa*. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

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

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

NOTE 3 – BONDS, NOTES, AND LOANS PAYABLE

A summary of changes in bonds and notes 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>
Governmental activities					
General obligation bonds	\$ 6,745,000	\$ -	\$ 555,000	\$ 6,190,000	\$ 480,000
Business-type activities -					
Direct borrowing					
Sewer revenue loan					
anticipation note	\$ 458,475	\$ 529,725	\$ -	\$ 988,200	\$ -

City of Evansdale
Notes to Basic Financial Statements

NOTE 3 – BONDS, NOTES, AND LOANS PAYABLE (CONTINUED)

A. General Obligation Bonds

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

Year Ending June 30,	Essential Corporate Purpose			Essential Corporate Purpose		
	Issued May 15, 2015			Issued Aug 29, 2017		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
2024	2.50%	\$ 225,000	\$ 21,038	2.50%	\$ 135,000	\$ 18,475
2025	2.50	225,000	15,900	2.00	140,000	15,775
2026	2.75	200,000	7,050	2.00	140,000	12,975
2027	3.00	35,000	2,100	2.00	145,000	10,105
2028	3.00	35,000	1,050	2.00	140,000	3,458
2029	3.00	-	-	2.00-2.50	145,000	1,813
Total		<u>\$ 720,000</u>	<u>\$ 47,138</u>		<u>\$ 845,000</u>	<u>\$ 62,600</u>

Year Ending June 30,	Essential Corporate Purpose		
	Issued Aug 29, 2017		
	Interest Rates	Principal	Interest
2024	2.80%	\$ 75,000	\$ 4,340
2025	2.80	80,000	2,240
Total		<u>\$ 155,000</u>	<u>\$ 6,580</u>

Year Ending June 30,	Essential Corporate Purpose			Essential Corporate Purpose			Total	
	Issued Sep 30, 2020			Issued Sep 30, 2020				
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest	Principal	Interest
2024	0.70%	\$ 15,000	\$ 34,795	0.75%	\$ 30,000	\$ 38,778	\$ 480,000	\$ 117,426
2025	0.70	15,000	34,690	0.75	30,000	38,553	490,000	107,158
2026	0.70	20,000	34,585	0.75	30,000	38,328	390,000	92,938
2027	0.70	130,000	34,445	0.75	125,000	38,103	435,000	84,753
2028	0.70	155,000	33,535	0.75	130,000	36,978	460,000	75,020
2029-2033	0.70-1.10	825,000	143,855	0.90-1.50	755,000	159,098	1,725,000	304,765
2034-2038	1.50-2.00	910,000	74,800	1.60-2.10	910,000	85,690	1,820,000	160,490
2039	2.00	195,000	3,900	2.25-2.50	195,000	4,875	390,000	8,775
Total		<u>\$ 2,265,000</u>	<u>\$ 394,605</u>		<u>\$ 2,205,000</u>	<u>\$ 440,400</u>	<u>\$ 6,190,000</u>	<u>\$ 951,323</u>

On May 5, 2015, the City issued \$2,200,000 of general obligation corporate purpose and refunding bonds to provide funds for constructing street, water system, water tower, sanitary sewer system, sidewalk and storm water drainage extensions and improvements, to provide funds for constructing bike trail improvements and to currently refund the outstanding balance of the City's 2007 general obligation economic development bonds. The bonds bear interest at 2.00% to 3.00% per annum and mature on June 1, 2028. During fiscal year 2023, the City paid principal of \$215,000 and interest of \$26,413 on the bonds. The outstanding principal balance at June 30, 2023, was \$720,000. Of this remaining outstanding amount, the Evandale Water Works Discretely Presented Component Unit is obligated to reimburse the City \$70,000 of principal and \$3,062 of interest over the remaining life of the bond.

City of Evansdale
Notes to Basic Financial Statements

NOTE 3 – BONDS, NOTES, AND LOANS PAYABLE (CONTINUED)

A. General Obligation Bonds (Continued)

On June 28, 2016, the City issued \$575,000 of general obligation corporate purpose bonds to provide funds for the purchase of a jet truck and a street sweeper for use by the public works department and for constructing improvements and extensions to the Water Works' utility system. The bonds bear interest at 0.90% to 1.55% per annum and mature on June 1, 2023. During fiscal year 2023, the City paid principal of \$100,000 and interest of \$1,550 on the bonds. The bonds were retired on July 1, 2023.

On August 29, 2017, the City issued \$1,500,000 of general obligation corporate purpose bonds to provide funds to pay the costs of constructing street and sanitary sewer system improvements, water system improvements and storm water draining improvements. The bonds bear interest at 1.20% to 2.50% per annum and mature on June 1, 2029. During fiscal year 2023, the City paid principal of \$135,000 and interest of \$21,175 on the bonds. The outstanding principal balance at June 30, 2023, was \$845,000. Of this remaining outstanding amount, the Evandale Water Works Discretely Presented Component Unit is obligated to reimburse the City \$40,000 of principal and \$2,095 of interest over the remaining life of the bond.

On August 29, 2017, the City issued \$510,000 of taxable general obligation corporate purpose bonds to provide funds for undertaking the acquisition, demolition, and restoration of abandoned, dilapidated and dangerous buildings and properties. The bonds bear interest at 1.90% to 2.80% per annum and mature on June 1, 2025. During fiscal year 2023, the City paid principal of \$75,000 and interest of \$6,140 on the bonds. The outstanding principal balance at June 30, 2023, was \$155,000.

On September 30, 2020, the City issued \$2,265,000 of taxable general obligation corporate purpose bonds to provide funds for the undertaking of an urban renewal project in the East Heights Urban Renewal Area. The bonds bear interest at 0.70% to 2.00% per annum and mature on June 1, 2039. During fiscal year 2023, interest of \$34,795 was paid on the bonds. The outstanding principal balance at June 30, 2023, was \$2,265,000.

On September 30, 2020, the City issued \$2,235,000 of taxable general obligation corporate purpose bonds to provide funds for the undertaking of an urban renewal project in the East Heights Urban Renewal Area. The bonds bear interest at 0.75% to 2.50% per annum and mature on June 1, 2039. During fiscal year 2023, the City paid principal of \$30,000 and interest of \$39,003 was paid on the bonds. The outstanding principal balance at June 30, 2023, was \$2,205,000.

**B. Sewer Revenue Capital Loan and Disbursement Agreement Anticipation Project Note
– Direct Borrowing**

On June 7, 2023, the City entered into a sewer revenue loan and disbursement anticipation project note with the Iowa Finance Authority to borrow up to \$9,855,000 to pay the costs of planning, designing, and constructing improvements and extensions to the City's Municipal Sanitary Sewer System. The City paid no principal or interest on the notes during the year ended June 30, 2023. The outstanding principal balance at June 30, 2023, was \$988,200.

City of Evansdale
Notes to Basic Financial Statements

NOTE 4 – PENSION PLANS

The City and Water Works participates in various pension plans. Total pension expense for the year ended June 30, 2023, was \$63,961. The components of pension expense are noted in the following plan summaries. The General Fund and Sewer Fund typically liquidate the liability related to pensions.

Iowa Public Employees' Retirement System (IPERS)

The City and Water Works participates in various pension plans. Total pension expense for the year ended June 30, 2023, was (\$5,069). The components of pension expense are noted in the following plan summaries. The General fund and Sewer Fund typically liquidate the liability related to pensions.

A. Plan Description

IPERS membership is mandatory for employees of the City and its discretely presented component unit (the Utility), except for those covered by another retirement system. Employees of the City and the Utility are provided with pensions through a cost-sharing multiple-employer defined benefit pension plan administered by Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive, P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

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

B. Pension Benefits

A regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement 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.

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

The formula used to calculate protection occupation member's monthly IPERS benefits include:

- 60% of average salary after completion of 22 years of service, plus an additional 1.5% of average salary for years of service greater than 22 but no more than 30 years of services.
- The member's highest three-year average salary.

City of Evansdale
Notes to Basic Financial Statements

NOTE 4 – PENSION PLANS (CONTINUED)

Iowa Public Employees' Retirement System (IPERS) (Continued)

B. Pension Benefits (Continued)

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

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

C. 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.

D. Contributions

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

In fiscal year 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 \$55,564. The Water Works' contributions to IPERS for the year ended June 30, 2023, totaled \$19,361.

City of Evansdale
Notes to Basic Financial Statements

NOTE 4 – PENSION PLANS (CONTINUED)

Iowa Public Employees' Retirement System (IPERS) (Continued)

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

At June 30, 2023, the City reported a liability of \$167,965 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2022, the City's proportion was 0.004828%, which was a decrease of 0.001791% from its proportion measured as of June 30, 2021. At June 30, 2022, the City's Protection occupations proportion was 0.017190%, which was a decrease of 0.003647% 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 (\$3,970), \$71,476 and \$32,305, respectively.

At June 30, 2023, the Water Works reported a liability of \$76,572 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Water Works' proportion of the net pension liability was based on the Water Works' share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2022, the Water Works' proportion was 0.001929%, which was a decrease of 0.000003% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the Water Works' pension expense, deferred outflows of resources and deferred inflows of resources totaled (\$1,099), \$22,820 and \$9,248, respectively.

There were no non-employer contributing entities to IPERS.

F. Actuarial Assumptions

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

Rate of inflation (effective June 30, 2017)	2.60% per annum
Rate 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.

**City of Evansdale
Notes to Basic Financial Statements**

NOTE 4 – PENSION PLANS (CONTINUED)

Iowa Public Employees' Retirement System (IPERS) (Continued)

F. Actuarial Assumptions (Continued)

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 arithmetic real rates of return for each major asset class are summarized in the table below.

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

G. 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 and the Utility 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.

**City of Evansdale
Notes to Basic Financial Statements**

NOTE 4 – PENSION PLANS (CONTINUED)

Iowa Public Employees' Retirement System (IPERS) (Continued)

H. Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the City's and Utility's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00%, as well as what the City's and Utility's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percent lower (6.00%) or 1 percent higher (8.00%) than the current rate.

<u>Proportionate share of the net pension liability (asset)</u>	<u>1% Decrease in Discount Rate (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase in Discount Rate (8.00%)</u>
City	\$ 363,719	\$ 167,965	\$ (4,399)
Water Works	142,662	76,572	18,328

I. IPERS Fiduciary Net Position

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

Municipal Fire and Police Retirement System of Iowa (MFPRSI)

A. Plan Description

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

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

B. Pension Benefits

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

City of Evansdale
Notes to Basic Financial Statements

NOTE 4 – PENSION PLANS (CONTINUED)

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

B. Pension Benefits (Continued)

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

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

C. Disability and Death Benefits

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

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

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

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

City of Evansdale
Notes to Basic Financial Statements

NOTE 4 – PENSION PLANS (CONTINUED)

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

D. Contributions

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

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

The City's contributions to MFPRSI for the year ended June 30, 2023, was \$101,430.

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

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

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

At June 30, 2023, the City reported a liability of \$730,160 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions to MFPRSI relative to the contributions of all MFPRSI participating employers. At June 30, 2022, the City's proportion was 0.130021%, which was an increase of 0.010074% 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 \$69,030, \$148,419 and \$9,590, respectively.

F. Actuarial Assumptions

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

Rate of inflation	3.00%.
Salary increases	3.75 to 15.11%, including inflation.
Investment rate of return	7.50%, net of investment expense, including inflation

**City of Evansdale
Notes to Basic Financial Statements**

NOTE 4 – PENSION PLANS (CONTINUED)

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

F. Actuarial Assumptions (Continued)

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

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

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

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

G. Discount Rate

The discount rate used to measure the total pension liability was 7.50%. The projection of cashflows used to determine the discount rate assumed contributions will be made at 9.40% of covered payroll and the City's contributions will be made at rates equal to the difference between actuarially determined rates and the member rate. Based on those assumptions, MFPRSI's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on MFPRSI's investments was applied to all periods of projected benefit payments to determine the total pension liability.

**City of Evansdale
Notes to Basic Financial Statements**

NOTE 4 – PENSION PLANS (CONTINUED)

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

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

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate 1% lower (6.50%) or 1% higher (8.50%) than the current rate.

	1% Decrease in Discount Rate (6.50%)	Current Discount Rate (7.50%)	1% Increase in Discount Rate (8.50%)
Proportionate share of the net pension liability	\$ 1,321,453	730,160	240,265

I. MFPRSI's Fiduciary Net Position

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

NOTE 5 – OTHER POST EMPLOYMENT BENEFITS (OPEB)

A. Plan Description

The City operates a single-employer health benefit plan, which includes employees of the Evansdale Water Works and 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 \$176,521 and plan members eligible for benefits contributed \$19,875 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.

B. OPEB Benefits

Individuals who are employed by the City of Evansdale 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.

City of Evansdale
Notes to Basic Financial Statements

NOTE 5 – OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

B. OPEB Benefits (Continued)

Retired participants must be age 55 or older at retirement, with the exception of special service participants who must be age 50 with 22 years of services. At June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	1	
Active employees	13	
Total	14	

NOTE 6 – COMPENSATED ABSENCES

City and Water Works employees accumulate a limited amount of earned but unused vacation, compensatory time and sick leave hours for subsequent use or for payment upon termination, retirement or death. These accumulations are not recognized as disbursements by the City and Water Works until used or paid. The City's and Water Work's approximate liability for earned vacation, compensatory time and sick leave payable to employees at June 30, 2023, primarily relating to the General Fund and the Water Fund, is as follows:

Type of Benefit	Water Works	City
Vacation	\$ 1,941	\$ 28,147
Compensatory time	-	21,264
Sick leave	2,367	67,439
Total	\$ 4,308	\$ 116,850

These liabilities have been computed based on rates of pay in effect at June 30, 2023.

NOTE 7 – INTERFUND LOAN

During the year ended June 30, 2022, the City loaned \$49,403 from the Capital Projects Fund to the Special Revenue, East Heights Tax Increment Financing Fund (TIF Fund) to provide financing for the Eagles Landing project. The loan is to be repaid from tax increment financing receipts transferred from the Special Revenue, East Heights Tax Increment Financing Fund to the Capital Projects fund, as receipts become available. As of June 30, 2023, the city paid \$23,348. As of June 30, 2023, the remaining balance is \$26,055.

City of Evansdale
Notes to Basic Financial Statements

NOTE 8 – INTERFUND TRANSFER

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

Transfer To	Transfer From	Amount
General	Special Revenue Local option sales tax	\$ 142,075
Special Revenue Employee benefit	Local option sales tax	153,948
Debt Service	Special Revenue Tax increment financing Capital Projects	541,146 71,335 <u>612,481</u>
Capital Projects	Special Revenue Tax increment financing Local option sales tax	23,347 355,188 <u>378,535</u>
Nonmajor Governmental	Special Revenue Local option sales tax	59,164
Enterprise Water	Special Revenue ARPA	112,992
	Total	<u>\$ 1,459,195</u>

NOTE 9 – RISK MANAGEMENT

The City is a member of the Iowa Communities Assurance Pool, as allowed by Chapter 670.7 of the *Code of Iowa*. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 785 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property, inland marine and boiler/machinery. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual casualty operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses and reinsurance expenses estimated for the fiscal year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained at a level determined by the Board not to exceed 300% of basis rate.

City of Evansdale
Notes to Basic Financial Statements

NOTE 9 – RISK MANAGEMENT (CONTINUED)

The Pool also provides property coverage. Members who elect such coverage make annual property operating contributions which are necessary to fund, on a cash basis, the Pool's general and administrative expenses, reinsurance premiums, losses and loss expenses for property risks estimated for the fiscal year, plus all or any portion of any deficiency in capital. Any year-end operating surplus is transferred to capital. Deficiencies in operations are offset by transfers from capital and, if insufficient, by the subsequent year's member contributions.

The City's property and casualty contributions to the Pool are recorded as disbursements from its operating funds at the time of payment to the Pool. The City's contributions to the Pool for the year ended June 30, 2023, were \$90,056.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$500,000 per claim. Claims exceeding \$500,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the City's risk-sharing certificate. Property and automobile physical damage risks are retained by the Pool up to \$250,000 each occurrence, each location. Property risks exceeding \$250,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the City's risk-sharing certificate.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim, property loss or series of claims or losses exceeds the amount of risk-sharing protection provided by the City's risk-sharing certificate, or in the event a casualty claim, property loss or series of claims or losses exhausts the Pool's funds and any excess risk-sharing recoveries, then payment of such claims or losses shall be the obligation of the respective individual member against whom the claim was made or the loss was incurred. As of June 30, 2023, settled claims have not exceeded the risk pool or reinsurance coverage since the Pool's inception.

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given 60 days prior written notice may withdraw from the Pool. Upon withdrawal, payments for all casualty claims and claims expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Upon withdrawal, a formula set forth in the Pool's intergovernmental contract with its members is applied to determine the amount (if any) to be refunded to the withdrawing member.

The City also carries commercial insurance purchased from other insurers for coverage associated with workers compensation and employee blanket bond in the amount of \$1,000,000 and \$100,000 respectively. The City assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

City of Evansdale
Notes to Basic Financial Statements

NOTE 10 – INDUSTRIAL DEVELOPMENT REVENUE BONDS

The City has issued a total of \$12,910,051 of industrial development revenue bonds under the provisions of Chapter 419 of the *Code of Iowa*, of which \$7,636,478 is outstanding at June 30, 2023. The bonds and related interest are payable solely from the revenues generated by these entities, and the bond principal and interest do not constitute liabilities of the City.

NOTE 11 – CONSTRUCTION COMMITMENTS

The City had unfinished construction contract commitments for the Deerwood Campground Sanitary and the Michigan Lift Station Rehabilitation projects totaling \$673,919.

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OTHER INFORMATION

City of Evansdale
Budgetary Comparison Schedule
of Receipts, Disbursements, and Changes in Balances-
Budget and Actual (Cash basis) - All Governmental Funds, Proprietary Funds,
and Discretely Presented Component Unit
Year Ended June 30, 2023

	Governmental Funds	Proprietary Funds	Discretely Presented Component Unit	Total
	Actual	Actual	Actual	Total
Receipts				
Property tax	\$ 1,093,268	\$ -	\$ -	\$ 1,093,268
Tax increment financing	529,671	-	-	529,671
Other city tax	763,445	-	-	763,445
Licenses and permits	83,320	-	-	83,320
Use of money and property	181,706	-	8,272	189,978
Intergovernmental	1,131,211	22,805	-	1,154,016
Charges for services	582,590	1,141,277	495,531	2,219,398
Special assessments	6,846	-	-	6,846
Miscellaneous	99,137	11,750	132,117	243,004
Total receipts	<u>4,471,194</u>	<u>1,175,832</u>	<u>635,920</u>	<u>6,282,946</u>
Disbursements				
Public safety	1,310,691	-	-	1,310,691
Public works	1,003,778	-	-	1,003,778
Health and social services	21,282	-	-	21,282
Culture and recreation	382,817	-	-	382,817
Community and economic development	2,373	-	-	2,373
General government	340,521	-	-	340,521
Debt service	687,275	-	-	687,275
Capital outlay	263,125	-	-	263,125
Business type activities	-	1,494,035	729,529	2,223,564
Total disbursements	<u>4,011,862</u>	<u>1,494,035</u>	<u>729,529</u>	<u>6,235,426</u>
Excess (deficiency) of receipts over (under) disbursements	459,332	(318,203)	(93,609)	47,520
Other financing sources (uses), net	<u>(109,742)</u>	<u>593,442</u>	<u>-</u>	<u>483,700</u>
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	<u>349,590</u>	<u>275,239</u>	<u>(93,609)</u>	<u>531,220</u>
Balances beginning of year	<u>4,191,555</u>	<u>1,152,700</u>	<u>731,482</u>	<u>6,075,737</u>
Balances end of year	<u>\$ 4,541,145</u>	<u>\$ 1,427,939</u>	<u>\$ 637,873</u>	<u>\$ 6,606,957</u>

<u>Budgeted Amounts</u>		<u>Final to Total Variance</u>
<u>Original</u>	<u>Final</u>	
\$ 1,077,913	\$ 1,077,913	\$ 15,355
542,111	542,111	(12,440)
839,709	839,709	(76,264)
51,478	51,478	31,842
30,597	30,597	159,381
2,261,603	2,261,603	(1,107,587)
1,593,535	1,593,535	625,863
11,675	11,675	(4,829)
98,867	103,045	139,959
<u>6,507,488</u>	<u>6,511,666</u>	<u>(228,720)</u>
1,389,954	1,448,832	138,141
902,565	1,014,695	10,917
20,764	20,764	(518)
618,038	630,216	247,399
2,772	2,772	399
516,496	516,496	175,975
687,076	687,076	(199)
1,040,765	1,040,765	777,640
<u>3,373,068</u>	<u>3,373,068</u>	<u>1,149,504</u>
<u>8,551,498</u>	<u>8,734,684</u>	<u>2,499,258</u>
(2,044,010)	(2,223,018)	2,270,538
<u>2,108,340</u>	<u>2,108,340</u>	<u>(1,624,640)</u>
<u>\$ 64,330</u>	<u>(114,678)</u>	<u>645,898</u>
<u>4,243,032</u>	<u>4,243,032</u>	<u>1,832,705</u>
<u>\$ 4,307,362</u>	<u>\$ 4,128,354</u>	<u>\$ 2,478,603</u>

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City of Evansdale
Notes to Other Information – Budgetary Reporting

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. 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 Fund, the Capital Projects Fund, the Permanent Fund and the Enterprise Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. During the year, the budget was not amended.

At June 30, 2023, disbursements did exceed budgeted amounts in the Health and Social Services and Debt Service functions.

**City of Evansdale
Schedule of the Primary Government's
Proportionate Share
of the Net Pension Liability
For the Last Nine Years*
Other Information
(In Thousands)
Year Ended June 30, 2023**

Iowa Public Employee's Retirement System

	2023	2022	2021	2020
Proportion of the net pension liability (asset)				
Regular	0.004828 %	0.006619 %	0.007289 %	0.007569 %
Protective occupation	0.017190 %	0.020837 %	0.020314 %	0.018602
Proportionate share of the net pension liability (asset)				
Regular	\$ 192	\$ 9	\$ 508	\$ 441
Protective occupation	(24)	(72)	6	(6)
Covered employee payroll				
Regular	504	387	574	580
Protective occupation	86	86	83	68
Proportionate share of the net pension liability (asset) as a percentage of covered payroll				
Regular	38.10 %	2.33 %	88.43 %	76.05 %
Protective occupation	-27.91 %	-83.72 %	7.23 %	-8.76 %
Plan fiduciary net position as a percentage of the total IPERS pension liability	91.41 %	100.81 %	82.90 %	85.45 %

Municipal Fire and Police Retirement System of Iowa

	2023	2022	2021	2020
Proportion of the net pension liability	0.001300 %	0.119947 %	0.128342 %	0.130000 %
Proportionate share of the net pension liability	\$ 730	\$ 269	\$ 1,024	\$ 885
Covered employee payroll	424	439	408	408
Proportionate share of the net pension liability as a percentage of covered payroll	172.01 %	61.26 %	250.98 %	216.91 %
Plan fiduciary net position as a percentage of the total MFPRSI pension liability	84.62 %	93.62 %	76.47 %	79.94 %

* 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.

** Effective July 1, 2015, the Evansdale Water Works was reclassified from a blended to a discretely presented component unit and, accordingly, is excluded from this Schedule.

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

	2019	2018	2017	2016**	2015
	0.006613 %	0.006534 %	0.007598 %	0.008460 %	0.008675 %
	0.023192 %	0.002252 %	0.020673 %	0.022704 %	0.024773 %
\$	418 (0)	\$ 431 4	\$ 474 4	\$ 154 29	\$ 351 (19)
	470 81	483 79	540 69	583 77	579 79
	88.93 % -0.49 %	89.16 % 5.07 %	87.73 % 5.78 %	26.42 % 37.66 %	60.59 % -23.99 %
	83.62 %	82.21 %	81.82 %	85.19 %	87.61 %

	2019	2018	2017	2016	2015
	0.119747 %	0.120476 %	0.122988 %	0.105935 %	0.103266 %
\$	713 353	\$ 707 341	\$ 769 333	\$ 498 278	\$ 374 263
	201.98 %	207.33 %	230.93 %	179.14 %	142.21 %
	81.07 %	80.60 %	78.20 %	83.04 %	86.27 %

**City of Evansdale
Schedule of the Primary Government
Contributions
Last Ten Fiscal Years
Other Information**

	Fiscal Year			
	2023	2022	2021	2020
Iowa Public Employee's Retirement System				
Statutorily required contribution	\$ 55,564	\$ 45,230	\$ 58,688	\$ 61,884
Contributions in relation to the statutorily required contribution	<u>(55,564)</u>	<u>(45,230)</u>	<u>(58,688)</u>	<u>(61,884)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered employee payroll	\$ 589,785	\$ 480,123	\$ 620,197	\$ 651,702
Contributions as a percentage of covered employee payroll	9.42%	9.42%	9.46%	9.50%
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Municipal Fire and Police Retirement System of Iowa				
Statutorily required contribution	\$ 101,430	\$ 114,967	\$ 98,651	\$ 99,531
Contributions in relation to the statutorily required contributions	<u>(101,430)</u>	<u>(114,967)</u>	<u>(98,651)</u>	<u>(99,531)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered employee payroll	\$ 424,393	\$ 439,141	\$ 390,486	\$ 407,746
Contributions as a percentage of covered employee payroll	23.90%	26.18%	25.26%	24.41%

Fiscal Year					
2019	2018	2017	2016	2015	2014
\$ 61,657	\$ 52,639	\$ 50,873	\$ 49,105	\$ 59,761	\$ 59,199
<u>(61,657)</u>	<u>(52,639)</u>	<u>(50,873)</u>	<u>(49,105)</u>	<u>(59,761)</u>	<u>(59,199)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 647,622	\$ 578,154	\$ 561,708	\$ 544,231	\$ 658,484	\$ 652,292
9.52%	9.10%	9.06%	9.02%	9.08%	9.08%
2019	2018	2017	2016	2015	2014
\$ 106,238	\$ 90,632	\$ 88,443	\$ 92,554	\$ 84,482	\$ 79,430
<u>(106,238)</u>	<u>(90,632)</u>	<u>(88,443)</u>	<u>(92,554)</u>	<u>(84,482)</u>	<u>(79,430)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 408,374	\$ 352,928	\$ 341,213	\$ 333,288	\$ 277,810	\$ 263,713
26.01%	25.68%	25.92%	27.77%	30.41%	30.12%

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City of Evansdale
Notes to Other Information – Pension Liability

Iowa Public Employees' Retirement System

Changes of Benefit Terms

There are no significant changes in benefit terms.

Changes of Assumptions

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

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

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

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

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

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

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

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

City of Evansdale
Notes to Other Information – Pension Liability

Municipal Fire and Police Retirement System of Iowa

Changes of Benefit Terms

- There were no significant changes of benefit terms.

Changes of Assumptions

- The 2018 valuation changed postretirement mortality rates to the RP-2014 Blue Collar Healthy Annuitant Table with males set-forward zero years, females set-forward two years and disabled individuals set-forward three years (male only rates), with generational projection of future mortality improvement with 50% of Scale BB beginning in 2017.
- The 2017 valuation added five years projection of future mortality improvement with Scale BB.
- The 2016 valuation changed postretirement mortality rates to the RP-2000 Blue Collar Combined Healthy Mortality Table with males set-back two years, females set-forward one year and disabled individuals set-forward one year (male only rates), with no projection of future mortality improvement.
- The 2015 valuation phased in the 1994 Group Annuity Mortality Table for postretirement mortality. This resulted in a weighting of 1/12 of the 1971 Group Annuity Mortality Table and 11/12 of the 1994 Group Annuity Mortality Table.
- The 2014 valuation phased in the 1994 Group Annuity Mortality Table for post-retirement mortality. This resulted in a weighting of 2/12 of the 1971 Group Annuity Mortality Table and 10/12 of the 1994 Group Annuity Mortality Table.

SUPPLEMENTARY INFORMATION

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City of Evansdale
Combining Statement of Cash Receipts,
Disbursements, and Changes in Cash Fund
Balances - Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue		Total Other Governmental Funds
	Tort Liability (116)	Police Retirement (910)	
Disbursements			
Current			
General government	59,164	-	59,164
Excess of receipts over (under) disbursements	(59,164)	-	(59,164)
Other financing sources (uses)			
Transfers in	59,164	-	59,164
Transfers out	-	-	-
Total other financing sources (uses)	59,164	-	59,164
Net change in cash fund balances	-	-	-
Cash Fund Balances			
Beginning of year	-	100,000	100,000
End of year	\$ -	\$ 100,000	\$ 100,000

City of Evansdale
Schedule of Receipts by Source
and Disbursements by Function - All Governmental Funds
For the Last Ten Years

	2023	2022	2021	2020
Receipts				
Property tax	\$ 1,093,268	\$ 1,015,076	\$ 1,031,065	\$ 1,140,648
Tax increment financing	529,671	610,492	549,185	631,357
Local city tax	710,375	777,873	678,938	584,730
Other city tax	53,070	40,048	34,152	41,730
Licenses and permits	83,320	72,688	84,232	75,907
Use of money and property	181,706	32,524	38,334	38,282
Intergovernmental	1,131,211	1,177,158	1,027,754	805,604
Charges for services	582,590	556,058	583,990	391,655
Special assessments	6,846	2,286	1,637	1,272
Miscellaneous	99,137	54,302	305,059	165,604
	<u>\$ 4,471,194</u>	<u>\$ 4,338,505</u>	<u>\$ 4,334,346</u>	<u>\$ 3,876,789</u>
Disbursements				
Operating				
Public safety	\$ 1,310,691	\$ 1,282,907	\$ 1,359,865	\$ 1,354,366
Public works	1,003,778	675,558	419,869	528,167
Health and social services	21,282	19,485	18,994	18,516
Culture and recreation	382,817	187,761	533,839	210,266
Community and economic development	2,373	2,489	4,941	7,404
General government	340,521	332,283	355,504	382,686
Debt service	687,275	795,614	880,863	932,943
Capital projects	263,125	1,819,064	2,598,767	505,940
	<u>\$ 4,011,862</u>	<u>\$ 5,115,161</u>	<u>\$ 6,172,642</u>	<u>\$ 3,940,288</u>

2019	2018	2017	2016	2015	2014
\$ 997,395	\$ 1,001,421	\$ 906,943	\$ 882,178	\$ 867,615	\$ 779,245
589,865	371,403	507,973	236,021	228,966	252,905
591,250	539,067	609,966	547,464	549,321	576,948
71,066	69,399	72,952	65,474	63,655	77,665
57,290	51,727	62,357	52,000	65,507	54,907
41,117	36,001	32,894	37,789	29,015	27,648
815,613	951,934	2,523,755	745,551	574,125	676,683
354,775	367,072	341,178	267,039	280,943	265,205
477	1,616	245	261	2,602	2,673
83,352	88,763	138,409	131,091	101,484	85,383
<u>\$ 3,602,200</u>	<u>\$ 3,478,403</u>	<u>\$ 5,196,672</u>	<u>\$ 2,964,868</u>	<u>\$ 2,763,233</u>	<u>\$ 2,799,262</u>
\$ 1,228,496	\$ 1,189,544	\$ 1,229,513	\$ 1,107,970	\$ 1,046,834	\$ 1,047,850
787,547	1,182,647	821,050	814,385	652,722	898,838
18,556	18,248	18,049	17,183	17,133	16,787
315,416	398,495	301,618	228,203	239,664	229,918
9,857	136,055	27,653	26,022	31,598	2,500
419,896	641,148	518,991	317,752	337,484	347,148
916,908	705,458	625,872	468,188	682,115	2,489,309
48,761	1,758,314	2,777,114	876,337	8,512	-
<u>\$ 3,745,437</u>	<u>\$ 6,029,909</u>	<u>\$ 6,319,860</u>	<u>\$ 3,856,040</u>	<u>\$ 3,016,062</u>	<u>\$ 5,032,350</u>

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

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the basic financial statements of the governmental activities, business type activities, the discretely presented component unit and each major fund, of the City of Evansdale, Iowa, as of and for the year ending June 30, 2023, and the related notes to basic financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 14, 2023. Our report expressed unmodified opinions on the basic financial statements which were prepared on the basis of cash receipts and disbursements, a basis of accounting other than generally accepted accounting principles.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in Part I in the accompanying Schedule of Findings and Responses as item I-A-23 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

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

City's Response to the Findings

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

Purpose of this Report

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

BerganKDV, Ltd.

Minneapolis, Minnesota
December 14, 2023

City of Evansdale
Schedule of Findings and Responses

SECTION I – FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS

Audit Finding I-A-23 – Lack of Segregation of Accounting Duties

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:

Generally, one or two individuals have control over each of the following areas for the City:

- Cash – handling, reconciling and recording.
- Long-Term Debt – recording and reconciling, including compensated absences.
- Disbursements – preparing disbursements, check signing, recording and reconciling.
- Payroll – entering rates into the system, preparing, reconciling, recording and distributing.

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 or Potential 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 individuals in the normal course of performing their assigned functions.

Recommendation:

We realize segregation of duties is difficult with a limited number of office employees. However, the City should review its operating procedures to obtain the maximum internal control possible under the circumstances. The City should utilize current personnel, including elected officials, to provide additional control through review of financial transactions, reconciliations, and reports. Such reviews should be performed by independent persons and should be documented by the signature or initials of the reviewer and the date of the review.

Views of Responsible Official:

Procedures will be reviewed to see where more segregation of duties can be attained in a two-person office.

Conclusion:

Response accepted.

City of Evansdale
Schedule of Findings and Responses

SECTION II– OTHER FINDINGS RELATED TO REQUIRED STATUTORY REPORTING:

1. Certified Budget – Disbursements during the year ended June 30, 2023, exceeded the amounts budgeted in the Health and Social Services and Debt Service. Chapter 384.20 of the *Code of Iowa* states, in part, “Public monies may not be expended or encumbered except under an annual or continuing appropriation.”

Recommendation:

The budget should have been amended in accordance with Chapter 384.18 of the *Code of Iowa* before disbursements were allowed to exceed the budget.

Views of Responsible Official:

The budget will be amended in the future, if applicable.

Conclusion:

Response accepted.

2. Donation – We noted no material expenditures which did not appear to meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.
3. Travel Expense – No disbursements of City money for travel expenses of spouses of City officials or employees were noted.
4. Business Transactions – There were no business transactions between the City and City officials.
5. 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*.
6. 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.
7. City Council Minutes – No transactions were found that we believe should have been approved in the City Council minutes but were not.

City of Evansdale
Schedule of Findings and Responses

**SECTION II– OTHER FINDINGS RELATED TO REQUIRED STATUTORY REPORTING:
(CONTINUED)**

8. 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.
9. Annual Urban Renewal Report – The Annual Urban Renewal Report (AURR) was certified to the Iowa Department of Management on or before December 1.
10. Tax Increment Financing – The Special Revenue, Tax Increment Financing (TIF) Fund properly disbursed payments for TIF loans and rebates. Also, the City of Evansdale properly completed the Tax Increment Debt Certificate Forms to request TIF properly taxes.

APPENDIX B

DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

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

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

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

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

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

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

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

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

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

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

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

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

APPENDIX C

DRAFT FORM OF BOND COUNSEL OPINION

We hereby certify that we have examined certified copies of the proceedings (the “Proceedings”) of the City Council of the City of Evansdale (the “Issuer”), in Black Hawk County, Iowa, passed preliminary to the issue by the Issuer of its General Obligation Corporate Purpose Bonds, Series 2024A (the “Bonds”) in the amount of \$2,015,000, in the denomination of \$5,000 each, or any integral multiple thereof, dated September 4, 2024, in evidence of the Issuer’s obligation under a certain loan agreement (the “Loan Agreement”), dated as of September 4, 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 June 1, 2025, 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	\$105,000	_____ %	2033	\$145,000	_____ %
2027	\$110,000	_____ %	2034	\$150,000	_____ %
2028	\$115,000	_____ %	2035	\$160,000	_____ %
2029	\$120,000	_____ %	2036	\$165,000	_____ %
2030	\$125,000	_____ %	2037	\$175,000	_____ %
2031	\$135,000	_____ %	2038	\$180,000	_____ %
2032	\$140,000	_____ %	2039	\$190,000	_____ %

Principal of the Bonds maturing in the years 2033 through 2039, inclusive, is subject to optional redemption prior to maturity, in whole or in part, 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

APPENDIX D

DRAFT CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the City of Evansdale (the “Issuer”), in connection with the issuance of \$2,015,000 General Obligation Corporate Purpose Bonds, Series 2024A (the “Bonds”), dated September 4, 2024. The Bonds are being issued pursuant to a resolution of the Issuer approved on August 20, 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) Not later than June 30 (the “Submission Deadline”) of each year following the end of the 2023-2024 fiscal year, the Issuer shall, or shall cause the Dissemination Agent (if any) to, file on EMMA an electronic copy of its Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate in a format and accompanied by such identifying information as prescribed by the MSRB. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the Submission Deadline if they are not available by that date. If the Issuer’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c), and the Submission Deadline beginning with the subsequent fiscal year will become one year following the end of the changed fiscal year.

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

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

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

(a) **The Audited Financial Statements** of the Issuer for the prior fiscal year, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under State law, as in effect from time to time, or, if and to the extent such audited financial statements have not been prepared in accordance with generally accepted accounting principles, noting the discrepancies therefrom and the effect thereof. If the Issuer’s audited financial statements are not available by the Submission Deadline, the Annual Report shall contain unaudited financial information (which may include any annual filing information required by State law) accompanied by a notice that the audited financial statements are not yet available, and the audited financial statements shall be filed on EMMA when they become available.

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

Debt Information:

Debt Limitation
Summary of Outstanding General Obligation Bonded Debt
General Obligation Debt
Statement of Bonded Indebtedness

Property Assessment and Tax Information:

Actual (100%) Valuations for the City
Taxable (Rollback) Valuations for the City
Tax Extensions and Collections
Principal Taxpayers
Property Tax Rates

Financial Information:

Cash Basis Statement of Activities and Net Position
Statement of Cash Receipts, Disbursements, and Changes in Cash Balances

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which are available on EMMA or are filed with the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available on EMMA. The Issuer shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds:

- (1) Principal and interest payment delinquencies.
- (2) Non-payment related defaults, if material.
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (5) Substitution of credit or liquidity providers, or their failure to perform.
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.
- (7) Modifications to rights of security holders, if material.
- (8) Bond calls, if material, and tender offers.
- (9) Defeasances.
- (10) Release, substitution, or sale of property securing repayment of the securities, if material.
- (11) Rating changes.
- (12) Bankruptcy, insolvency, receivership or similar event of the obligated person.

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

- (13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

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

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

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

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

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

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

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

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

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

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing audited financial statements, (i) notice of such change shall be given

in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made will present a comparison or other discussion in narrative form (and also, if feasible, in quantitative form) describing or illustrating the material differences between the audited financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

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

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

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

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

Dated: September 4, 2024

CITY OF EVANSDALE, IOWA

By _____
Mayor

Attest:

By _____
City Clerk

OFFICIAL BID FORM

City of Evansdale
123 N Evans Road
Evansdale, IA 50707

July 30, 2024
Speer Financial, Inc.
Facsimile: (319) 291-8628

City Council:

For the \$2,015,000* General Obligation Corporate Purpose Bonds, Series 2024A (the “Bonds”), of the City of Evansdale, Black Hawk 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 \$1,998,880). 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

\$105,0002026 _____%	\$135,0002031 _____%	\$160,0002035 _____%
110,0002027 _____%	140,0002032 _____%	165,0002036 _____%
115,0002028 _____%	145,0002033 _____%	175,0002037 _____%
120,0002029 _____%	150,0002034 _____%	180,0002038 _____%
125,0002030 _____%		190,0002039 _____%

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: \$40,300

Account Manager Information

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

Bidders Option Insurance

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

The foregoing bid was accepted and the Bonds sold by resolution of the City on July 30, 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 EVANSDALE
BLACK HAWK 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

\$2,015,000*
CITY OF EVANSDALE
Black Hawk County, Iowa

General Obligation Corporate Purpose Bonds, Series 2024A

The City of Evansdale, Black Hawk County, Iowa, (the “City”), will receive electronic bids on the SpeerAuction (“SpeerAuction”) website address “www.SpeerAuction.com” for its \$2,015,000* General Obligation Corporate Purpose Bonds, Series 2024A (the “Bonds”), on an all or none basis between 10:30 A.M. and 11:00 A.M., C.D.T., Tuesday, July 30, 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 123 N Evans Road, Evansdale, Iowa, before 11:00 A.M., C.D.T., Tuesday, July 30, 2024. The City will also receive facsimile bids at (319) 291-8628 for the Bonds, on an all or none basis, before 11:00 A.M., C.D.T., Tuesday, July 30, 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 \$2,015,000. 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 June 1, 2025 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 September 4, 2024).

AMOUNTS* AND MATURITIES – JUNE 1

\$105,000	2026	\$135,000	2031	\$160,000	2035
110,000	2027	140,000	2032	165,000	2036
115,000	2028	145,000	2033	175,000	2037
120,000	2029	150,000	2034	180,000	2038
125,000	2030			190,000	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. 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 \$1,998,880.

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

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

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

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

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

Good Faith Deposit and Other Matters

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

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

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

Credit To: 3281 Speer Bidding Escrow
RE: City of Evansdale, Black Hawk County, Iowa bid for
\$2,015,000* General Obligation Corporate Purpose Bonds, Series 2024A

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 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 September 4, 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 DeAnne Kobliska, Mayor, City of Evansdale, 123 N Evans Road, Evansdale, Iowa, 50707 or an electronic copy of this Official Statement is available from the www.speerfinancial.com website under “Official Statement Sales/Competitive Calendar” or from the Registered Municipal Advisor to the City, Speer Financial, Inc., 531 Commercial Street, Suite 608, Waterloo, Iowa 50701 (telephone (319) 291-2077), and 230 West Monroe Street, Suite 2630, Chicago, Illinois 60606 (telephone (312) 346-3700).

/s/ **DEANNE KOBLISKA**
Mayor
CITY OF EVANSDALE
Black Hawk County, Iowa

EXHIBIT A
EXAMPLE ISSUE PRICE CERTIFICATE

\$2,015,000
GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2024A

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 (August 6, 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 Evansdale, 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 July 30, 2024.

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

[UNDERWRITER][REPRESENTATIVE]

By: _____

Name: _____

Dated: September 4, 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)

\$2,015,000
GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2024A

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 Evansdale, 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 July 30, 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: September 4, 2024

SCHEDULE A
EXPECTED OFFERING PRICES

(Attached)

SCHEDULE B
COPY OF UNDERWRITER'S BID
(Attached)