

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT  
OF THE  
CITY OF WAVERLY, IOWA  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2022**

Prepared by the  
Finance Department  
Valorie Northrup, Finance Manager

**CITY OF WAVERLY, IOWA  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2022  
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January 24, 2023

Honorable Mayor and City Council  
City of Waverly  
Waverly, Iowa

We are pleased to provide you with the Annual Comprehensive Financial Report (ACFR) of the City of Waverly. This report is for the fiscal year ended June 30, 2022. The report is submitted each year as required by State Law, Chapter 11.6. The report is prepared according to U.S. generally accepted accounting principles (GAAP) for government as established by the Governmental Accounting Standards Board (GASB). It is audited by Williams & Company, P.C.

The City's Department of Finance prepared our report. Management of the city is responsible for the accuracy of the presented data and the completeness and fairness of presentation, including all disclosures. To the best of our knowledge and belief, the enclosed information is accurate in all material aspects and is presented in a manner designed to fairly present the financial position and results of operations of the city as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain a complete understanding of the City of Waverly's financial activities have been included. Management of the city has established a comprehensive internal control framework that is designed both to protect the city's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Since the cost of internal controls should not outweigh their benefits, the City of Waverly's internal controls have been designed to provide reasonable, rather than absolute assurance that the financial statements will be free from material misstatement.

GAAP require that management provide an introduction, overview and analysis to accompany the basic financial statement, in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is intended to complement the MD&A, found immediately following the report of the City's independent auditors, and should be read in conjunction therewith. State statutes and the City Code require an annual audit by independent certified public accountants to provide reasonable assurance that the information in the Annual Comprehensive Financial Report can be relied upon. The auditors' report is included in the financial section of the report.

### **PROFILE OF THE CITY OF WAVERLY**

The City of Waverly was incorporated in 1859 under the provisions of the Iowa State Legislature. It is located in Bremer County along the Cedar River in northeast Iowa, about 15 miles north of the Waterloo-Cedar Falls metropolitan area. Highways serving the area include State Highway 3 and U.S. Highway 218 that is connected to Interstate Highway 380, Avenue of the Saints. The U.S. Census Bureau reported 9,874 residents in 2010 which is a growth of 10% over the last ten years. The 2020 census showed continued growth for the city of another 4.40% for a total population of 10,308.

Policy-making and legislative authority in the City of Waverly are vested in a governing council. The City of Waverly operates under a Mayor-council form of government. One council member is elected from each of the City's five wards, and two are elected at-large. For continuity purposes, the council members serve four-year staggered

terms with elections held every two years. The Mayor is elected every two years. The City Council makes policy decisions for the City through the enactment of ordinances, resolutions, and motions. The Council is also responsible for adopting the budget, appointing committees, and hiring the city administrator. The City Administrator is responsible for implementing policy decisions of the City Council, overseeing the day-to-day management of the City, and hiring department directors. All departments and department directors report to the City Administrator, with the exception of the Library Director who is supervised by an appointed Board of Trustees.

The City of Waverly provides many municipal services including police and fire protection, library, streets, garbage collection, recycling, parks, recreation, planning, zoning, general administration, and water and sewer services.

### **FINANCIAL INFORMATION**

The City of Waverly maintains an internal control structure designed to provide reasonable, but not absolute assurance that the assets of the city are protected from loss, theft, or fraud and that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The requirement for reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

In addition, the City recognizes the importance of leadership from management in these controls. The City Council has adopted a personnel policy that provides guidance as to certain elements of the internal control structure. The employees are updated on changes to these ethics and personnel policies to stress that internal control is an important element of the public's trust. The City has incorporated the personnel policy manual in the training of all employees and elected officials.

The foundation of the City's financial planning and control is the annual budget. The budget process includes sessions with staff, management, and the City Council. To ensure compliance with legal budgetary controls, the City Council and management receive monthly reports comparing budgeted amounts to actual expenditures. The City Council may make additional appropriations during the year for unanticipated revenues or capital projects which were not completed in the prior year. Budget-to-actual comparisons by nine major functions are provided in the Required Supplementary Information section of this report.

Project length budgets are prepared for the various capital project funds. A "Five Year Capital Improvement Plan" is prepared and reviewed annually with the City Council. This plan defines the long-term capital plan of the City while each specific capital project is appropriated through different revenue streams. The budget document presents function disbursements by fund. However, the formal and legal level of budgetary control is at the aggregated function level, not by fund. After adoption, budget adjustments in these functions are authorized by the City Council.

State laws require audits for cities such as Waverly to be conducted by the auditor of the state or by certified public accountants. In addition to meeting state requirements, the audit must meet the requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance). An audit is conducted annually in accordance with generally accepted auditing standards and the standards set forth in the Government Accountability Office's Government Auditing Standards. It must examine, among other things, the financial condition and resources of the City, and accuracy of the City's accounts and reports. The audit report is contained in the Financial Section which follows.

### **FACTORS AFFECTING FINANCIAL CONDITION**

**Local Economy.** The City of Waverly is the largest city in Bremer County, and also the County Seat. Waverly offers a convenient small-town atmosphere while being only a twenty-five-minute drive to a large metropolitan area. The last census showed Waverly's growth at 4.40% compared to the state's increase of 4.7%. The steady sale of building permits is a good sign for Waverly. The total number of building permits decreased approximately 6% from FY21, however, the total value of permits increased from \$16,481,831 to \$63,964,233 during the same time period. Fiscal year 2022 was still strong in development with numerous projects being constructed as well as significant remodels and expansions. Some of the more significant projects included the development of Anna Estates by Bartels Lutheran Retirement Community as well as the addition and renovation of Centennial Dorm at Wartburg College and Waverly Child Care & Preschool's remodel and building addition. At times, it is more important to add to the culture and livability in a community, compared to increasing valuations. Some of the continued growth is due to the number of students in the Waverly-Shell Rock Schools District and the high marks received for the quality of education. This growth has also spurred the construction of two new elementary schools in Waverly. All of these developments and factors will allow the City to continue receiving increased intergovernmental revenues.

The City benefits from a prosperous downtown retail area plus other shopping areas, both on the south and north side of the City. The retail economy is very important to Waverly and has gone through a period of expansion.

Waverly is the home of Wartburg College, a private four-year college. Wartburg continues to expand the college with major additions throughout the campus. The Wartburg Waverly Wellness Facility continues to have a strong impact on the Waverly economy by hosting a variety of sporting events and camps.

The City of Waverly is a growing manufacturing, retailing, educational, and health services center in northeast Iowa. Major employers range from CUNA Mutual Life Insurance with 550 employees, Wartburg College with 500 employees, Waverly Health Center with 487 employees, Waverly Shell-Rock Schools with 433 employees, GMT Corporation with 283 employees and Walmart with 240 employees.

In July 2003, the City of Waverly started collecting local option sales tax which will allow the city to fund specific projects related to safety and infrastructure, while controlling property taxes. This revenue will continue to pay for safety, project debt, along with drainage and street improvements. The revenue stream has been consistent over the years with total receipts of \$1,430,713 in fiscal year 2022. Future projects for these funds include additional bond payments and various street improvements. After a vote by the citizens in 2016, the collection of the local option sales tax will continue through June 30, 2037.

The City's economic outlook continues to be positive, with industry and commercial business showing continued growth in product lines and employment. Bremer County's fiscal year 2022 average unemployment rate of 2.52% compares favorably to the State's fiscal year 2022 average rate of 3.51 % for the same period. The tax base for the City is showing favorable increases. Growth of the City's taxable valuation has been steady compared to other cities of similar size. Assessed valuations for the same period increased, but the state's residential rollback continues to affect the taxing ability of cities. A new property class was established for multi-residential property in fiscal year 2017 and will be eliminated in FY24. Those properties will be reclassified as residential property.

**Long-term Financial Planning.** The City of Waverly operates with a cash and investment pool concept, whereby funds not individually invested to the credit of a particular fund are invested to the credit of the General Fund. This is consistent with state law, which provides that with the exception of bond covenants and local ordinances that require investments by fund, investments can be pooled and invested to the credit of the General Fund.

It is the policy of the City to invest public funds in a manner which will provide the maximum security, meet daily cash flow demands, and provide the highest investment return while conforming to all state and local statutes governing the investment of public funds.

The City may invest in any of the securities identified as eligible investments defined in the City of Waverly Investment Policy. In general, these consist of interest-bearing savings accounts, certificates of deposits, United States Treasury Notes and Bonds, Iowa Public Agency Investment Trust, and government sponsored securities.

**Awards and Acknowledgments.** The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Waverly for its annual comprehensive financial report (ACFR) for the year ended June 30, 2021. In order to receive this award, the city must publish an easily readable and efficiently organized ACFR. The report must also satisfy both generally accepted accounting principles and applicable legal requirements. The award is valid for one year only. The City is submitting the 2022 annual financial report to GFOA for review to determine its eligibility for an award.

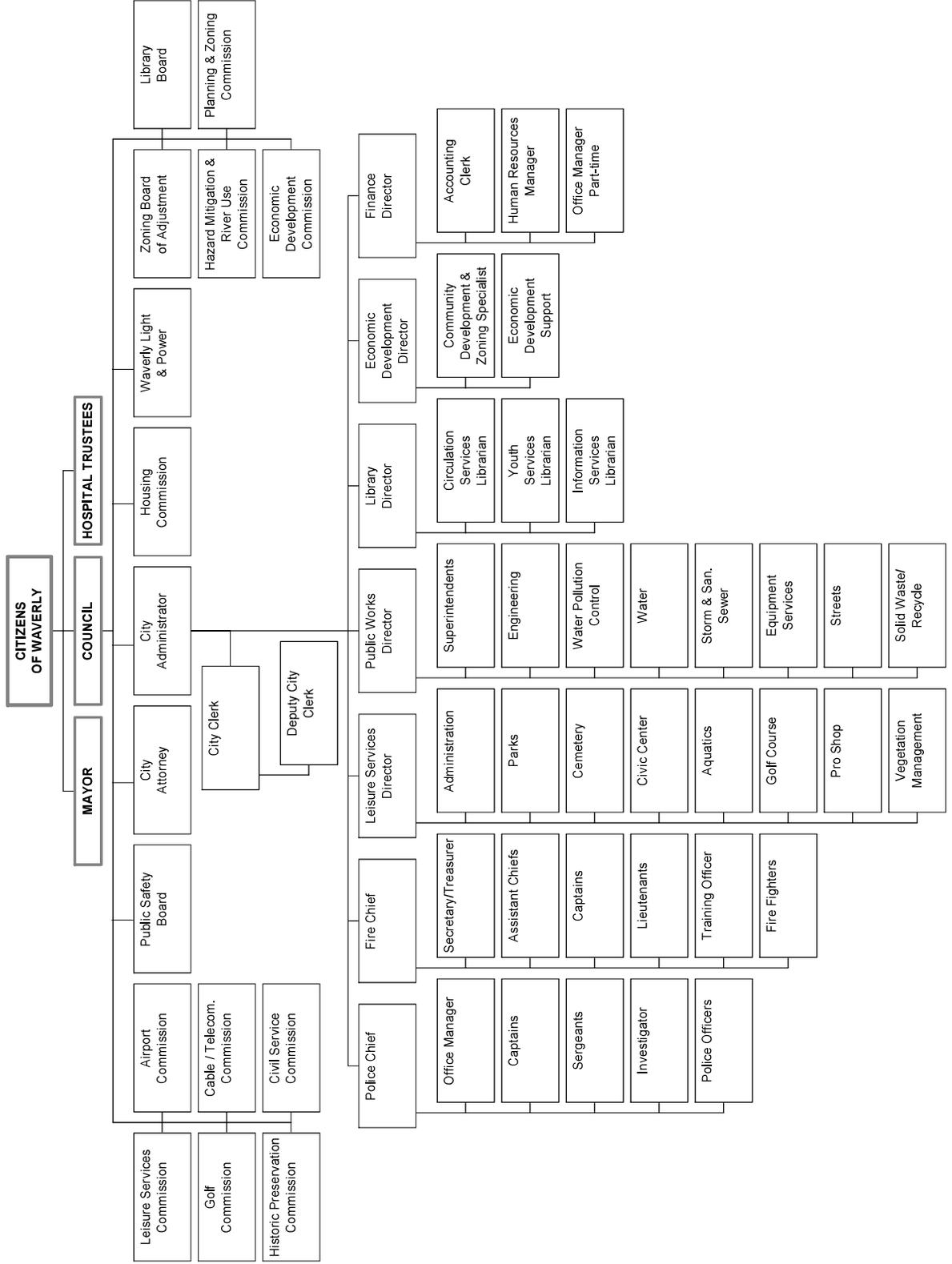
The preparation of this report could not have been accomplished without the support and dedication of the entire staff of the finance and administrative departments. Appreciation is also expressed to the Mayor and City Council for their support and interest in the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

  
James W. Bronner  
City Administrator

  
Valorie Northrup  
Finance Manager

# Organizational Flow Chart The City Of Waverly, Iowa



**CITY OF WAVERLY, IOWA**

**List of Principal Officials  
June 30, 2022**

**ELECTED OFFICIALS**

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Mayor ..... Adam Hoffman  
Council Member – Ward 1 ..... Brian Birgen  
Council Member – Ward 2 ..... Julie Meyers  
Council Member – Ward 3 ..... Rodney Drenkow  
Council Member – Ward 4 ..... Heather Beaufore  
Council Member – Ward 5 ..... Tim Kangas  
Council Member – At Large ..... Ann Rathe  
Council Member – At Large ..... Matthew Schneider

**APPOINTED OFFICIALS**

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City Administrator ..... James W. Bronner  
City Clerk ..... Carla Guyer  
Community Development Director/City Attorney ..... William D. Werger  
Finance Manager ..... Valorie Northrup  
City Engineer/Director of Public Works ..... Michael Cherry  
Police Chief ..... Richard Pursell  
Leisure Services Director ..... Garret Riordan  
Fire Chief ..... Bryce McKenzie  
Library Director ..... Sarah Meyer-Reyerson  
Community Development and Zoning Manager ..... William D. Werger  
Public Services Superintendent ..... Brian Sullivan



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Waverly  
Iowa**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morill*

Executive Director/CEO

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Waverly, Iowa for its annual comprehensive financial report for the fiscal year ended June 30, 2021. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report whose contents conform to program standards. Such annual comprehensive financial report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

## INDEPENDENT AUDITORS' REPORT

The Mayor and Members of the  
City Council  
City of Waverly, Iowa

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Waverly, Iowa, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Waverly, Iowa as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Waverly Health Center and Waverly Utilities (discretely presented component units), which statements reflect total assets of \$86,625,694 and \$59,408,221 and total program revenues of \$68,232,181 and \$23,075,420 as of June 30, 2022 and December 31, 2021, respectively, and the respective changes in financial position for the years then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Waverly Health Center and Waverly Utilities, is based solely on the report of the other auditors.

#### *Basis for Opinions*

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

#### *Emphasis of Matters*

As discussed in Note 23 to the financial statements the City adopted new accounting guidance related to Governmental Accounting Standards Board Statement No. 87, Leases. Our opinions are not modified with respect to this matter.

As described in Note 24 to the financial statements, investments and accounts receivable were overstated and understated, respectively. These amounts are corrected on the accompanying financial statements. Our opinions are not modified with respect to these matters.

## ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Waverly, Iowa'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.

## ***Auditors' 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 auditors' 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 generally accepted auditing standards 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 generally accepted auditing standards 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 of Waverly, Iowa's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Waverly, Iowa's ability to continue as a going concern for a reasonable period of time.

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

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information, the Schedule of Changes in the City's Total OPEB Liability, Related Ratios and Notes, Schedule of the City's Proportionate Share of Net Pension Liability (Asset), and Schedule of the City's Contributions on pages 11 through 20 and 81 through 93 be presented to supplement the basic financial statements.

Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining nonmajor fund financial statements, are presented for purposes of additional analysis and are 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 combining nonmajor fund financial statements are fairly stated in all material respects, in relation to the basic financial statements as a whole.

#### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 24, 2023, on our consideration of the City of Waverly's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Waverly's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Waverly's internal control over financial reporting and compliance.

*Willard & Company P.C.*

Certified Public Accountants  
Le Mars, Iowa  
January 24, 2023

## Management's Discussion and Analysis

The discussion and analysis of the City of Waverly's financial statements for the year ended June 30, 2022 provides a narrative overview of its financial activities. Readers are encouraged to consider the information presented here in conjunction with additional information we have furnished in our letter of transmittal, which starts on page 1, of this report.

### Financial Highlights

- The assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at June 30, 2022, by \$79,705,031.
- The City's net position increased by \$5,442,018 during the year. Of this amount the net position of our Governmental Activities increased by \$3,679,851 and the net position of our Business Activities increased \$1,762,167.
- The City's long-term debt increased \$1,899,153. The debt limit is \$40.4M. Outstanding general obligation debt totals \$25,675,000 and other note payables total \$7,381,035, revenue bonds total \$2,400,000, and lease agreements total \$187,937.
- The unassigned fund balance for the general fund, at the end of the current fiscal year was \$2,108,825.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Waverly's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements. Fund financial statements tell how these services were financed in the short term, as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee agent for the benefit of those outside of the government. An additional part of the basic financial statements are the Notes to the Financial Statements. Required Supplementary Information further explains and supports the financial statements with a comparison of the City's budget for the year, the City's proportionate share of the net pension liability (asset) and related contributions, as well as presenting the Schedule of changes in the City's Total OPEB Liability, Related Ratios, and Notes. Supplementary Information provides detailed information about the nonmajor governmental funds.

### Reporting the City as a Whole

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the City of Waverly's finances, in a manner similar to a private-sector business. The *statement of net position* is essentially a balance sheet that combines all funds on a government-wide basis. Changes in net position over time may be an indicator of whether the City's financial position is improving or worsening.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in the net position are reported as soon as the underlying event occurs, giving rise to the change regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Waverly that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Waverly include general government, public safety, public works, health and social services, economic development, and culture and recreation. The business-type activities of the City include a water, sewer, and solid waste utility.

The government-wide financial statement includes not only the City of Waverly itself (*the primary government*), but also the legally separate Waverly Health Center and Waverly Utilities (*discretely presented component units*), for which the City has some degree of financial accountability. Financial information for these discretely presented component units are reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 21-23 of this report.

### **Reporting the City's Most Significant Funds**

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Waverly, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statement, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Waverly maintains 44 individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, which is considered a major fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* and individual fund statements in the City's full report.

The basic governmental fund financial statements can be found on pages 24-29 of this report.

Proprietary funds. The City of Waverly maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Water, Sewer, and Solid Waste Utility. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for the partially self-funded insurance program.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate

information for the Water, Sewer, and Solid Waste Utility as all are considered, or have been designated to be major funds of the City. The internal service fund is a single, aggregated presentation in the proprietary fund financial statements. Individual fund data is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 30-36 of this report.

### **Reporting the City's Fiduciary Responsibilities**

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties external to the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Waverly's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary funds financial statements are reported in a separate *statement of fiduciary net position* and a *statement of changes in fiduciary net position*.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 39-80 of this report.

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The largest part of the City's net position reflects its investment in capital assets (land, buildings and improvements, and equipment). Less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following comparative chart shows the changes in net position for the years ended June 30, 2022 and 2021.

|                                  | Governmental Activities |               | Business-Type Activities |               | Total         |               |
|----------------------------------|-------------------------|---------------|--------------------------|---------------|---------------|---------------|
|                                  | 2022                    | 2021          | 2022                     | 2021          | 2022          | 2021          |
| <b>Assets</b>                    |                         |               |                          |               |               |               |
| Current & Other Assets           | \$ 20,571,987           | \$ 23,766,043 | \$ 5,530,767             | \$ 4,812,252  | \$ 26,102,754 | \$ 28,578,295 |
| Capital Assets                   | 84,318,365              | 82,871,560    | 22,927,942               | 15,934,623    | 107,246,307   | 98,806,183    |
| Total Assets                     | 104,890,352             | 106,637,603   | 28,458,709               | 20,746,875    | 133,349,061   | 127,384,478   |
| <b>Deferred Outflows</b>         |                         |               |                          |               |               |               |
|                                  | 868,383                 | 1,448,853     | 150,317                  | 190,956       | 1,018,700     | 1,639,809     |
| <b>Liabilities</b>               |                         |               |                          |               |               |               |
| Other Liabilities                | 2,281,410               | 2,608,251     | 1,015,275                | 146,010       | 3,296,685     | 2,754,261     |
| Noncurrent Liabilities           | 28,769,328              | 37,425,307    | 9,026,757                | 4,943,911     | 37,796,085    | 42,369,218    |
| Total Liabilities                | 31,050,738              | 40,033,558    | 10,042,032               | 5,089,921     | 41,092,770    | 45,123,479    |
| <b>Deferred Inflows</b>          |                         |               |                          |               |               |               |
|                                  | 12,591,611              | 9,001,533     | 978,349                  | 21,432        | 13,569,960    | 9,022,965     |
| <b>Net Position</b>              |                         |               |                          |               |               |               |
| Net Investment in Capital Assets | 57,750,010              | 55,333,374    | 20,483,473               | 12,645,950    | 78,233,483    | 67,979,324    |
| Restricted                       | 6,089,667               | 5,924,464     | 676,460                  | 685,954       | 6,766,127     | 6,610,418     |
| Unrestricted                     | (1,723,291)             | (2,206,473)   | (3,571,288)              | 2,494,574     | (5,294,579)   | 288,101       |
| Total Net Position               | \$ 62,116,386           | \$ 59,051,365 | \$ 17,588,645            | \$ 15,826,478 | \$ 79,705,031 | \$ 74,877,843 |

This summary reflects an increase in the governmental and business-type net positions.

By far the largest portion of the City's net position reflects its investment in capital assets (e.g. land, building, machinery and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$6,874,038, represents resources that are subject to external restriction on how they may be used. Restricted net position include the amounts restricted for library of \$829,372, FEMA flood projects of \$6,248, cemetery perpetual care of \$532,957, Tax Increment Financing allowable purposes of \$517,081, Local Option Sales Tax allowable purposes of \$1,561,674, Road Purposes of \$1,197,814, Debt Service of \$676,460, other specific revenue restrictions of \$394,986, and capital expansion restrictions of \$1,049,535. The remaining balance of unrestricted net position is (\$5,294,579).

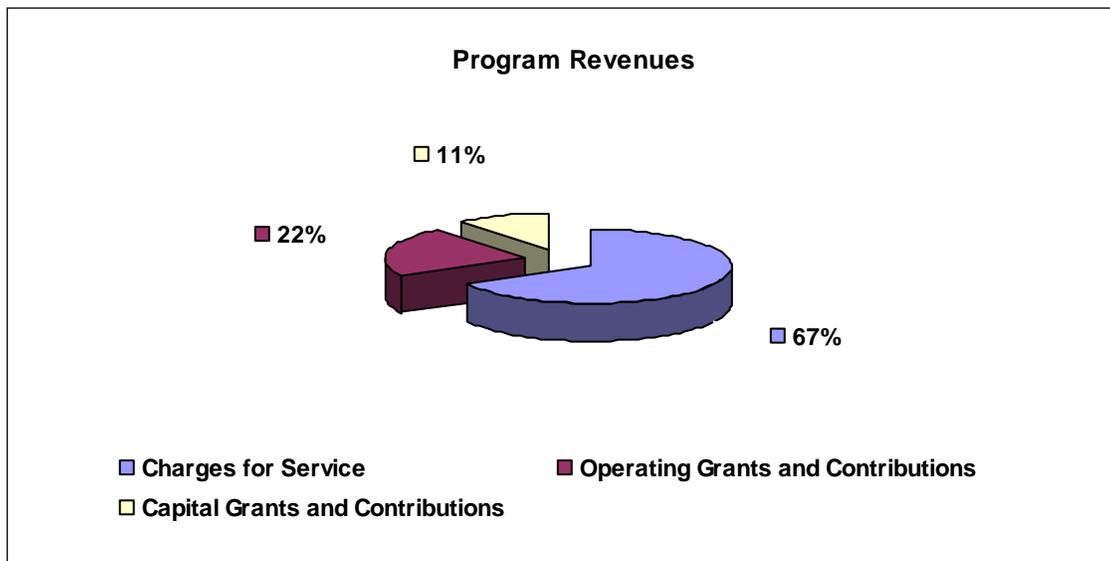
At the end of the current fiscal year, the City of Waverly is able to report positive balances in the categories of all net positions, except that of unrestricted where both the government as a whole and business-type activities ended the year with negative balances.

Total revenue reported in Fiscal year 2022 was \$22,938,495. The following table breaks down revenues collected for General Governmental Activities and Business-Type Activities for Fiscal Year 2022 and 2021.

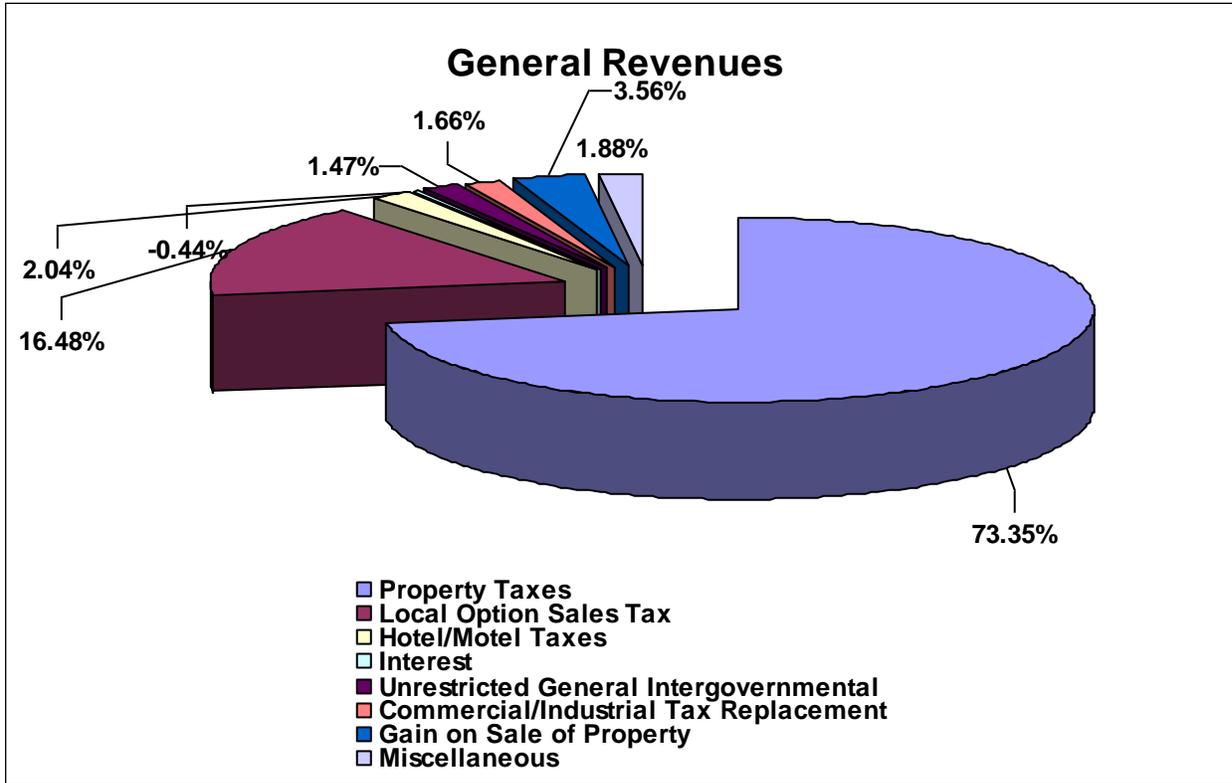
| Revenue Source                                | Governmental Activities |                      | Business-Type Activities |                     | Total                |                      |
|---|-------------------------|----------------------|--------------------------|---------------------|----------------------|----------------------|
|   | 2022                    | 2021                 | 2022                     | 2021                | 2022                 | 2021                 |
| <b>Program Revenues:</b>                      |                         |                      |                          |                     |                      |                      |
| Charges for services                          | \$ 1,540,627            | \$ 1,151,530         | \$ 5,667,581             | \$ 5,399,183        | \$ 7,208,208         | \$ 6,550,713         |
| Operating grants & contributions              | 2,296,820               | 3,346,721            | -                        | -                   | 2,296,820            | 3,346,721            |
| Capital grants & contributions                | 1,148,221               | 1,891,675            | 3,729                    | 5,498               | 1,151,950            | 1,897,173            |
| <b>Total Program Revenues</b>                 | <b>4,985,668</b>        | <b>6,389,926</b>     | <b>5,671,310</b>         | <b>5,404,681</b>    | <b>10,656,978</b>    | <b>11,794,607</b>    |
| <b>General Revenues and Transfers:</b>        |                         |                      |                          |                     |                      |                      |
| Property Taxes                                | 9,008,053               | 8,600,766            | -                        | -                   | 9,008,053            | 8,600,766            |
| Local Option Sales Tax                        | 2,023,559               | 1,931,044            | -                        | -                   | 2,023,559            | 1,931,044            |
| Hotel/Motel Tax                               | 251,080                 | 105,368              | -                        | -                   | 251,080              | 105,368              |
| Interest                                      | (77,670)                | 122,172              | 23,729                   | 24,848              | (53,941)             | 147,020              |
| Unrestricted General                          |                         |                      |                          |                     |                      |                      |
| Intergovernmental Revenues                    | 181,085                 | 187,644              | -                        | -                   | 181,085              | 187,644              |
| Commercial/Industrial Tax Replacement         | 203,521                 | 194,209              | -                        | -                   | 203,521              | 194,209              |
| Gain on Sale of Property                      | 437,049                 | 2,949                | -                        | -                   | 437,049              | 2,949                |
| Miscellaneous                                 | 118,757                 | 102,693              | 112,354                  | 101,833             | 231,111              | 204,526              |
| <b>Total General Revenues</b>                 | <b>12,145,434</b>       | <b>11,246,845</b>    | <b>136,083</b>           | <b>126,681</b>      | <b>12,281,517</b>    | <b>11,373,526</b>    |
| Interfund Transfers                           | (687,432)               | 329,187              | 687,432                  | (329,187)           | -                    | -                    |
| <b>Total Revenues and Interfund Transfers</b> | <b>\$ 16,443,670</b>    | <b>\$ 17,965,958</b> | <b>\$ 6,494,825</b>      | <b>\$ 5,202,175</b> | <b>\$ 22,938,495</b> | <b>\$ 23,168,133</b> |

Program revenues totaled \$10,656,978 for fiscal year 2022. Governmental Activities provided \$4,985,668 and Business-Type Activities provided \$5,671,310.

The city continues to develop projects to move the city forward. Property tax revenue was up slightly in fiscal year 2022. The following chart breaks down program revenues by source:



General Revenues for fiscal year 2022 totaled \$12,281,517. Governmental Activities provided \$12,145,434 and Business-Type Activities provided \$136,083. Property Tax Revenues for fiscal year 2022 totaled \$9,008,053, accounting for 73.35% of General Revenues. The following chart breaks down General Revenues by source:



Expenses for fiscal year 2022 totaled \$17,496,477. Expenses for General Governmental Activities totaled \$12,763,819 accounting for 72.95% of the total expenses. Business-Type Activity expenses totaled \$4,732,658 for 27.05% of the total. This is a decrease of \$953,179, or 5.17% from the prior year. The breakdown of expenses by activity and program are as follows:

| Program Level                      | General Governmental Activities |                      | Business-Type Activities |                     | Total                |                      |
|------------------------------------|---------------------------------|----------------------|--------------------------|---------------------|----------------------|----------------------|
|                                    | 2022                            | 2021                 | 2022                     | 2021                | 2022                 | 2021                 |
| Public Safety                      | \$ 2,333,262                    | \$ 2,907,703         | \$ -                     | \$ -                | \$ 2,333,262         | \$ 2,907,703         |
| Public Works                       | 5,068,309                       | 5,627,091            | -                        | -                   | 5,068,309            | 5,627,091            |
| Health & Social Services           | 9,874                           | 9,874                | -                        | -                   | 9,874                | 9,874                |
| Culture and Recreation             | 3,189,567                       | 3,039,296            | -                        | -                   | 3,189,567            | 3,039,296            |
| Community and Economic Development | 756,854                         | 834,488              | -                        | -                   | 756,854              | 834,488              |
| General Government                 | 750,438                         | 890,918              | -                        | -                   | 750,438              | 890,918              |
| Debt Service                       | 655,515                         | 747,278              | -                        | -                   | 655,515              | 747,278              |
| Water System                       | -                               | -                    | 1,400,442                | 1,253,842           | 1,400,442            | 1,253,842            |
| Sewer System                       | -                               | -                    | 1,969,126                | 1,748,680           | 1,969,126            | 1,748,680            |
| Solid Waste                        | -                               | -                    | 1,363,090                | 1,390,486           | 1,363,090            | 1,390,486            |
| <b>Total Expenses</b>              | <b>\$ 12,763,819</b>            | <b>\$ 14,056,648</b> | <b>\$ 4,732,658</b>      | <b>\$ 4,393,008</b> | <b>\$ 17,496,477</b> | <b>\$ 18,449,656</b> |

For the most part, expenses closely paralleled inflation and the constant demand for services. Water and sewer business-type activities were close to last year. Other programs are in line with last year.

The following table shows the activities included within each program level:

|   |   |
|---|---|
| Public Safety.....                      | Individual & Community Protection, Physical   |
| Health & Social Services.....           | Essential Human Services  |
| Public Works.....                       | Roadway Construction, Airport Operations,<br>General Streets, Transportation Services |
| Culture and Recreation.....             | Education & Culture, Leisure Time Opportunities                                       |
| Community and Economic Development..... | Economic Development & Community<br>Beautification                                    |
| General government.....                 | Administration, Accounting, Support Services  |
| Debt Service.....                       | Payment of Interest   |
| Capital Projects.....                   | Construction of Capital Facilities  |
| Water System.....                       | Operation of Water Supply Distribution System   |
| Sewer System.....                       | Operation of Waste Water Treatment<br>Plant/Collection System                         |
| Solid Waste System.....                 | Operation of Garbage and Recycling Collection and<br>Disposal System                  |

**Governmental Activities**

The Statement of Activities requires some additional explanation. The format is significantly different than a typical Statement of Revenues, Expenses, and Changes in Fund Balance. The expenses are listed in the first column, with revenues from that particular program reported to the right. The result is a Net (Expense) Revenue calculation. This format highlights the respective financial burden each of the functions place on the taxpayers. For example, for Public Safety, the City spent \$2,333,262 and received \$230,051 in charges for services and grants, leaving a cost to the taxpayer of \$2,103,211 to be funded by various methods including property taxes. The format also identifies how much each function draws from general revenues or is self-financing through fees or grants. Some of the individual line item revenues reported for each function are:

|                             |  |
|-----------------------------|--|
| Public Safety.....          | Fines, Fees                              |
| Public Works.....           | Road Use Tax, State Agreements           |
| Culture and Recreation..... | Fees, State Aid                          |
| General Government.....     | Licenses, Permits, Utility Reimbursement |
| Capital Projects.....       | Donations, State & Federal Grants        |

The net cost of governmental activities this year was \$7,778,151. The Statement of Activities in the financial statements provides further detail. The Net (Expense) Revenue by Governmental Activity is shown in the following table:

| Functions/Programs                             | Net (Expense)<br>Revenue |                |
|--|--------------------------|----------------|
|  | 2022                     | 2021           |
| <b>Governmental Activities:</b>                |                          |                |
| Public Safety                                  | \$ (2,103,211)           | \$ (2,710,700) |
| Public Works                                   | (2,174,057)              | (1,703,534)    |
| Health & Social Services                       | (9,874)                  | (9,874)        |
| Culture and Recreation                         | (1,735,678)              | (1,107,357)    |
| Community and Economic Development             | (502,184)                | (623,575)      |
| General Government                             | (597,632)                | (764,404)      |
| Debt Service                                   | (655,515)                | (747,278)      |
| Total Net (Expense)<br>Governmental Activities | (7,778,151)              | (7,666,722)    |
| General Revenues                               | 12,145,434               | 11,246,845     |
| Excess of Revenues Over Expenses               | 4,367,283                | 3,580,123      |
| Interfund Transfers                            | (687,432)                | 329,187        |
| Change in Net Position                         | \$ 3,679,851             | \$ 3,909,310   |

The cost of all Proprietary Activities this year was \$4,732,658. As shown in the Statement of Activities, the amount paid by users of the systems was \$5,667,581, and capital grants and contributions paid for \$3,729 resulting in a total Net Revenue increase for Business-Type Activities of \$938,652. The Net (Expense) Revenue by Business-type Activity is shown in the following table:

| Business-Type Activities                     | Net (Expense)<br>Revenue |            |
|--|--------------------------|------------|
|  | 2022                     | 2021       |
| Water System                                 | \$ 154,637               | \$ 323,403 |
| Sewer System                                 | 288,406                  | 372,435    |
| Solid Waste System                           | 495,609                  | 315,835    |
| Total Net (Expense) Business Type Activities | 938,652                  | 1,011,673  |
| General Revenues                             | 136,083                  | 126,681    |
| Excess of Revenues Over Expenditures         | 1,074,735                | 1,138,354  |
| Interfund Transfers                          | 687,432                  | (329,187)  |
| Change in Net Position                       | \$ 1,762,167             | \$ 809,167 |

### **Financial Analysis of the City's Funds**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing financing requirements. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year. The City's Governmental Funds reported combined ending fund balances of \$8,263,160. The

combined Governmental Funds fund balance decreased \$2,888,481 mostly as a result of capital projects purchases and construction.

The General Fund is the primary operating fund of the City. During the year, expenditures exceeded revenues and other financing sources in the General Fund by \$605,383 due to increase of capital expenditures. The total unassigned fund balance of \$2,108,825 is 29% of expenditures, exceeds the goal set by the city council that is listed in the financial policies of the City. The Employee Benefit fund balance increased due to renewal rates being better than expected along with an increase in property taxes. The Tax Increment Financing Fund increased due to receipts being higher than anticipated. The Debt Service fund increased in fiscal year 2022 due to estimated debt payments having less principal and interest than originally anticipated. The WPC Improvements fund balance decreased during the year due to the timing of construction as well as expenditures.

**Budgetary Highlights**

The following table shows the overall budget variances by program structure:

| Expenditures                       | Actual        | Amended<br>Budget | Variance     |
|------------------------------------|---------------|-------------------|--------------|
| Public Safety                      | \$ 3,341,771  | \$ 3,400,025      | \$ 58,254    |
| Public Works                       | 1,824,257     | 1,841,673         | 17,416       |
| Health & Social Services           | 9,874         | 9,874             | -            |
| Culture and Recreation             | 3,476,226     | 3,479,869         | 3,643        |
| Community and Economic Development | 798,583       | 821,160           | 22,577       |
| General Government                 | 827,600       | 1,181,732         | 354,132      |
| Capital Projects                   | 14,847,339    | 20,431,415        | 5,584,076    |
| Debt Service                       | 5,000,564     | 5,000,964         | 400          |
| Business Type/Enterprise           | 4,597,923     | 4,903,050         | 305,127      |
| Total Disbursements                | \$ 34,724,137 | \$ 41,069,762     | \$ 6,345,625 |

Below is a brief recap of budget activity for the year:

- The budget is prepared on the cash basis.
- The total original revenue budget of \$38,499,293, including issuance of debt and transfers was amended to \$43,348,326 (an increase of \$4,849,033). The increase was mainly due to an increase in intergovernmental revenue. This was due to additional anticipated federal grant revenues.
- The total original disbursement budget, including transfers of \$40,851,844 was amended to \$49,622,343 (an increase of \$8,770,499).
- The above amendments to budgets were mainly related to the timing of capital projects and purchases. The largest change came with the approval of the increase in budget related to the Capital Projects function in the amount of \$5,565,498. This change is the main reason for the large variance between actual and final budgeted amounts. Total actual expenditures came in below budget projections by \$6,345,625. The City did very well this year controlling disbursements based on original budget projections.

### **Capital Assets**

The City's investment in capital assets, including land, buildings and improvements, equipment, streets, sewer systems, and other infrastructure represents the value of the resources utilized to provide services to our citizens.

Additional information on the City of Waverly's capital assets can be found in Note 7 of the financial statements.

### **Debt Administration**

On June 30, 2022 the City had \$25,675,000 of GO Bond debt outstanding.

Debt administration is an important aspect of the City's financial obligation to its citizens. Any new debt is amortized over no more than twelve years. This rapid repayment, when combined with the use of TIF and Local Option Sales Tax Revenue, has aided in the City maintaining an Aa3 rating from Moody's.

The City continues to operate well under the State of Iowa debt capacity limitations. The state limits the total outstanding General Obligation Debt to 5% of the assessed value of all taxable property in the corporate limits. This formula set the debt capacity to \$40,375,145 for the 2022 fiscal year. The outstanding General Obligation Debt applicable to this limit is \$25,631,280 for the City. More detailed information on debt administration is provided in Note 9 of the financial statements.

### **Economic Factors**

The City of Waverly reports an average of 43.4 residential units per year in the past five years. The units are a combination of single-family units, duplex units and multi-family units. In fiscal year 2022 the City had 14 new single-family house permits. New commercial building permits have averaged three per year over the past five years. Property tax is a major source of revenue and Waverly is fortunate it has seen small, but consistent increases in assessed and taxable valuation.

This financial report is designed to provide a general overview of the City of Waverly's financial position for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Waverly, Accounting Department, 200 First Street NE, P.O. Box 616, Waverly, Iowa 50677.

**CITY OF WAVERLY, IOWA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2022**

|  | Primary Government      |                          |                      | Component Unit        |                      |
|--|-------------------------|--------------------------|----------------------|-----------------------|----------------------|
|  | Governmental Activities | Business-Type Activities | Total                | Waverly Health Center | Waverly Utilities    |
| <b>ASSETS</b>  |                         |                          |                      |                       |                      |
| Cash and Cash Equivalents  | \$ 8,735,893            | \$ 2,651,592             | \$ 11,387,485        | \$ 3,166,802          | \$ 12,393,651        |
| Certificates of Deposit  | 493,500                 | 400,000                  | 893,500              | -                     | -                    |
| Investments  | 1,310,391               | 449,847                  | 1,760,238            | 2,643,758             | -                    |
| Receivables (Net, where applicable, of allowance for uncollectibles) |                         |                          |                      |                       |                      |
| Accounts   | 33,719                  | 508,345                  | 542,064              | 7,860,892             | 2,266,876            |
| Taxes  | 34,311                  | -                        | 34,311               | -                     | -                    |
| Subsequent Year Taxes  | 9,240,754               | -                        | 9,240,754            | -                     | -                    |
| Accrued Interest   | 40                      | 431                      | 471                  | -                     | -                    |
| Lease Receivable   | 29,681                  | 110,430                  | 140,111              | -                     | -                    |
| Other  | -                       | -                        | -                    | 38,012                | -                    |
| Estimated Unbilled Usage   | -                       | 203,218                  | 203,218              | -                     | -                    |
| Special Assessments  | 36,736                  | 87,945                   | 124,681              | -                     | -                    |
| Due from Other Governmental Agencies                                 | 380,339                 | -                        | 380,339              | -                     | -                    |
| Inventories  | 111,622                 | 149,043                  | 260,665              | 1,711,168             | 1,668,283            |
| Prepaid Assets   | 107,911                 | -                        | 107,911              | 947,506               | 223,719              |
| Other  | -                       | -                        | -                    | 449,813               | 226,180              |
| Net Pension Asset  | -                       | -                        | -                    | 444,975               | -                    |
| Restricted Assets:   |                         |                          |                      |                       |                      |
| Cash and Cash Equivalents  | -                       | 443,630                  | 443,630              | 25,900,601            | 1,873,873            |
| Certificates of Deposit  | -                       | 250,000                  | 250,000              | -                     | -                    |
| Noncurrent Assets:   |                         |                          |                      |                       |                      |
| Lease Receivable   | 9,975                   | 276,286                  | 286,261              | -                     | -                    |
| Investment in Joint Venture  | 47,115                  | -                        | 47,115               | -                     | -                    |
| Land   | 14,768,825              | 117,723                  | 14,886,548           | 2,206,302             | 351,624              |
| Construction in Progress   | 7,493,139               | 8,420,857                | 15,913,996           | 9,809,569             | 41,282               |
| Capital Assets, Net of Accumulated Depreciation/Amortization         | 62,056,401              | 14,389,362               | 76,445,763           | 31,446,296            | 40,362,733           |
| <b>Total Assets</b>  | <b>104,890,352</b>      | <b>28,458,709</b>        | <b>133,349,061</b>   | <b>86,625,694</b>     | <b>59,408,221</b>    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                                |                         |                          |                      |                       |                      |
| Pension Related Deferred Outflows                                    | 868,383                 | 150,317                  | 1,018,700            | 3,558,542             | 200,938              |
| <b>Total Deferred Outflows of Resources</b>                          | <b>868,383</b>          | <b>150,317</b>           | <b>1,018,700</b>     | <b>3,558,542</b>      | <b>200,938</b>       |
| <b>LIABILITIES</b>   |                         |                          |                      |                       |                      |
| Accounts Payable   | 1,325,726               | 74,183                   | 1,399,909            | 4,895,991             | 1,271,727            |
| Accrued Wages  | 103,570                 | 34,694                   | 138,264              | 3,282,020             | 844,958              |
| Cash Advance   | -                       | -                        | -                    | 742,187               | -                    |
| Other Accrued Expenses   | -                       | -                        | -                    | 949,241               | 135,736              |
| Medicare Advance Payments  | -                       | -                        | -                    | 1,061,316             | -                    |
| Accrued Claims   | 30,761                  | -                        | 30,761               | -                     | -                    |
| Unearned Revenue   | 762,418                 | -                        | 762,418              | -                     | 156,830              |
| Accrued Interest Payable   | 58,935                  | 17,170                   | 76,105               | 338,288               | 35,066               |
| Noncurrent Liabilities:  |                         |                          |                      |                       |                      |
| Due within one year:   |                         |                          |                      |                       |                      |
| Revenue Bonds Payable  | -                       | 530,000                  | 530,000              | 131,612               | 1,707,687            |
| General Obligation Bonds   | 3,995,000               | -                        | 3,995,000            | -                     | -                    |
| Revenue Bond Anticipation Note                                       | -                       | -                        | -                    | 249,964               | -                    |
| Notes Payable  | -                       | 314,611                  | 314,611              | 533,885               | -                    |
| Lease Agreements   | 74,142                  | -                        | 74,142               | 679,253               | -                    |
| Compensated Absences and Benefits                                    | 321,748                 | 44,617                   | 366,365              | -                     | -                    |
| Due in more than one year:   |                         |                          |                      |                       |                      |
| Revenue Bonds Payable  | -                       | 1,914,469                | 1,914,469            | 3,368,388             | 12,910,021           |
| General Obligation Bonds   | 22,607,314              | -                        | 22,607,314           | -                     | -                    |
| Revenue Bond Anticipation Note                                       | -                       | -                        | -                    | 26,813,036            | -                    |
| Notes Payable  | -                       | 7,066,424                | 7,066,424            | 222,767               | -                    |
| Lease Agreements   | 113,795                 | -                        | 113,795              | 2,085,722             | -                    |
| Total OPEB Liability   | 639,886                 | -                        | 639,886              | -                     | 595,215              |
| Net Pension Liability  | 802,945                 | 16,120                   | 819,065              | -                     | 45,376               |
| Compensated Absences and Benefits                                    | 214,498                 | 29,744                   | 244,242              | -                     | -                    |
| <b>Total Liabilities</b>   | <b>31,050,738</b>       | <b>10,042,032</b>        | <b>41,092,770</b>    | <b>45,353,670</b>     | <b>17,702,616</b>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                 |                         |                          |                      |                       |                      |
| Subsequent Year Taxes  | 9,240,754               | -                        | 9,240,754            | -                     | -                    |
| Pension Related Deferred Inflows                                     | 3,311,401               | 596,832                  | 3,908,233            | 17,278,963            | 1,746,448            |
| Lease Related Deferred Inflows                                       | 39,456                  | 381,517                  | 420,973              | -                     | -                    |
| Regulator credits - Rate Stabilization                               | -                       | -                        | -                    | -                     | 1,175,294            |
| <b>Total Deferred Inflows of Resources</b>                           | <b>12,591,611</b>       | <b>978,349</b>           | <b>13,569,960</b>    | <b>17,278,963</b>     | <b>2,921,742</b>     |
| <b>NET POSITION</b>  |                         |                          |                      |                       |                      |
| Net Investment in Capital Assets                                     | 57,750,010              | 20,483,473               | 78,233,483           | 12,694,575            | 27,584,431           |
| Restricted for:  |                         |                          |                      |                       |                      |
| Debt Service   | -                       | 676,460                  | 676,460              | -                     | 405,669              |
| Tax Increment Financing  | 517,081                 | -                        | 517,081              | -                     | -                    |
| Employee Benefits  | 285,083                 | -                        | 285,083              | -                     | -                    |
| Road Purposes  | 1,197,814               | -                        | 1,197,814            | -                     | -                    |
| Local Option Sales Tax   | 1,561,674               | -                        | 1,561,674            | -                     | -                    |
| Library  | 829,372                 | -                        | 829,372              | -                     | -                    |
| FEMA Flood Projects  | 6,248                   | -                        | 6,248                | -                     | -                    |
| Cable TV   | 109,903                 | -                        | 109,903              | -                     | -                    |
| Capital Expansion  | 1,049,535               | -                        | 1,049,535            | 449,813               | -                    |
| Nonexpendable:   |                         |                          |                      |                       |                      |
| Permanent Fund   | 532,957                 | -                        | 532,957              | -                     | -                    |
| Unrestricted   | (1,723,291)             | (3,571,288)              | (5,294,579)          | 14,407,215            | 10,994,701           |
| <b>Total Net Position</b>  | <b>\$ 62,116,386</b>    | <b>\$ 17,588,645</b>     | <b>\$ 79,705,031</b> | <b>\$ 27,551,603</b>  | <b>\$ 38,984,801</b> |

**CITY OF WAVERLY, IOWA**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2022**

| Functions/Programs                 | Expenses             | Program Revenues     |                                    |                                  |
|------------------------------------|----------------------|----------------------|------------------------------------|----------------------------------|
|                                    |                      | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| <b>Primary Government:</b>         |                      |                      |                                    |                                  |
| Governmental Activities:           |                      |                      |                                    |                                  |
| Public Safety                      | \$ 2,333,262         | \$ 197,207           | \$ 32,844                          | \$ -                             |
| Public Works                       | 5,068,309            | 158,949              | 1,887,537                          | 847,766                          |
| Health and Social Services         | 9,874                | -                    | -                                  | -                                |
| Culture and Recreation             | 3,189,567            | 986,188              | 169,746                            | 297,955                          |
| Community and Economic Development | 756,854              | 45,477               | 206,693                            | 2,500                            |
| General Government                 | 750,438              | 152,806              | -                                  | -                                |
| Debt Service                       | 655,515              | -                    | -                                  | -                                |
| Total governmental activities      | <u>12,763,819</u>    | <u>1,540,627</u>     | <u>2,296,820</u>                   | <u>1,148,221</u>                 |
| <b>Business-Type Activities:</b>   |                      |                      |                                    |                                  |
| Water System                       | 1,400,442            | 1,555,079            | -                                  | -                                |
| Sewer System                       | 1,969,126            | 2,257,532            | -                                  | -                                |
| Solid Waste System                 | 1,363,090            | 1,854,970            | -                                  | 3,729                            |
| Total Business-Type Activities:    | <u>4,732,658</u>     | <u>5,667,581</u>     | <u>-</u>                           | <u>3,729</u>                     |
| Total Primary Government           | <u>\$ 17,496,477</u> | <u>\$ 7,208,208</u>  | <u>\$ 2,296,820</u>                | <u>\$ 1,151,950</u>              |
| Component Unit:                    |                      |                      |                                    |                                  |
| Waverly Health Center              | <u>\$ 65,715,611</u> | <u>\$ 66,288,086</u> | <u>\$ 1,597,894</u>                | <u>\$ 346,201</u>                |
| Waverly Utilities                  | <u>\$ 22,100,859</u> | <u>\$ 22,971,793</u> | <u>\$ -</u>                        | <u>\$ 103,627</u>                |

General Revenues:  
Property Taxes  
Local Option Sales Tax  
Hotel/Motel Taxes  
Interest (Loss on Investments)  
Unrestricted General Intergovernmental Revenues  
Commercial/Industrial Tax replacement  
Gain on Sale of Property  
Miscellaneous  
Interfund Transfers  
Total general revenues and transfers  
Change in net position  
Net Position - beginning  
Prior Period Adjustment  
Net Position - beginning, as restated  
Net Position - ending

| <b>Net (Expense) Revenue<br/>and Changes in Net Position</b> |                                     |                      |                                  |                              |
|--|-------------------------------------|----------------------|----------------------------------|------------------------------|
| <b>Governmental<br/>Activities</b>                           | <b>Business-Type<br/>Activities</b> | <b>Total</b>         | <b>Component Unit</b>            |                              |
|  |                                     |                      | <b>Waverly<br/>Health Center</b> | <b>Waverly<br/>Utilities</b> |
| \$ (2,103,211)   |                                     | \$ (2,103,211)       |                                  |                              |
| (2,174,057)  |                                     | (2,174,057)          |                                  |                              |
| (9,874)  |                                     | (9,874)              |                                  |                              |
| (1,735,678)  |                                     | (1,735,678)          |                                  |                              |
| (502,184)  |                                     | (502,184)            |                                  |                              |
| (597,632)  |                                     | (597,632)            |                                  |                              |
| (655,515)  |                                     | (655,515)            |                                  |                              |
| <u>(7,778,151)</u>   |                                     | <u>(7,778,151)</u>   |                                  |                              |
|  | \$ 154,637                          | 154,637              |                                  |                              |
|  | 288,406                             | 288,406              |                                  |                              |
|  | 495,609                             | 495,609              |                                  |                              |
|  | <u>938,652</u>                      | <u>938,652</u>       |                                  |                              |
| <u>(7,778,151)</u>   | <u>938,652</u>                      | <u>(6,839,499)</u>   |                                  |                              |
|  |                                     |                      | \$ 2,516,570                     |                              |
|  |                                     |                      |                                  | \$ 974,561                   |
| 9,008,053  | -                                   | 9,008,053            | -                                | -                            |
| 2,023,559  | -                                   | 2,023,559            | -                                | -                            |
| 251,080  | -                                   | 251,080              | -                                | -                            |
| (77,670)   | 23,729                              | (53,941)             | (113,502)                        | 132,523                      |
| 181,085  | -                                   | 181,085              | -                                | -                            |
| 203,521  | -                                   | 203,521              | -                                | -                            |
| 437,049  | -                                   | 437,049              | -                                | -                            |
| 118,757  | 112,354                             | 231,111              | -                                | 1,176                        |
| (687,432)  | 687,432                             | -                    | -                                | -                            |
| <u>11,458,002</u>  | <u>823,515</u>                      | <u>12,281,517</u>    | <u>(113,502)</u>                 | <u>133,699</u>               |
| 3,679,851  | 1,762,167                           | 5,442,018            | 2,403,068                        | 1,108,260                    |
| 59,051,365   | 15,826,478                          | 74,877,843           | 25,148,535                       | 37,876,541                   |
| (614,830)  | -                                   | (614,830)            | -                                | -                            |
| <u>58,436,535</u>  | <u>15,826,478</u>                   | <u>74,263,013</u>    | <u>25,148,535</u>                | <u>37,876,541</u>            |
| <u>\$ 62,116,386</u>   | <u>\$ 17,588,645</u>                | <u>\$ 79,705,031</u> | <u>\$ 27,551,603</u>             | <u>\$ 38,984,801</u>         |

See Accompanying Notes to Financial Statements

**CITY OF WAVERLY, IOWA**  
**BALANCE SHEET**  
**Governmental Funds**  
**JUNE 30, 2022**

|   | General             | Special Revenue               |                     |
|---|---------------------|-------------------------------|---------------------|
|   |                     | Tax<br>Increment<br>Financing | Employee<br>Benefit |
| <b>Assets</b>   |                     |                               |                     |
| Cash and Cash Equivalents   | \$ 1,126,376        | \$ 507,332                    | \$ 303,577          |
| Certificates of Deposit   | 28,500              | -                             | -                   |
| Investments   | 1,310,391           | -                             | -                   |
| Receivables (Net, where applicable, of allowance<br>for uncollectibles)           |                     |                               |                     |
| Accounts  | 18,106              | -                             | -                   |
| Taxes   | 11,953              | 9,749                         | 4,558               |
| Subsequent Year Taxes   | 4,057,878           | 1,242,749                     | 1,578,380           |
| Accrued Interest  | 40                  | -                             | -                   |
| Lease Receivable  | 39,656              | -                             | -                   |
| Special Assessments   | -                   | -                             | -                   |
| Due from Other Funds  | 622,407             | -                             | -                   |
| Due from Other Governmental Agencies  | 68,172              | -                             | -                   |
| Inventories   | 111,622             | -                             | -                   |
| Prepaid Assets  | 107,911             | -                             | -                   |
| Total Assets  | <u>7,503,012</u>    | <u>1,759,830</u>              | <u>1,886,515</u>    |
| <b>Liabilities</b>  |                     |                               |                     |
| Accounts Payable  | 157,893             | -                             | -                   |
| Accrued Wages   | 70,537              | -                             | 23,052              |
| Due to Other Funds  | -                   | -                             | -                   |
| Deferred Revenue  | -                   | -                             | -                   |
| Total Liabilities   | <u>228,430</u>      | <u>-</u>                      | <u>23,052</u>       |
| <b>Deferred Inflows of Resources</b>  |                     |                               |                     |
| Unavailable Revenue - subsequent year taxes                                       | 4,057,878           | 1,242,749                     | 1,578,380           |
| Unavailable Revenue - special assessments   | -                   | -                             | -                   |
| Lease Related Deferred Inflows  | 39,456              | -                             | -                   |
| Total Deferred Inflows of Resources   | <u>4,097,334</u>    | <u>1,242,749</u>              | <u>1,578,380</u>    |
| <b>Fund Balances (Deficits)</b>   |                     |                               |                     |
| Nonspendable:   |                     |                               |                     |
| Inventory   | 111,622             | -                             | -                   |
| Prepaid Asset   | 107,911             | -                             | -                   |
| Perpetual Care  | -                   | -                             | -                   |
| Restricted for:   |                     |                               |                     |
| Debt Service  | -                   | -                             | -                   |
| Tax Increment Financing   | -                   | 517,081                       | -                   |
| Employee Benefits   | -                   | -                             | 285,083             |
| Road Purposes   | -                   | -                             | -                   |
| Local Option Sales Tax  | -                   | -                             | -                   |
| Library   | 829,372             | -                             | -                   |
| Capital Expenditures  | -                   | -                             | -                   |
| Cable TV  | -                   | -                             | -                   |
| Assigned for:   |                     |                               |                     |
| Trees Forever   | 17,974              | -                             | -                   |
| Municipal Band  | 1,544               | -                             | -                   |
| Capital Improvement   | -                   | -                             | -                   |
| Unassigned  | 2,108,825           | -                             | -                   |
| Total Fund Balances (Deficits)  | <u>3,177,248</u>    | <u>517,081</u>                | <u>285,083</u>      |
| Total Liabilities, Deferred Inflows of Resources, and<br>Fund Balances (Deficits) | <u>\$ 7,503,012</u> | <u>\$ 1,759,830</u>           | <u>\$ 1,886,515</u> |

See Accompanying Notes to Financial Statements

| Debt Service | Capital Projects |              | Other Governmental Funds | Total Governmental Funds |
|--------------|------------------|--------------|--------------------------|--------------------------|
|              | WPC Improvements |              |                          |                          |
| \$ 38,567    | \$ 237,582       | \$ 5,669,305 | \$ 7,882,739             |                          |
| -            | -                | 465,000      | 493,500                  |                          |
| -            | -                | -            | 1,310,391                |                          |
| -            | -                | 13,787       | 31,893                   |                          |
| 8,051        | -                | -            | 34,311                   |                          |
| 2,361,747    | -                | -            | 9,240,754                |                          |
| -            | -                | -            | 40                       |                          |
| -            | -                | -            | 39,656                   |                          |
| -            | -                | 36,736       | 36,736                   |                          |
| -            | -                | -            | 622,407                  |                          |
| -            | -                | 312,167      | 380,339                  |                          |
| -            | -                | -            | 111,622                  |                          |
| -            | -                | -            | 107,911                  |                          |
| 2,408,365    | 237,582          | 6,496,995    | 20,292,299               |                          |
| -            | 546,228          | 527,426      | 1,231,547                |                          |
| -            | -                | 9,981        | 103,570                  |                          |
| -            | -                | 622,407      | 622,407                  |                          |
| -            | 762,418          | -            | 762,418                  |                          |
| -            | 1,308,646        | 1,159,814    | 2,719,942                |                          |
| 2,361,747    | -                | -            | 9,240,754                |                          |
| -            | -                | 28,987       | 28,987                   |                          |
| -            | -                | -            | 39,456                   |                          |
| 2,361,747    | -                | 28,987       | 9,309,197                |                          |
| -            | -                | -            | 111,622                  |                          |
| -            | -                | -            | 107,911                  |                          |
| -            | -                | 532,957      | 532,957                  |                          |
| 46,618       | -                | -            | 46,618                   |                          |
| -            | -                | -            | 517,081                  |                          |
| -            | -                | -            | 285,083                  |                          |
| -            | -                | 1,197,814    | 1,197,814                |                          |
| -            | -                | 1,561,674    | 1,561,674                |                          |
| -            | -                | -            | 829,372                  |                          |
| -            | -                | 993,586      | 993,586                  |                          |
| -            | -                | 109,903      | 109,903                  |                          |
| -            | -                | -            | 17,974                   |                          |
| -            | -                | -            | 1,544                    |                          |
| -            | -                | 1,649,050    | 1,649,050                |                          |
| -            | (1,071,064)      | (736,790)    | 300,971                  |                          |
| 46,618       | (1,071,064)      | 5,308,194    | 8,263,160                |                          |
| \$ 2,408,365 | \$ 237,582       | \$ 6,496,995 | \$ 20,292,299            |                          |

See Accompanying Notes to Financial Statements

**CITY OF WAVERLY, IOWA**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2022**

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Amounts reported for Governmental Activities in the Statement of Net Position are different because:

|  |    |                    |                            |
|--|----|--------------------|----------------------------|
| Total Fund Balance - Governmental Funds (page 25)  |    | \$ 8,263,160       |                            |
| Infrastructure, property, and equipment used in governmental activities are not financial resources and, therefore, are not reported in the funds.   |    |                    | 84,318,365                 |
| The investment in joint venture recorded in the governmental activities is not a financial resource and, therefore, is not reported in the fund.   |    |                    | 47,115                     |
| Internal service funds are used by management to fund and maintain the City's health insurance provided to user departments and are included in the statement of net position.                       |    |                    | 90,154                     |
| Other long-term assets are not available to pay current period expenditures and, therefore, are deferred in the governmental funds.  |    |                    | 28,987                     |
| Accrued interest expense from the balance sheet that require current financial resources from governmental activities.   |    |                    | (58,935)                   |
| Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows: |    |                    |                            |
| Deferred outflows of resources   | \$ | 868,383            |                            |
| Deferred inflows of resources  |    | <u>(3,311,401)</u> | (2,443,018)                |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:   |    |                    |                            |
| General Obligation Bonds (net of unamortized premium)  | \$ | (26,602,314)       |                            |
| Lease Agreements   |    | (187,937)          |                            |
| Net Pension Liability  |    | (802,945)          |                            |
| Compensated Absences   |    | <u>(536,246)</u>   | <u>(28,129,442)</u>        |
| Total Net Position - Governmental Activities (page 21)   |    |                    | <u><u>\$62,116,386</u></u> |

**CITY OF WAVERLY, IOWA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**Governmental Funds**  
**For the Year Ended June 30, 2022**

|  | General      | Special Revenue               |                     |
|--|--------------|-------------------------------|---------------------|
|  |              | Tax<br>Increment<br>Financing | Employee<br>Benefit |
| Revenue:   |              |                               |                     |
| Taxes  | \$ 3,864,803 | \$ 1,308,186                  | \$ 1,493,143        |
| Special Assessments                                      | -            | -                             | -                   |
| Licenses and Permits                                     | 94,514       | -                             | -                   |
| Intergovernmental Revenue                                | 1,054,748    | -                             | 40,778              |
| Charges for Services                                     | 779,350      | -                             | -                   |
| Fines and Forfeits                                       | 39,665       | -                             | -                   |
| Contributions  | 89,547       | -                             | -                   |
| Revenue from Use of Property                             | 76,788       | -                             | -                   |
| Interest on Investments                                  | (98,320)     | 3,737                         | -                   |
| Miscellaneous  | 119,705      | -                             | -                   |
| Total Revenue  | 6,020,800    | 1,311,923                     | 1,533,921           |
| Expenditures:  |              |                               |                     |
| Current:   |              |                               |                     |
| Public Safety  | 2,595,245    | -                             | 664,809             |
| Public Works   | 543,412      | -                             | 126,698             |
| Health and Social Services                               | 9,874        | -                             | -                   |
| Culture and Recreation                                   | 2,739,397    | -                             | 503,928             |
| Community and Economic Development                       | 660,804      | 19,998                        | 108,859             |
| General Government                                       | 695,090      | -                             | 83,687              |
| Capital Projects   | -            | -                             | -                   |
| Debt Service   | -            | -                             | -                   |
| Total Expenditures                                       | 7,243,822    | 19,998                        | 1,487,981           |
| Excess (deficiency) of revenues over expenditures        | (1,223,022)  | 1,291,925                     | 45,940              |
| Other financing sources (uses):                          |              |                               |                     |
| Issuance of Debt   | 308,932      | -                             | -                   |
| Proceeds from Sale of Capital Assets                     | 7,090        | -                             | -                   |
| Transfers In   | 326,617      | -                             | 25,000              |
| Transfers Out  | (25,000)     | (1,123,945)                   | -                   |
| Total other financing sources (uses)                     | 617,639      | (1,123,945)                   | 25,000              |
| Net Change in Fund Balance                               | (605,383)    | 167,980                       | 70,940              |
| Fund balances (deficits) - beginning of year             | 4,760,660    | 349,101                       | 214,143             |
| Prior Period Adjustment                                  | (978,029)    | -                             | -                   |
| Fund balances (deficits)- beginning of year, as restated | 3,782,631    | 349,101                       | 214,143             |
| Fund balances (deficits) - end of year                   | \$ 3,177,248 | \$ 517,081                    | \$ 285,083          |

See Accompanying Notes to Financial Statements

|                         | <b>Capital<br/>Projects</b> |                     | <b>Other<br/>Governmental<br/>Funds</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|-------------------------|-----------------------------|---------------------|---|---|
| <b>Debt<br/>Service</b> | <b>WPC<br/>Improvements</b> |                     |   |   |
| \$ 2,341,921            | \$ -                        | \$ 2,023,559        | \$ 11,031,612                           |   |
| -                       | -                           | 19,327              | 19,327                                  |   |
| -                       | -                           | 46,205              | 140,719                                 |   |
| 57,387                  | -                           | 2,178,896           | 3,331,809                               |   |
| -                       | -                           | -                   | 779,350                                 |   |
| -                       | -                           | -                   | 39,665                                  |   |
| -                       | -                           | 620,695             | 710,242                                 |   |
| -                       | -                           | 17,400              | 94,188                                  |   |
| 3,362                   | -                           | 13,551              | (77,670)                                |   |
| -                       | -                           | 18,401              | 138,106                                 |   |
| <u>2,402,670</u>        | <u>-</u>                    | <u>4,938,034</u>    | <u>16,207,348</u>                       |   |
| -                       | -                           | -                   | 3,260,054                               |   |
| -                       | -                           | 1,043,380           | 1,713,490                               |   |
| -                       | -                           | -                   | 9,874                                   |   |
| -                       | -                           | 37,361              | 3,280,686                               |   |
| -                       | -                           | -                   | 789,661                                 |   |
| -                       | -                           | -                   | 778,777                                 |   |
| -                       | 6,785,301                   | 7,282,858           | 14,068,159                              |   |
| 4,679,227               | -                           | 257                 | 4,679,484                               |   |
| <u>4,679,227</u>        | <u>6,785,301</u>            | <u>8,363,856</u>    | <u>28,580,185</u>                       |   |
| <u>(2,276,557)</u>      | <u>(6,785,301)</u>          | <u>(3,425,822)</u>  | <u>(12,372,837)</u>                     |   |
| -                       | -                           | -                   | 308,932                                 |   |
| -                       | -                           | 1,994,894           | 2,001,984                               |   |
| 2,332,595               | 6,561,298                   | 3,355,746           | 12,601,256                              |   |
| -                       | -                           | (4,278,871)         | (5,427,816)                             |   |
| <u>2,332,595</u>        | <u>6,561,298</u>            | <u>1,071,769</u>    | <u>9,484,356</u>                        |   |
| 56,038                  | (224,003)                   | (2,354,053)         | (2,888,481)                             |   |
| (9,420)                 | (847,061)                   | 7,299,048           | 11,766,471                              |   |
| -                       | -                           | 363,199             | (614,830)                               |   |
| <u>(9,420)</u>          | <u>(847,061)</u>            | <u>7,662,247</u>    | <u>11,151,641</u>                       |   |
| <u>\$ 46,618</u>        | <u>\$ (1,071,064)</u>       | <u>\$ 5,308,194</u> | <u>\$ 8,263,160</u>                     |   |

See Accompanying Notes to Financial Statements

**CITY OF WAVERLY, IOWA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2022**

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

Net change in fund balances - total governmental funds (page 28) \$ (2,888,481)

Governmental funds report capital outlays, including infrastructure, as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. Capital outlays exceeded depreciation expense in the current year as follows:

|                                   |                    |           |
|-----------------------------------|--------------------|-----------|
| Expenditures for capital assets   | \$ 7,580,597       |           |
| Depreciation/Amortization expense | <u>(3,523,251)</u> | 4,057,346 |

Governmental capital assets are not recorded in governmental funds. In the current year an asset was transferred from governmental activities to business type activities. The net book value of the asset was recorded as a transfer out on the Statement of Activities. (1,055,731)

Gain on investment in joint venture not recorded at the fund level. 4,820

Governmental funds report the proceeds from the sale of capital assets as revenue whereas the statement of activities reports the gain on the sale of capital assets. This is the effect on the change in net position on the statement of activities. (1,571,228)

Governmental funds report special assessments and delinquent property taxes as revenue when it becomes available, but the statement of activities includes as revenue when levied. (13,232)

Accrued interest expense reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. 4,955

Governmental funds do not reflect the change in accrued compensated absences as it does not consume current financial resources. The Statement of Activities reflects the change in accrued compensated absences through expenditures. (35,073)

Internal service funds are used by management to fund and maintain the City's insurance policies provided to user departments and are included in the statement of net position. The net revenue of the internal service funds is reported with governmental activities. 499,937

The current year City IPERS and MFPRSI contributions are reported as expenditures in the governmental funds but are reported as deferred outflows of resources in the Statement of Net Position 733,520

Pension expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. 48,577

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The amount by which repayments exceeded proceeds in the current year is as follows:

|  |                  |           |
|--|------------------|-----------|
| Repayments of long-term debt             | \$ 4,064,359     |           |
| Proceeds from issuance of long-term debt | <u>(308,932)</u> | 3,755,427 |

The governmental funds report the effect of premiums, discounts, and deferred charges on refundings when new debt is issued, whereas, these amounts are deferred and amortized in the Statement of Activities. 139,014

Change in net position of governmental activities (page 23) \$ 3,679,851

**CITY OF WAVERLY, IOWA**  
**STATEMENT OF NET POSITION**  
**Proprietary Funds**  
**JUNE 30, 2022**

|  | <b>Business Type Activities</b> |                      |                     |                      | <b>Governmental</b>                |
|--|---------------------------------|----------------------|---------------------|----------------------|------------------------------------|
|  | <b>Water System</b>             | <b>Sewer System</b>  | <b>Solid Waste</b>  | <b>Total</b>         | <b>Activities Internal Service</b> |
| <b>ASSETS</b>  |                                 |                      |                     |                      |                                    |
| <b>Current Assets</b>  |                                 |                      |                     |                      |                                    |
| Cash and Cash Equivalents  | \$ 137,734                      | \$ 1,606,858         | \$ 907,000          | \$ 2,651,592         | \$ 853,154                         |
| Certificates of Deposit  | -                               | 400,000              | -                   | 400,000              | -                                  |
| Investments  | 449,847                         | -                    | -                   | 449,847              | -                                  |
| Receivables (Net, where applicable, of allowance for uncollectibles) |                                 |                      |                     |                      |                                    |
| Accounts   | 140,545                         | 213,072              | 154,728             | 508,345              | 1,826                              |
| Accrued Interest   | 431                             | -                    | -                   | 431                  | -                                  |
| Lease Receivable   | 110,430                         | -                    | -                   | 110,430              | -                                  |
| Estimated Unbilled Usage   | 87,213                          | 116,005              | -                   | 203,218              | -                                  |
| Special Assessments  | 22,632                          | 65,313               | -                   | 87,945               | -                                  |
| Inventories  | 70,057                          | 78,986               | -                   | 149,043              | -                                  |
| Restricted Assets:   |                                 |                      |                     |                      |                                    |
| Cash and Cash Equivalents  | 360,630                         | 83,000               | -                   | 443,630              | -                                  |
| Certificates of Deposit  | -                               | 250,000              | -                   | 250,000              | -                                  |
| Total Current Assets   | <u>1,379,519</u>                | <u>2,813,234</u>     | <u>1,061,728</u>    | <u>5,254,481</u>     | <u>854,980</u>                     |
| <b>Noncurrent Assets:</b>  |                                 |                      |                     |                      |                                    |
| Lease Receivable   | 276,286                         | -                    | -                   | 276,286              | -                                  |
| Land   | -                               | 117,723              | -                   | 117,723              | -                                  |
| Construction in Progress   | 29,689                          | 8,391,168            | -                   | 8,420,857            | -                                  |
| Capital Assets, Net of Accumulated Depreciation                      | <u>5,240,644</u>                | <u>7,574,475</u>     | <u>1,574,243</u>    | <u>14,389,362</u>    | -                                  |
| Total Noncurrent Assets  | <u>5,546,619</u>                | <u>16,083,366</u>    | <u>1,574,243</u>    | <u>23,204,228</u>    | -                                  |
| <b>Total Assets</b>  | <u>6,926,138</u>                | <u>18,896,600</u>    | <u>2,635,971</u>    | <u>28,458,709</u>    | <u>854,980</u>                     |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                                |                                 |                      |                     |                      |                                    |
| Pension Related Deferred Outflows                                    | 35,579                          | 56,260               | 58,478              | 150,317              | -                                  |
| <b>Total Deferred Outflows of Resources</b>                          | <u>35,579</u>                   | <u>56,260</u>        | <u>58,478</u>       | <u>150,317</u>       | -                                  |
| <b>LIABILITIES</b>   |                                 |                      |                     |                      |                                    |
| <b>Current Liabilities</b>   |                                 |                      |                     |                      |                                    |
| Accounts Payable   | 15,730                          | 28,868               | 29,585              | 74,183               | 94,179                             |
| Accrued Wages  | 9,221                           | 14,880               | 10,593              | 34,694               | -                                  |
| Compensated Absences and Benefits                                    | 5,771                           | 24,581               | 14,265              | 44,617               | -                                  |
| Accrued Interest Payable   | 3,763                           | 13,407               | -                   | 17,170               | -                                  |
| Accrued Claims   | -                               | -                    | -                   | -                    | 30,761                             |
| Notes Payable  | -                               | 314,611              | -                   | 314,611              | -                                  |
| Revenue Bonds  | 340,000                         | 190,000              | -                   | 530,000              | -                                  |
| Total Current Liabilities  | <u>374,485</u>                  | <u>586,347</u>       | <u>54,443</u>       | <u>1,015,275</u>     | <u>124,940</u>                     |
| <b>Noncurrent Liabilities:</b>                                       |                                 |                      |                     |                      |                                    |
| Due in more than one year:   |                                 |                      |                     |                      |                                    |
| Notes Payable  | -                               | 7,066,424            | -                   | 7,066,424            | -                                  |
| Revenue Bonds  | 1,277,595                       | 636,874              | -                   | 1,914,469            | -                                  |
| Total OPEB Liability   | -                               | -                    | -                   | -                    | 639,886                            |
| Net Pension Liability  | 3,680                           | 5,367                | 7,073               | 16,120               | -                                  |
| Compensated Absences and Benefits                                    | 3,847                           | 16,387               | 9,510               | 29,744               | -                                  |
| Total Noncurrent Liabilities   | <u>1,285,122</u>                | <u>7,725,052</u>     | <u>16,583</u>       | <u>9,026,757</u>     | <u>639,886</u>                     |
| <b>Total Liabilities</b>   | <u>1,659,607</u>                | <u>8,311,399</u>     | <u>71,026</u>       | <u>10,042,032</u>    | <u>764,826</u>                     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                 |                                 |                      |                     |                      |                                    |
| Pension Related Deferred Inflows                                     | 136,254                         | 198,702              | 261,876             | 596,832              | -                                  |
| Lease Related Deferred Inflows                                       | 381,517                         | -                    | -                   | 381,517              | -                                  |
| <b>Total Deferred Inflows of Resources</b>                           | <u>517,771</u>                  | <u>198,702</u>       | <u>261,876</u>      | <u>978,349</u>       | -                                  |
| <b>NET POSITION</b>  |                                 |                      |                     |                      |                                    |
| Net Investment in Capital Assets                                     | 3,652,738                       | 15,256,492           | 1,574,243           | 20,483,473           | -                                  |
| Restricted for:  |                                 |                      |                     |                      |                                    |
| Debt Service   | 356,867                         | 319,593              | -                   | 676,460              | -                                  |
| Unrestricted   | 774,734                         | (5,133,326)          | 787,304             | (3,571,288)          | 90,154                             |
| <b>Total Net Position</b>  | <u>\$ 4,784,339</u>             | <u>\$ 10,442,759</u> | <u>\$ 2,361,547</u> | <u>\$ 17,588,645</u> | <u>\$ 90,154</u>                   |

See Accompanying Notes to Financial Statements

**CITY OF WAVERLY, IOWA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**Proprietary Funds**  
**For the Year Ended June 30, 2022**

|   | <b>Business Type Activities</b> |                      |
|---|---------------------------------|----------------------|
|   | <b>Water System</b>             | <b>Sewer System</b>  |
| <b>Operating Revenues:</b>                              |                                 |                      |
| Charges for Services                                    | \$ 1,522,298                    | \$ 2,233,846         |
| Miscellaneous   | 32,781                          | 23,686               |
| Reimbursement from Employees/Insurance                  | -                               | -                    |
| <b>Total Operating Revenues</b>                         | <u>1,555,079</u>                | <u>2,257,532</u>     |
| <b>Operating Expenses:</b>                              |                                 |                      |
| General Government                                      | -                               | -                    |
| Employee Services                                       | 348,825                         | 593,911              |
| Contract Services                                       | 320,235                         | 423,782              |
| Supplies  | 104,771                         | 69,631               |
| Repairs and Maintenance                                 | 137,100                         | 29,415               |
| Utilities   | 110,655                         | 118,974              |
| Miscellaneous   | 6,154                           | 4,993                |
| Depreciation  | 320,915                         | 553,046              |
| <b>Total Operating Expenses</b>                         | <u>1,348,655</u>                | <u>1,793,752</u>     |
| <b>Operating Income (Loss)</b>                          | 206,424                         | 463,780              |
| <b>Non-Operating Income (Expense):</b>                  |                                 |                      |
| Interest Income   | 9,275                           | 9,413                |
| Revenue from Use of Property                            | 112,354                         | -                    |
| Interest Expense  | (51,787)                        | (175,374)            |
| <b>Total Non-Operating Income (Expenses)</b>            | <u>69,842</u>                   | <u>(165,961)</u>     |
| <b>Income (Loss) before Contributions and Transfers</b> | 276,266                         | 297,819              |
| Contributed Capital Revenue                             | 549,465                         | 7,311,407            |
| Transfers In  | -                               | 117,858              |
| Transfers (Out)   | (190,000)                       | (6,601,298)          |
| <b>Change in Net Position</b>                           | 635,731                         | 1,125,786            |
| <b>Net Position - Beginning</b>                         | <u>4,148,608</u>                | <u>9,316,973</u>     |
| <b>Net Position - Ending</b>                            | <u>\$ 4,784,339</u>             | <u>\$ 10,442,759</u> |

See Accompanying Notes to Financial Statements

| <b>Business Type Activities</b> |                      | <b>Governmental Activities</b> |  |
|---------------------------------|----------------------|--------------------------------|--|
| <b>Solid Waste</b>              | <b>Total</b>         | <b>Internal Service</b>        |  |
| \$ 1,837,427                    | \$ 5,593,571         | \$ -                           |  |
| 17,543                          | 74,010               | -                              |  |
| -                               | -                    | 1,528,507                      |  |
| <u>1,854,970</u>                | <u>5,667,581</u>     | <u>1,528,507</u>               |  |
| -                               | -                    | 1,028,570                      |  |
| 603,149                         | 1,545,885            | -                              |  |
| 431,156                         | 1,175,173            | -                              |  |
| 15,654                          | 190,056              | -                              |  |
| 156,842                         | 323,357              | -                              |  |
| 29,111                          | 258,740              | -                              |  |
| -                               | 11,147               | -                              |  |
| 127,178                         | 1,001,139            | -                              |  |
| <u>1,363,090</u>                | <u>4,505,497</u>     | <u>1,028,570</u>               |  |
| 491,880                         | 1,162,084            | 499,937                        |  |
| 5,041                           | 23,729               | -                              |  |
| -                               | 112,354              | -                              |  |
| -                               | (227,161)            | -                              |  |
| <u>5,041</u>                    | <u>(91,078)</u>      | <u>-</u>                       |  |
| 496,921                         | 1,071,006            | 499,937                        |  |
| 3,729                           | 7,864,601            | -                              |  |
| -                               | 117,858              | -                              |  |
| <u>(500,000)</u>                | <u>(7,291,298)</u>   | <u>-</u>                       |  |
| 650                             | 1,762,167            | 499,937                        |  |
| <u>2,360,897</u>                | <u>15,826,478</u>    | <u>(409,783)</u>               |  |
| <u>\$ 2,361,547</u>             | <u>\$ 17,588,645</u> | <u>\$ 90,154</u>               |  |

See Accompanying Notes to Financial Statements

**CITY OF WAVERLY, IOWA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**Proprietary Funds**  
**For the Year Ended June 30, 2022**

|  | <b>Business Type Activities</b> |                         |
|--|---------------------------------|-------------------------|
|  | <b>Water<br/>System</b>         | <b>Sewer<br/>System</b> |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                             |                                 |                         |
| Cash Received from Customers   | \$ 1,581,826                    | \$ 2,268,531            |
| Cash Paid to Suppliers for Goods and Services                            | (676,047)                       | (634,207)               |
| Cash Paid to Employees for Services                                      | (417,575)                       | (686,013)               |
| Other Nonoperating Revenue   | 112,354                         | -                       |
| Net Cash Provided by Operating Activities                                | <u>600,558</u>                  | <u>948,311</u>          |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>         |                                 |                         |
| Acquisition and Construction of Capital Assets                           | (47,945)                        | (85,641)                |
| Proceeds from Grants   | -                               | -                       |
| Proceeds from Debt Issuance  | -                               | 6,627,798               |
| Principal Paid on Notes and Bonds  | (460,345)                       | (369,655)               |
| Interest Paid on Notes and Bonds   | (57,100)                        | (174,771)               |
| Net Cash Provided by (Used for) Capital and Related Financing Activities | <u>(565,390)</u>                | <u>5,997,731</u>        |
| <b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>                 |                                 |                         |
| Transfers to Other Funds   | -                               | 117,858                 |
| Transfers from Other Funds   | (190,000)                       | (6,601,298)             |
| Net Cash (Used for) Non-Capital Financing Activities                     | <u>(190,000)</u>                | <u>(6,483,440)</u>      |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                             |                                 |                         |
| Interest and Dividends on Investments                                    | <u>8,350</u>                    | <u>9,413</u>            |
| Net Cash Provided by Investing Activities                                | <u>8,350</u>                    | <u>9,413</u>            |
| Net Increase (Decrease) in Cash and Cash Equivalents                     | (146,482)                       | 472,015                 |
| Cash and Cash Equivalents at Beginning of Year                           | <u>644,846</u>                  | <u>1,217,843</u>        |
| Cash and Cash Equivalents at End of Year                                 | <u>\$ 498,364</u>               | <u>\$ 1,689,858</u>     |

See Accompanying Notes to Financial Statements

| <b>Business Type Activities</b> |                     | <b>Governmental</b> |
|---------------------------------|---------------------|---------------------|
| <b>Solid</b>                    |                     | <b>Activities</b>   |
| <b>Waste</b>                    | <b>Total</b>        | <b>Internal</b>     |
|                                 |                     | <b>Service</b>      |
| \$ 1,834,818                    | \$ 5,685,175        | \$ 1,528,506        |
| (634,840)                       | (1,945,094)         | (1,328,731)         |
| (674,864)                       | (1,778,452)         | -                   |
| -                               | 112,354             | -                   |
| <u>525,114</u>                  | <u>2,073,983</u>    | <u>199,775</u>      |
| -                               | (133,586)           | -                   |
| 3,729                           | 3,729               | -                   |
| -                               | 6,627,798           | -                   |
| -                               | (830,000)           | -                   |
| -                               | (231,871)           | -                   |
| <u>3,729</u>                    | <u>5,436,070</u>    | <u>-</u>            |
| -                               | 117,858             | -                   |
| (500,000)                       | (7,291,298)         | -                   |
| <u>(500,000)</u>                | <u>(7,173,440)</u>  | <u>-</u>            |
| 5,041                           | 22,804              | -                   |
| <u>5,041</u>                    | <u>22,804</u>       | <u>-</u>            |
| 33,884                          | 359,417             | 199,775             |
| <u>873,116</u>                  | <u>2,735,805</u>    | <u>653,379</u>      |
| <u>\$ 907,000</u>               | <u>\$ 3,095,222</u> | <u>\$ 853,154</u>   |

(Continued)

**CITY OF WAVERLY, IOWA**  
**COMBINING STATEMENT OF CASH FLOWS (Continued)**  
**Proprietary Funds**  
**For the Year Ended June 30, 2022**

|   | <b>Business Type Activities</b> |                     |
|---|---------------------------------|---------------------|
|   | <b>Water System</b>             | <b>Sewer System</b> |
| Reconciliation of Operating Income to Net Cash Provided by Operating Activities             |                                 |                     |
| Operating Income  | \$ 206,424                      | \$ 463,780          |
| Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities: |                                 |                     |
| Other Nonoperating Income   | 112,354                         | -                   |
| Depreciation  | 320,915                         | 553,046             |
| (Increase) Decrease in Assets:  |                                 |                     |
| Accounts Receivable   | (2,168)                         | (19,433)            |
| Lease Receivable  | (386,716)                       |                     |
| Special Assessments   | 3,233                           | -                   |
| Estimated Unbilled Usage  | 30,881                          | 30,432              |
| Inventories   | 3,399                           | 2,351               |
| Deferred Outflows of Pension Related Costs  | 9,265                           | 9,473               |
| Increase (Decrease) in Liabilities  |                                 |                     |
| Accounts Payable  | (531)                           | 10,237              |
| Accrued Wages   | (8,299)                         | (9,285)             |
| Accrued Compensated Absences  | (10,241)                        | (2,847)             |
| Net Pension Liability   | (190,576)                       | (280,560)           |
| Deferred Inflows of Pension Related Costs   | 131,101                         | 191,117             |
| Deferred Inflows of Lease Receivables   | 381,517                         | -                   |
| Total OPEB Liability  | -                               | -                   |
| Claims Payable  | -                               | -                   |
| Total Adjustments   | <u>394,134</u>                  | <u>484,531</u>      |
| Net Cash Provided by Operating Activities   | <u>\$ 600,558</u>               | <u>\$ 948,311</u>   |
| <b>NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</b>                               |                                 |                     |
| Payment of Planning SRF Note  | \$ -                            | \$ 753,237          |
| Capital Contributions   | 549,465                         | 7,311,407           |
| Total Non-Cash Investing, Capital, and Financing Activities                                 | <u>\$ 549,465</u>               | <u>\$ 8,064,644</u> |
| <b>Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:</b>        |                                 |                     |
| Cash and Cash Equivalents   | \$ 137,734                      | \$ 1,606,858        |
| Restricted Cash and Cash Equivalents  | 360,630                         | 83,000              |
|   | <u>\$ 498,364</u>               | <u>\$ 1,689,858</u> |

See Accompanying Notes to Financial Statements

| <b>Business Type Activities</b> |                     | <b>Governmental</b> |
|---------------------------------|---------------------|---------------------|
| <b>Solid</b>                    |                     | <b>Activities</b>   |
| <b>Waste</b>                    | <b>Total</b>        | <b>Internal</b>     |
|                                 |                     | <b>Service</b>      |
| <u>\$ 491,880</u>               | <u>\$ 1,162,084</u> | <u>\$ 499,937</u>   |
| -                               | 112,354             | -                   |
| 127,178                         | 1,001,139           | -                   |
| (20,152)                        | (41,753)            | -                   |
| -                               | (386,716)           | -                   |
| -                               | 3,233               | -                   |
| -                               | 61,313              | -                   |
| -                               | 5,750               | -                   |
| 21,901                          | 40,639              | -                   |
| (2,077)                         | 7,629               | (8,106)             |
| (19,502)                        | (37,086)            | -                   |
| (6,645)                         | (19,733)            | -                   |
| (320,651)                       | (791,787)           | -                   |
| 253,182                         | 575,400             | -                   |
| -                               | 381,517             | -                   |
| -                               | -                   | (308,734)           |
| -                               | -                   | 16,678              |
| <u>33,234</u>                   | <u>911,899</u>      | <u>(300,162)</u>    |
| <u>\$ 525,114</u>               | <u>\$ 2,073,983</u> | <u>\$ 199,775</u>   |
| <br>                            |                     |                     |
| \$ -                            | \$ 753,237          | \$ -                |
| -                               | 7,860,872           | -                   |
| <u>\$ -</u>                     | <u>\$ 8,614,109</u> | <u>\$ -</u>         |
| <br>                            |                     |                     |
| \$ 907,000                      | \$ 2,651,592        | \$ 853,154          |
| -                               | 443,630             | -                   |
| <u>\$ 907,000</u>               | <u>\$ 3,095,222</u> | <u>\$ 853,154</u>   |

See Accompanying Notes to Financial Statements

CITY OF WAVERLY, IOWA  
STATEMENT OF FIDUCIARY NET POSITION  
Fiduciary Funds  
JUNE 30, 2022

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**Custodial  
Fund**

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**Assets**

Cash and Cash Equivalents

\$ 13,961

**Total Assets**

13,961

**Net Position**

Restricted for Other Governments

13,961

**Total Net Position**

\$ 13,961

**CITY OF WAVERLY, IOWA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2022**

|                                 | <b>Custodial<br/>Fund</b> |
|---------------------------------|---------------------------|
| Additions:                      |                           |
| Charges for Services            | \$ 890,129                |
| Total Additions                 | <u>890,129</u>            |
| Deductions:                     |                           |
| Agency Remittances:             |                           |
| To Other Governments            | <u>896,066</u>            |
| Total Deductions                | <u>896,066</u>            |
| Change in Net Position          | (5,937)                   |
| Net Position, beginning of year | <u>19,898</u>             |
| Net Position, end of year       | <u><u>\$ 13,961</u></u>   |

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2022**

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**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Waverly, Iowa, is a political subdivision of the State of Iowa located in Bremer County, and was incorporated in 1859, under the laws of the State of Iowa, later amended in 1974 under the Home Rule City Act. The City operates under a Mayor-Council form of government with an appointed administrator elected on a nonpartisan basis and administers the following programs as authorized by its charter: public safety, public works, health and social services, culture and recreation, community and economic development, general government, capital projects and debt service. The City also has municipal water, sewer and solid waste utility systems which are governed by the City Council.

The City's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board.

**A. REPORTING ENTITY**

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

These financial statements present the City of Waverly, Iowa (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationship with the City. Complete financial statements of the individual component units, which issued separate financial statements as noted below, can be obtained from their respective administrative office.

**Discretely Presented Component Units**

Waverly Health Center - The City established a municipal hospital, Waverly Health Center, in accordance with paragraph 392.6 of the Code of Iowa. The City provided for the election of a Board of Trustees vested with authority to provide management controls, and the rules for the hospital's economic conduct, which in accordance with criteria set forth by the Governmental Accounting Standards Board, meets the definition of a component unit which should be discretely presented. The hospital's financial data is reported in a separate column to emphasize that it is legally separate from the City. The Hospital is financially accountable to the City and its operating budget is subject to approval of the City Council.

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2022**

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**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Waverly Utilities – The City established a municipal utility by ordinance on October 3, 1977. The City appoints the governing body which in accordance with criteria set forth by the Governmental Accounting Standards Board meets the definition of a component unit which should be discretely presented. The Utilities financial data is reported in a separate column to emphasize that it is legally separate from the City. Waverly Utilities is financially accountable to the City. During the fiscal year ended June 30, 2022, Waverly Utilities transferred \$888,212 to the City of Waverly which is accounted for in the City's financial statements as intergovernmental revenue in the applicable City funds. The utility operates on a calendar year. Therefore financial statements presented herein are reported for the year ended December 31, 2021.

Jointly Governed Organizations - The City also participates in several jointly governed organizations for which the City is not financially accountable or that the nature and significance of the relationship with the City are such that exclusion does not cause the City's financial statements to be misleading or incomplete. City officials are members of the following Boards or Commissions: Bremer-Waverly Public Safety Board, Bremer County Emergency Management Commission, Bremer County Joint E911 Service Board, and the Tri-County Drug Task Force.

**B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS**

Government-wide Financial Statements – The Statement of Net Position and the Statement of Activities report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are supported by property tax and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for services. The City's general, special revenue, debt service, capital project, and permanent funds are classified as governmental activities. The City's health insurance internal service fund is classified as a governmental activity.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Statement of Net Position presents the City's nonfiduciary assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Net position is reported in three categories.

*Net Investment in capital assets* consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets.

*Restricted net position* results when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

*Unrestricted net position* consists of net position not meeting the definition of the two preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2022**

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**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

The City does not allocate indirect costs. Certain expenses of the City are accounted for through the internal service fund on a cost-reimbursement basis.

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year activities.

**C. Fund Accounting**

The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues or receipts, and expenditures or expenses, as appropriate. Government resources are allocated to, and accounted for, in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. GASB No. 34 sets forth minimum criteria for the determination of major funds. The City can electively add funds, as major funds, which have a specific community focus. The non-major funds are combined into a single column in the fund financial statements.

**Governmental Fund Types** – The governmental fund financial statements are reported using the current financial resources measurement focus. This means that the focus of the governmental funds' measurement is upon the determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income.

The City reports the following major governmental funds:

- 1) **General Fund** – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The sources of revenue include property taxes, charges for services, fines and fees, licenses and permits, as well as state and federal grants. The expenditures of the General Fund relate to general administration, police and fire protection, maintenance of public streets, economic development, and culture and recreation.

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2022**

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**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

- 2) Special Revenue Fund – The TIF Fund (Tax Incremental Financing) is used to account for property taxes received to be expended for public improvements, construction of public infrastructure as well as economic development opportunities, incentives, sites, land, rebates and grant agreements.
- 3) Special Revenue Fund – The Employee Benefit Fund is used to account for the collection of a property tax levy to be used for employee benefit expenses.
- 4) Debt Service Fund – Debt Service Fund is used to account for property taxes received to be expended to retire principal and interest on General Obligation Bonds and other debt.
- 5) Capital Project – The WPC Improvements Fund is used to account for the use of financial resources to be used for the construction of the WPC Improvements project.

**Proprietary Fund Types** – The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. Operating revenues and expenses are distinguished from non-operating revenues and expenses. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The principal operating revenues of enterprise funds are charges to customers for services. Operating expenses consist of cost of sales and services, administrative expenses and depreciation on capital assets. The U.S. generally accepted accounting principles used are those applicable to similar businesses in the private sector.

- 1) Enterprise Funds – Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis should be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City maintains several business-type activities. The major enterprise funds are listed as follows:

The Water Fund is used to account for the operation and maintenance of the City's water system.

The Sewer Fund is used to account for the operation and maintenance of the City's sewer system.

The Solid Waste Fund is used to account for the operation and maintenance of the City's garbage disposal system.

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2022**

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**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

- 2) Internal Service Funds – Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-recovery basis.

The City's internal service fund is presented in the proprietary fund financial statements.

Health Insurance – To account for the funding and maintenance of the City's self-funded health insurance provided to City employees. Since the principal users of this internal service are the City's governmental activities, the financial statements of the health insurance internal service fund are consolidated into the governmental column when presented in the government-wide financial statements. To the extent possible, the cost of these services is reported in the appropriate functional activity.

**Fiduciary Fund Types** – Fiduciary funds are used to report assets held in a custodial capacity for others and therefore not available to support City programs. Since they are custodial in nature, they do not involve the measurement of results of operations and are not incorporated into the government-wide financial statements. The City's Wartburg-Waverly Wellness Center Custodial Fund is to account for the activity recorded on behalf of the Wartburg-Waverly Wellness Center.

**D. Measurement Focus and Basis of Accounting**

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

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

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

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments and compensated absences are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2022**

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**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Under terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants and then by general revenues.

**E. Budgets**

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2022, disbursements did not exceed any amounts budgeted.

**F. Cash And Cash Equivalents And Investments**

The City is authorized by statute to invest public funds not currently needed for operating expenses in notes, certificates, bonds, prime eligible bankers acceptances, certain high rated commercial paper, perfected repurchase agreements, or other evidences of indebtedness which are obligations of or guaranteed by the United States of America or any of its agencies, or in time deposits or savings accounts in depositories approved by the City Council.

1) Cash and Cash Equivalents

Includes investments with original maturities of three months or less.

2) Investments

The City and its component unit use the following methods in determining the reported amounts.

| <u>City</u>            | <u>Type</u>   | <u>Method</u>   |
|------------------------|---|---|
|                        | Nonnegotiable Certificates of Deposit                   | Amortized Cost  |
|                        | Iowa Public Agency Investment Trust                     | Amortized Cost  |
|                        | U.S. Treasury Notes, State<br>& Local Government Series | Fair Value Determined<br>Based on Quoted Market Price |
| <u>Component Unit</u>  |   |   |
|                        | Nonnegotiable Certificates of Deposit                   | Amortized Cost  |
|                        | U.S. Treasury Notes, State<br>& Local Government Series | Fair Value Determined<br>Based on Quoted Market Price |
|                        | Iowa Public Agency Investment Trust                     | Amortized Cost  |
| <u>Debt Securities</u> |   |   |
|                        | U.S. Government Securities                              |   |
|                        | Maturity of one year or less when purchased             | Amortized Cost  |
|                        | Maturity of more than one year when purchased           | Fair Value Based on<br>Quoted Market Price            |

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2022**

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**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Property Tax Receivable**

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

Property tax receivable is recognized in these funds on the levy or lien date, which is the date that the tax asking is certified by the City to the County Board of Supervisors. Current year property tax receivable represents taxes collected by the County but not remitted to the City at June 30, 2022 and unpaid taxes. The succeeding year property tax receivable represents taxes certified by the City to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the City is required to certify its budget to the County Auditor by March 15 of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds 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, 2020 assessed property valuations; is for the tax accrual period July 1, 2021 through June 30, 2022 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in March, 2021. Any county collections on the 2021-2022 tax levy remitted to the City within 60 days subsequent to June 30, 2022, are recorded as property tax revenue.

**H. Short-Term Interfund Receivables/Payables**

During the course of its operations, the City has numerous transactions between funds to finance operations, provide services, construct assets, and service debt. To the extent that certain transactions between funds have not been paid or received as of June 30, 2022, balances of interfund amounts payable or receivable have been recorded as “due to other funds” and “due from other funds”, respectively. Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as interfund balances.

**I. Inventories**

All inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

**J. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2022 are recorded as prepaid items. The costs of governmental and proprietary fund type prepaid items are recorded as expenditures when consumed rather than when purchased.

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2022**

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**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**K. Restricted Assets**

Revenue bond ordinances require the City to reserve certain cash and investments to provide for payment of bonds and interest, for protection of bondholders, and for extension and improvement of facilities. These balances are separately disclosed in the Enterprise Funds.

**L. Property and Equipment**

Assets with an initial individual cost of \$5,000 or more are considered capital assets. Property and equipment are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Infrastructure has been capitalized using historical or estimated historical cost beginning in 1980 as required by GASB 34. Depreciation on all assets is provided on the straight-line basis over the following estimated lives:

|                       |                |
|-----------------------|----------------|
| Buildings             | 20 – 50 Years  |
| Utility Plant         | 30 – 33 Years  |
| Machinery & Equipment | 5 - 20 Years   |
| Infrastructure        | 20 – 100 Years |

**M. Leases**

City as Lessor: City of Waverly is a lessor for multiple different agreements. The City recognizes lease receivables and deferred inflows of resources in the government-wide, governmental fund, and proprietary fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City of Waverly determines the discount rate it uses to discount the expected lease receipts to present value, lease term and lease receipts.

City of Waverly uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2022**

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**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

City as Lessee: City of Waverly is the lessee for a noncancellable lease of equipment and building space. The City has recognized a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the term of the lease.

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

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

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

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

**N. Deferred Outflows of Resources**

Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and will not be recognized as an outflow of resources (expense / expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense, and contributions from the employer after the measurement date but before the end of the employer's reporting period.

**O. Compensated Absences**

City employees accumulate a limited amount of earned but unused vacation hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees that have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2022. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund and Road Use Tax Fund.

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2022**

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**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**P. Long-Term Obligations**

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the government-wide financial statements. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

**Q. Fund Equity**

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

Nonspendable – Amounts which cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

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

Committed – Amounts which can be used only for specific purposes pursuant to constraints formally imposed by the City Council through city ordinance approved prior to year end. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same action it employed to commit those amounts.

Assigned – Amounts the City intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed. The finance officer or City Manager is authorized, based on action of the City Council, to assign amounts to a specific purpose pursuant to authority given by the City Council.

Unassigned – All amounts not included in other spendable classifications. The General Fund is the only fund with a positive unassigned fund balance.

**R. Net Position Flow Assumption**

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

**S. Fund Balance Flow Assumptions**

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2022**

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**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**T. Interfund Transactions**

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except interfund services provided and used transactions and reimbursements, are reported as transfers.

**U. Deferred Inflows of Resources**

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

Deferred inflows of resources in the Statement of Net Position consist of succeeding year property tax and tax increment financing receivable that will not be recognized as revenue until the year for which they are levied, unrecognized items not yet charged to pension expense, the unamortized portion of the net difference between projected and actual earnings on pension plan investments, and deferred inflow related to lease receivables.

**V. Pensions**

For purposes of measuring the net pension liability(asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Iowa Public Employees' Retirement System and the Municipal Fire and Police Retirement System (Systems') and additions to / deductions from the Systems' fiduciary net position have been determined on the same basis as they are reported by the Systems'. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The net pension liability attributable to the governmental activities will be paid primarily by the General Fund and Road Use Tax Fund.

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2022**

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**W. Total OPEB Liability** – For purposes of measuring the total OPEB liability and OPEB expense, information has been determined based on the City of Waverly’s actuary report. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The total OPEB liability attributable to the City will be paid by the Internal Service Fund.

**Note 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS**

The City’s deposits at June 30, 2022, were entirely covered by federal depository insurance or by the state sinking fund in accordance with Chapter 12C of the Code of Iowa. Chapter 12C provides for additional assessments against the depositories to insure there will be no loss of public funds.

The City is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the City Council; 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. There were no significant differences in investments held during the year from those at June 30, 2022.

At June 30, 2022 the City had the following investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 72.

| <b>City Investments</b> | <b>Credit Risk</b> | <b>Fair Value</b> | <b>Maturity</b> | <b>Fair Value Hierarchy</b> |
|-------------------------|--------------------|-------------------|-----------------|-----------------------------|
| Mutual Funds            | Not Rated          | \$ 663,040        | 1 year          | Level 2                     |
| IPAIT                   | Not Rated          | 1,097,198         | 1 year          | N/A                         |

| <b>Component Unit Investments</b> | <b>Credit Risk</b> | <b>Fair Value</b> | <b>Maturity</b> | <b>Fair Value Hierarchy</b> |
|-----------------------------------|--------------------|-------------------|-----------------|-----------------------------|
| Money Market                      | AAA                | \$ 67,254         | 1 year          | Level 1                     |
| Fixed income securities           | AA+                | 48,483            | 1 year          | Level 2                     |
| Fixed income securities           | AA                 | 23,242            | 1 year          | Level 2                     |
| Fixed income securities           | A                  | 24,518            | 1 year          | Level 2                     |
| Fixed income securities           | BBB+               | 46,592            | 1 year          | Level 2                     |
| Fixed income securities           | BBB                | 98,514            | 1 year          | Level 2                     |
| Fixed income securities           | BBB-               | 50,438            | 1 year          | Level 2                     |
| Fixed income securities           | N/A                | 974,085           | 1 year          | Level 2                     |
| Common Stocks                     | Not Rated          | \$ 1,310,632      | 1 year          | Level 1                     |

The City and its component units use fair value hierarchy established by generally accepted accounting principles based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. Level 2 inputs are valued using a matrix pricing model.

In addition, the City had investments in the Iowa Public Agency Investment Trust (IPAIT) which are valued at an amortized cost of \$1,097,198. There were no limitations or restrictions on withdrawals for the IPAIT investments. The City’s investment in IPAIT is unrated. Investment policies are followed to maintain a constant net position value of \$1.00 per unit for the portfolio.

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2022**

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**Note 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

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

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

Credit risk – The City’s investment policy addresses the issue of credit risk. Investments are limited to certain types of investments and by diversifying the investment portfolio.

**Note 3 - RECEIVABLES**

Receivables at June 30, 2022 are net of allowance for uncollectibles. The allowance for uncollectibles of the enterprise funds of the primary government was \$7,126 at June 30, 2022. The Waverly Health Center component unit had an allowance for uncollectibles of \$6,920,000 at June 30, 2022.

**Note 4 - DUE FROM OTHER GOVERNMENTS**

At June 30, 2022, amounts due from other governments were as follows:

|   |                   |
|---|-------------------|
| Due from the State of Iowa SWAP funds                                       | \$ 22,500         |
| Due from the State of Iowa for Hotel/Motel taxes                            | 56,467            |
| Due from the Iowa Department of Transportation for a maintenance agreement  | 15,553            |
| Due from Housing and Urban Development for CDBG funding                     | 44,677            |
| Due from Waverly Utilities for Franchise Fees                               | 15,482            |
| Due from the State of Iowa for local option sales taxes                     | 111,711           |
| Due from the Iowa Department of Transportation for road use tax allocations | 109,986           |
| Due from other various sources  | 3,963             |
| Total Due from Other Governments  | <u>\$ 380,339</u> |

**Note 5 - INTERFUND RECEIVABLES AND PAYABLES**

As of June 30, 2022, short-term interfund borrowings were as follows:

| <u>Fund Due To</u> | <u>Fund Due From</u>        | <u>Amount</u>     |
|--------------------|-----------------------------|-------------------|
| General Fund       | Non-major Governmental Fund | \$ 622,407        |
|                    |                             | <u>\$ 622,407</u> |

This internal balance represents amounts due from/due to other funds to cover deficit cash balances.

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2022**

**Note 6 - LEASE RECEIVABLES**

| <u>Lease Name</u>      | <u>Governmental</u><br><u>Activities</u> | <u>Business-Type</u><br><u>Activities</u> | <u>Total</u>      |
|------------------------|--|---|-------------------|
| Airport Building       | \$ 39,656                                | \$ -                                      | \$ 39,656         |
| Verizon Cell Towers    | -  | 105,722                                   | 105,722           |
| US Cellular Cell Tower | -  | 86,507                                    | 86,507            |
| T-Mobile Cell Tower    | -  | 102,632                                   | 102,632           |
| AT&T Cell Tower        | -  | 91,855                                    | 91,855            |
| Total                  | <u>\$ 39,656</u>                         | <u>\$ 386,716</u>                         | <u>\$ 426,372</u> |

On October 1, 2018, the City of Waverly entered into a five year lease as Lessor for use of the airport facilities at the city, with an option to renew one 5 year term by the Lessee. As of June 30, 2022, the value of the lease receivable is \$39,656. The lessee is required to make annual fixed payments of \$30,000. The lease has an interest rate of 1.22%. The value of the deferred inflow of resources as of June 30, 2022 was \$39,456, and the City of Waverly recognized lease revenue of \$29,352 and lease interest of \$648 during the fiscal year. A summary of the remaining lease receivable principal and interest to maturity is as follows:

| <u>Year Ending</u><br><u>June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u>     |
|---------------------------------------|------------------|-----------------|------------------|
| 2023                                  | \$ 29,681        | \$ 319          | \$ 30,000        |
| 2024                                  | 9,975            | 25              | 10,000           |
| Total                                 | <u>\$ 39,656</u> | <u>\$ 344</u>   | <u>\$ 40,000</u> |

On February 15, 2021 the City of Waverly entered into a five year lease as Lessor for use of the water tower as space for antennas. As of June 30, 2022, the value of the lease receivable is \$105,722. The lessee is required to make annual fixed payments of \$21,929. The lease has an interest rate of 1.22%. The value of the deferred inflow of resources as of June 30, 2022 was \$104,273, and the City of Waverly recognized lease revenue of \$22,344 and lease interest of \$1,464 during the fiscal year. A summary of the remaining lease receivable principal and interest to maturity is as follows:

| <u>Year Ending</u><br><u>June 30,</u> | <u>Principal</u>  | <u>Interest</u> | <u>Total</u>      |
|---------------------------------------|-------------------|-----------------|-------------------|
| 2023                                  | \$ 20,632         | \$ 1,297        | \$ 21,929         |
| 2024                                  | 20,885            | 1,044           | 21,929            |
| 2025                                  | 21,141            | 788             | 21,929            |
| 2026                                  | 21,401            | 528             | 21,929            |
| 2027                                  | 21,663            | 266             | 21,929            |
| Total                                 | <u>\$ 105,722</u> | <u>\$ 3,923</u> | <u>\$ 109,645</u> |

On February 10, 1997 the City of Waverly entered into a ten year lease as Lessor for use of the water tower as space for antennas. As of June 30, 2022, the value of the lease receivable is \$86,507. The lessee is required to make monthly payments of \$1,647, adjusted each year by 103% of the prior year's payments. The Lessee had the option to extend up to four additional terms of five years, and are currently exercising the last and final 5 year term in the original lease. The lease has an interest rate of 1.22%. The value of the deferred inflow of resources as of June 30, 2022 was \$84,230, and the City of Waverly recognized lease revenue of \$18,718 and lease interest of \$1,167 during the fiscal year. A summary of the remaining lease receivable principal and interest to maturity is as follows:

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2022**

**Note 6 - LEASE RECEIVABLES (CONTINUED)**

| <u>Year Ending</u><br><u>June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u>     |
|---------------------------------------|------------------|-----------------|------------------|
| 2023                                  | \$ 18,816        | \$ 950          | \$ 19,766        |
| 2024                                  | 19,046           | 720             | 19,766           |
| 2025                                  | 19,280           | 486             | 19,766           |
| 2026                                  | 19,517           | 249             | 19,766           |
| 2027                                  | 9,848            | 35              | 9,883            |
| Total                                 | <u>\$ 86,507</u> | <u>\$ 2,440</u> | <u>\$ 88,947</u> |

On July 21, 2019 the City of Waverly entered into a five year lease as Lessor for use of the water tower as space for antennas. As of June 30, 2022, the value of the lease receivable is \$102,632. The lessee is required to make monthly payments of \$4,331. The lease has an interest rate of 1.22%. The value of the deferred inflow of resources as of June 30, 2022 was \$103,390, and the City of Waverly recognized lease revenue of \$49,627 and lease interest of \$1,586 during the fiscal year. A summary of the remaining lease receivable principal and interest to maturity is as follows:

| <u>Year Ending</u><br><u>June 30,</u> | <u>Principal</u>  | <u>Interest</u> | <u>Total</u>      |
|---------------------------------------|-------------------|-----------------|-------------------|
| 2023                                  | \$ 51,003         | \$ 968          | \$ 51,971         |
| 2024                                  | 51,629            | 342             | 51,971            |
| Total                                 | <u>\$ 102,632</u> | <u>\$ 1,310</u> | <u>\$ 103,942</u> |

On September 18, 2021 the City of Waverly entered into a five year lease as Lessor for use of the water tower as space for antennas. As of June 30, 2022, the value of the lease receivable is \$91,855. The lessee is required to make monthly payments of \$1,749. The lease has an interest rate of 1.22%. The value of the deferred inflow of resources as of June 30, 2022 was \$89,624, and the City of Waverly recognized lease revenue of \$19,917 and lease interest of \$1,228 during the fiscal year. A summary of the remaining lease receivable principal and interest to maturity is as follows:

| <u>Year Ending</u><br><u>June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u>     |
|---------------------------------------|------------------|-----------------|------------------|
| 2023                                  | \$ 19,979        | \$ 1,009        | \$ 20,988        |
| 2024                                  | 20,224           | 764             | 20,988           |
| 2025                                  | 20,472           | 516             | 20,988           |
| 2026                                  | 20,723           | 265             | 20,988           |
| 2027                                  | 10,457           | 37              | 10,494           |
| Total                                 | <u>\$ 91,855</u> | <u>\$ 2,591</u> | <u>\$ 94,446</u> |

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2022**

**Note 7 - CAPITAL ASSETS**

A summary of changes in capital assets is as follows:

|  | Restated,<br>Balance<br>July 1,<br>2021 | Additions            | Deletions            | Transfers             | Balance<br>June 30,<br>2022 |
|--|---|----------------------|----------------------|-----------------------|-----------------------------|
| <b>Governmental Activities:</b>                      |   |                      |                      |                       |                             |
| Capital assets not being depreciated/amortized:      |   |                      |                      |                       |                             |
| Land   | \$ 16,333,760                           | \$ -                 | \$ 1,564,935         | \$ -                  | \$ 14,768,825               |
| Construction in Progress                             | 13,332,974                              | 6,532,423            | 11,316,527           | (1,055,731)           | 7,493,139                   |
| Total capital assets not being depreciated/amortized | <u>29,666,734</u>                       | <u>6,532,423</u>     | <u>12,881,462</u>    | <u>(1,055,731)</u>    | <u>22,261,964</u>           |
| Capital assets being depreciated:                    |   |                      |                      |                       |                             |
| Buildings and Improvements                           | 13,292,721                              | -                    | -                    | -                     | 13,292,721                  |
| Equipment  | 8,203,194                               | 739,242              | 51,331               | -                     | 8,891,105                   |
| Infrastructure                                       | 76,707,763                              | 11,316,527           | -                    | -                     | 88,024,290                  |
| Total capital assets being depreciated               | <u>98,203,678</u>                       | <u>12,055,769</u>    | <u>51,331</u>        | <u>-</u>              | <u>110,208,116</u>          |
| Less Accumulated Depreciation for:                   |   |                      |                      |                       |                             |
| Buildings and Improvements                           | 5,729,806                               | 311,241              | -                    | -                     | 6,041,047                   |
| Equipment  | 5,535,223                               | 427,339              | 45,038               | -                     | 5,917,524                   |
| Infrastructure                                       | 33,733,823                              | 2,709,387            | -                    | -                     | 36,443,210                  |
| Total Accumulated Depreciation                       | <u>44,998,852</u>                       | <u>3,447,967</u>     | <u>45,038</u>        | <u>-</u>              | <u>48,401,781</u>           |
| Total capital assets being depreciated, net          | <u>53,204,826</u>                       | <u>8,607,802</u>     | <u>6,293</u>         | <u>-</u>              | <u>61,806,335</u>           |
| Lease Assets   |   |                      |                      |                       |                             |
| Buildings  | 16,418                                  | -                    | -                    | -                     | 16,418                      |
| Equipment  | -                                       | 308,932              | -                    | -                     | 308,932                     |
| Total Lease Assets, being amortized                  | <u>16,418</u>                           | <u>308,932</u>       | <u>-</u>             | <u>-</u>              | <u>325,350</u>              |
| Less Accumulated Amortization for:                   |   |                      |                      |                       |                             |
| Buildings  | -                                       | 10,945               | -                    | -                     | 10,945                      |
| Equipment  | -                                       | 64,339               | -                    | -                     | 64,339                      |
| Total Accumulated amortization                       | <u>-</u>                                | <u>75,284</u>        | <u>-</u>             | <u>-</u>              | <u>75,284</u>               |
| Total Lease Assets being amortized, net              | <u>16,418</u>                           | <u>233,648</u>       | <u>-</u>             | <u>-</u>              | <u>250,066</u>              |
| Governmental activities capital assets, net          | <u>\$ 82,887,978</u>                    | <u>\$ 15,373,873</u> | <u>\$ 12,887,755</u> | <u>\$ (1,055,731)</u> | <u>\$ 84,318,365</u>        |

Construction in progress at June 30, 2022, for the governmental activities consisted of costs associated with various street projects and airport improvements.

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2022**

**Note 7 - CAPITAL ASSETS (CONTINUED)**

|  | Balance<br>July 1,<br>2021 | Additions           | Deletions           | Transfers           | Balance<br>June 30,<br>2022 |
|--|----------------------------|---------------------|---------------------|---------------------|-----------------------------|
| <b>Business-Type Activities:</b>             |                            |                     |                     |                     |                             |
| Capital assets not being depreciated:        |                            |                     |                     |                     |                             |
| Land   | \$ 117,723                 | \$ -                | \$ -                | \$ -                | \$ 117,723                  |
| Construction in Progress                     | 1,615,716                  | 6,805,141           | 1,055,731           | 1,055,731           | 8,420,857                   |
| Total capital assets not being depreciated   | <u>1,733,439</u>           | <u>6,805,141</u>    | <u>1,055,731</u>    | <u>1,055,731</u>    | <u>8,538,580</u>            |
| Capital assets being depreciated:            |                            |                     |                     |                     |                             |
| Buildings and Improvements                   | 11,147,391                 | -                   | -                   | -                   | 11,147,391                  |
| Equipment                                    | 2,844,749                  | 133,586             | -                   | -                   | 2,978,335                   |
| Lines and Structures                         | 21,680,907                 | 1,055,731           | -                   | -                   | 22,736,638                  |
| Total capital assets being depreciated       | <u>35,673,047</u>          | <u>1,189,317</u>    | <u>-</u>            | <u>-</u>            | <u>36,862,364</u>           |
| Less: Accumulated depreciation for:          |                            |                     |                     |                     |                             |
| Buildings and Improvements                   | 5,531,246                  | 192,727             | -                   | -                   | 5,723,973                   |
| Equipment                                    | 1,590,712                  | 182,247             | -                   | -                   | 1,772,959                   |
| Lines and Structures                         | 14,349,905                 | 626,165             | -                   | -                   | 14,976,070                  |
| Total Accumulated Depreciation               | <u>21,471,863</u>          | <u>1,001,139</u>    | <u>-</u>            | <u>-</u>            | <u>22,473,002</u>           |
| Total capital assets being depreciated, net  | 14,201,184                 | 188,178             | -                   | -                   | 14,389,362                  |
| Business-type activities capital assets, net | <u>\$ 15,934,623</u>       | <u>\$ 6,993,319</u> | <u>\$ 1,055,731</u> | <u>\$ 1,055,731</u> | <u>\$ 22,927,942</u>        |

Construction in progress at June 30, 2022 for the business type activities consisted of costs associated with various water and sewer infrastructure projects.

Depreciation expense was charged to functions/programs of the primary government as follows:

|   |                     |
|---|---------------------|
| <b>Governmental Activities:</b>                                   |                     |
| Public Safety   | \$ 229,417          |
| Public Works  | 2,930,190           |
| Culture and Recreation  | 284,166             |
| General Government  | 79,478              |
| Total depreciation/amortization expense - governmental activities | <u>\$ 3,523,251</u> |
| <b>Business-Type Activities:</b>                                  |                     |
| Water   | \$ 320,915          |
| Sewer   | 553,046             |
| Solid Waste   | 127,178             |
| Total depreciation expense - business-type activities             | <u>\$ 1,001,139</u> |

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2022**

**Note 7 - CAPITAL ASSETS (CONTINUED)**

A summary of changes in capital assets for the discretely presented component units is as follows:

|   | Balance<br>July 1,<br>2021 | Additions    | Deletions | Transfers    | Balance<br>June 30,<br>2022 |
|---|----------------------------|--------------|-----------|--------------|-----------------------------|
| <b>Waverly Health Center:</b>                         |                            |              |           |              |                             |
| Capital assets not being depreciated/amortized:       |                            |              |           |              |                             |
| Land  | \$ 2,206,302               | \$ -         | \$ -      |              | \$ 2,206,302                |
| Construction in Progress                              | 21,555,705                 | 8,338,389    | -         | (20,084,525) | 9,809,569                   |
| Total capital assets not being depreciated/amortized  | 23,762,007                 | 8,338,389    | -         | (20,084,525) | 12,015,871                  |
| Capital assets being depreciated/amortized:           |                            |              |           |              |                             |
| Land Improvements                                     | 2,450,705                  | -            | -         | 2,729,422    | 5,180,127                   |
| Buildings   | 6,773,212                  | 35,480       | -         | 16,664,861   | 23,473,553                  |
| Fixed Equipment                                       | 19,949,381                 | 372,758      | -         | 383,458      | 20,705,597                  |
| Major Movable Equipment                               | 21,775,475                 | 1,047,798    | 1,655,395 | 306,784      | 21,474,662                  |
| Leased, right to use assets - Buildings               | 2,927,228                  | -            | -         |              | 2,927,228                   |
| Leased, right to use assets - Major Movable equipment | 963,968                    | 54,245       | -         |              | 1,018,213                   |
| Total capital assets being depreciated/amortized      | 54,839,969                 | 1,510,281    | 1,655,395 | 20,084,525   | 74,779,380                  |
| Less: Accumulated Depreciation/Amortization           | 41,253,079                 | 3,721,598    | 1,641,593 | -            | 43,333,084                  |
| Total capital assets being depreciated/amortized, net | 13,586,890                 | (2,211,317)  | 13,802    | 20,084,525   | 31,446,296                  |
| Component unit capital assets, net                    | \$ 37,348,897              | \$ 6,127,072 | \$ 13,802 | \$ -         | \$ 43,462,167               |

Construction in progress at June 30, 2022 for the Waverly Health Center consists of costs related to building expansion and renovation.

|   | Balance<br>January 1,<br>2021 | Additions   | Deletions    | Balance<br>December 31,<br>2021 |
|---|-------------------------------|-------------|--------------|---------------------------------|
| <b>Waverly Utilities:</b>                   |                               |             |              |                                 |
| Capital assets not being depreciated:       |                               |             |              |                                 |
| Land  | \$ 351,624                    | \$ -        | \$ -         | \$ 351,624                      |
| Construction in Progress                    | 36,290                        | 1,908,010   | 1,903,018    | 41,282                          |
| Total capital assets not being depreciated  | 387,914                       | 1,908,010   | 1,903,018    | 392,906                         |
| Capital assets being depreciated:           |                               |             |              |                                 |
| Improvements                                | 57,175,530                    | 1,446,173   | 101,951      | 58,519,752                      |
| Buildings                                   | 5,849,493                     | 7,894       | 4,924        | 5,852,463                       |
| Equipment                                   | 9,911,326                     | 184,672     | 80,248       | 10,015,750                      |
| Louisa Plant                                | 11,527,588                    | 348,128     | 14,926       | 11,860,790                      |
| WS4 Plant                                   | 5,491,255                     | 100,823     | 12,898       | 5,579,180                       |
| Total capital assets being depreciated      | 89,955,192                    | 2,087,690   | 214,947      | 91,827,935                      |
| Less: Accumulated Depreciation              | 48,138,802                    | 3,486,305   | 159,905      | 51,465,202                      |
| Total capital assets being depreciated, net | 41,816,390                    | (1,398,615) | 55,042       | 40,362,733                      |
| Component unit capital assets, net          | \$ 42,204,304                 | \$ 509,395  | \$ 1,958,060 | \$ 40,755,639                   |

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2022**

**Note 7 - CAPITAL ASSETS (CONTINUED)**

|   | Governmental<br>Activities | Business-Type<br>Activities | Component Units          |                      |
|---|----------------------------|-----------------------------|--------------------------|----------------------|
|   |                            |                             | Waverly<br>Health Center | Waverly<br>Utilities |
| Land  | \$ 14,768,825              | \$ 117,723                  | \$ 2,206,302             | \$ 351,624           |
| Construction in Progress                                      | 7,493,139                  | 8,420,857                   | 9,809,569                | 41,282               |
| Capital Assets (net of accumulated depreciation/amortization) | 62,056,401                 | 14,389,362                  | 31,446,296               | 40,362,733           |
| Less: General Obligation Bonds                                | (26,602,314)               | -                           | -                        | -                    |
| Revenue Bond Anticipation Note                                | -                          | -                           | (27,063,000)             | -                    |
| Notes Payable   | -                          | -                           | (756,652)                | -                    |
| Revenue Bonds   | -                          | (2,444,469)                 | (3,500,000)              | (14,617,708)         |
| Lease Agreements  | (187,937)                  | -                           | (2,764,975)              | -                    |
| Accounts Payable associated with CIP                          | (765,442)                  | -                           | (1,535,285)              | -                    |
| Add: Unspent Bond Proceeds                                    | 987,338                    | -                           | 4,852,320                | 1,446,500            |
| Net Investment in Capital Assets                              | <u>\$ 57,750,010</u>       | <u>\$ 20,483,473</u>        | <u>\$ 12,694,575</u>     | <u>\$ 27,584,431</u> |

**Note 8 - CASH ADVANCES**

The Health Center has contracted with an accounts receivable management company to collect certain patient accounts on behalf of the Health Center. The Health Center receives cash advances, less a fee, for the accounts to be collected by the management company. The cash advances are secured by the patient receivables. The patient receivables and related cash advance balance is reduced as the management company collects on the accounts. At June 30, 2022, the Health Center had reported \$742,187 of cash advances secured by outstanding patient receivables.

**Note 9 - LONG-TERM LIABILITIES**

The City's computed legal debt limit as of June 30, 2022, is \$40,375,145 of which \$25,631,281 is committed for outstanding general obligation debt and development agreements.

The following is a summary of long-term liabilities transactions of the City and its component units for the year ended June 30, 2022:

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2022**

**Note 9 - LONG-TERM LIABILITIES (CONTINUED)**

|   | <b>Restated,<br/>Beginning<br/>Balance</b> | <b>Additions</b>    | <b>Reductions</b>   | <b>Ending<br/>Balance</b> | <b>Due Within<br/>One Year</b> |
|---|--|---------------------|---------------------|---------------------------|--------------------------------|
| <b>Primary Government:</b>                      |  |                     |                     |                           |                                |
| <b>Governmental Activities:</b>                 |  |                     |                     |                           |                                |
| Bonds Payable:                                  |  |                     |                     |                           |                                |
| General Obligation                              | \$ 29,555,000                              | \$ -                | \$ 3,880,000        | \$25,675,000              | \$ 3,995,000                   |
| Direct Borrowings:                              |  |                     |                     |                           |                                |
| Notes Payable                                   | 46,946                                     | -                   | 46,946              | -                         | -                              |
| Lease Agreements                                | 16,418                                     | 308,932             | 137,413             | 187,937                   | 74,142                         |
| Compensated Absences                            | 501,173                                    | 335,777             | 300,704             | 536,246                   | 321,748                        |
| Governmental Activity<br>Long-Term Liabilities  | <u>30,119,537</u>                          | <u>644,709</u>      | <u>4,365,063</u>    | <u>26,399,183</u>         | <u>4,390,890</u>               |
| <b>Business-Type Activities:</b>                |  |                     |                     |                           |                                |
| Bonds Payable:                                  |  |                     |                     |                           |                                |
| General Obligation                              | 315,000                                    | -                   | 315,000             | -                         | -                              |
| Revenue Bonds                                   | 2,915,000                                  | -                   | 515,000             | 2,400,000                 | 530,000                        |
| Direct Borrowings:                              |  |                     |                     |                           |                                |
| Notes Payable                                   | 753,237                                    | 7,381,035           | 753,237             | 7,381,035                 | 314,611                        |
| Compensated Absences                            | 94,094                                     | 36,723              | 56,456              | 74,361                    | 44,617                         |
| Business-Type Activity<br>Long-Term Liabilities | <u>\$ 4,077,331</u>                        | <u>\$ 7,417,758</u> | <u>\$ 1,639,693</u> | <u>\$ 9,855,396</u>       | <u>\$ 889,228</u>              |

The City of Waverly's general obligation and revenue bonds are shown gross of the unamortized premium of \$927,314 for governmental activities and \$44,469 for business-type activities on the Statement of Net Position.

|  | <b>Beginning<br/>Balance</b> | <b>Additions</b> | <b>Reductions</b>   | <b>Ending<br/>Balance</b> | <b>Due Within<br/>One Year</b> |
|--|------------------------------|------------------|---------------------|---------------------------|--------------------------------|
| <b>Component Units:</b>                        |                              |                  |                     |                           |                                |
| <b>Waverly Health Center:</b>                  |                              |                  |                     |                           |                                |
| Revenue Bond:                                  |                              |                  |                     |                           |                                |
| Bond Anticipation Note                         | \$ 27,063,000                | \$ -             | \$ -                | \$27,063,000              | \$ 249,964                     |
| Bond Payable                                   | 3,500,000                    | -                | -                   | 3,500,000                 | 131,612                        |
| Direct Borrowing:                              |                              |                  |                     |                           |                                |
| Notes Payable                                  | 1,450,781                    | -                | 694,129             | 756,652                   | 533,885                        |
| Lease Agreements                               | -                            | 2,764,975        | -                   | 2,764,975                 | 679,253                        |
| Waverly Health Center<br>Long-Term Liabilities | <u>32,013,781</u>            | <u>2,764,975</u> | <u>694,129</u>      | <u>34,084,627</u>         | <u>1,594,714</u>               |
| <b>Waverly Utilities:</b>                      |                              |                  |                     |                           |                                |
| Bonds Payable:                                 |                              |                  |                     |                           |                                |
| Revenue Bonds                                  | 16,200,429                   | -                | 1,658,622           | 14,541,807                | 1,707,687                      |
| Waverly Utilities<br>Long-Term Liabilities     | <u>\$ 16,200,429</u>         | <u>\$ -</u>      | <u>\$ 1,658,622</u> | <u>\$ 14,541,807</u>      | <u>\$ 1,707,687</u>            |

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2022**

**Note 9 - LONG-TERM LIABILITIES (CONTINUED)**

The Waverly Utilities' debt is shown gross of unamortized premium of \$75,901.

**Direct Borrowing and Direct Placements – Notes Payable**

On October 24, 2019 the City borrowed funds from a local bank to purchase new golf equipment in the amount of \$140,700 accruing interest at 4.875% and due in annual installments of \$49,286. This loan includes a provision that in the event of default, the outstanding amounts become immediately due. This note was paid off in the current year.

On November 18, 2019, the City Council approved sewer revenue loans not to exceed \$780,000 from the Iowa Finance Authority for the water pollution control project. This agreement is a planning and design loan agreement at zero percent interest rate with a term of up to three years. In the current year, this loan was rolled into the SRF Construction Loan, which was approved not to exceed \$13,300,000. The loan includes a provision that in an event of default, the performance requirements relating to this loan will be mandated under Division V of Chapter 384 of the Code of Iowa.

The Health Center has note agreements to finance the purchase of certain equipment. The notes currently require monthly payments of approximately \$59,000, including interest ranging from 0% to 4.187%, with their final payment due November 2023. The notes are collateralized by the equipment purchased by the Health Center. At June 30, 2022, the remaining balance on the notes was \$756,652.

The annual principal and interest requirements for the City and Component Unit Direct Borrowings and Direct Placement Note Payables are as follows:

|           | City                            |                     | Component Unit                 |             |
|-----------|---------------------------------|---------------------|--------------------------------|-------------|
|           | Business-Type Direct Borrowings |                     | Waverly Health Center - Direct |             |
|           | SRF Funds                       |                     | Borrowings                     |             |
|           | Principal                       | Interest            | Principal                      | Interest    |
| 2023      | \$ 314,611                      | \$ 136,864          | \$ 533,885                     | \$ -        |
| 2024      | 308,844                         | 142,631             | 222,767                        | -           |
| 2025      | 315,078                         | 136,397             | -                              | -           |
| 2026      | 321,438                         | 130,038             | -                              | -           |
| 2027      | 327,926                         | 123,550             | -                              | -           |
| 2028-2032 | 1,741,627                       | 515,751             | -                              | -           |
| 2033-2037 | 1,924,636                       | 332,743             | -                              | -           |
| 2038-2042 | 2,126,875                       | 130,504             | -                              | -           |
|           | <u>\$ 7,381,035</u>             | <u>\$ 1,648,478</u> | <u>\$ 756,652</u>              | <u>\$ -</u> |

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2022**

**Note 9 - LONG-TERM LIABILITIES (CONTINUED)**

**General Obligation**

General obligation bonds outstanding as of June 30, 2022 are as follows:

|                          | Date<br>of<br>Issue | Interest<br>Rates | Final<br>Due<br>Date | Annual<br>Payments | Amount<br>Originally<br>Issued | Outstanding<br>June 30,<br>2022 |
|--------------------------|---------------------|-------------------|----------------------|--------------------|--------------------------------|---------------------------------|
| General Obligation:      |                     |                   |                      |                    |                                |                                 |
| 2014A GO Bonds           | 2014                | 2.0-3.0%          | 2029                 | 205,000-725,000    | \$ 7,380,000                   | \$ 3,410,000                    |
| 2015B GO Bonds           | 2015                | 2.0-4.0%          | 2027                 | 120,000-940,000    | 8,245,000                      | 3,910,000                       |
| 2017A GO Bonds           | 2017                | 2.00%             | 2026                 | 155,000-185,000    | 1,500,000                      | 700,000                         |
| 2017B Go Bonds           | 2017                | 1.7-2.75%         | 2026                 | 65,000-80,000      | 615,000                        | 290,000                         |
| 2018A GO Bonds           | 2018                | 3.00%             | 2029                 | 970,000-1,190,000  | 11,000,000                     | 7,610,000                       |
| 2019 GO Bonds            | 2019                | 2.5-2.75%         | 2029                 | 310,000- 390,000   | 3,500,000                      | 2,530,000                       |
| 2020A GO Bonds           | 2020                | 2.00%             | 2030                 | 410,000- 580,000   | 5,270,000                      | 4,360,000                       |
| 2020B GO Bonds           | 2020                | 0.7-1.75%         | 2030                 | 65,000- 75,000     | 700,000                        | 570,000                         |
| 2021 GO Bonds            | 2021                | 2.00%             | 2031                 | 235,000-275,000    | 2,530,000                      | 2,295,000                       |
| Total General Obligation |                     |                   |                      |                    | <u>\$ 40,740,000</u>           | <u>\$ 25,675,000</u>            |

All General Obligation Debt are to be retired through property tax levies. The revenue bonds are to be retired with water and sewer revenues.

**Revenue Bonds**

The City also has issued revenue bonds where the City pledges income derived from the acquired constructed asset to pay debt service. Revenues from the related enterprise will be used to retire these bonds and have been pledged for the entire term of the bonds.

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2022**

**Note 9 - LONG-TERM LIABILITIES (CONTINUED)**

Revenue bonds outstanding as of June 30, 2022 are as follows:

|                              | Date<br>of<br>Issue | Interest<br>Rates | Final<br>Due<br>Date | Annual<br>Payments | Amount<br>Originally<br>Issued | Outstanding<br>June 30,<br>2022 |
|------------------------------|---------------------|-------------------|----------------------|--------------------|--------------------------------|---------------------------------|
| <b>Revenue Bonds:</b>        |                     |                   |                      |                    |                                |                                 |
| 2014B - Water                | 2014                | 0.50-2.7%         | 2025                 | 160,000-190,000    | \$ 1,870,000                   | \$ 555,000                      |
| 2015 - Sewer                 | 2015                | 2.0-4.0%          | 2026                 | 155,000-210,000    | 1,990,000                      | 800,000                         |
| 2018B- Water                 | 2018                | 3.00%             | 2028                 | 150,000- 190,000   | 1,655,000                      | 1,045,000                       |
| Total Revenue Bonds          |                     |                   |                      |                    | <u>5,515,000</u>               | <u>2,400,000</u>                |
| <b>Component Units:</b>      |                     |                   |                      |                    |                                |                                 |
| <b>Waverly Health Center</b> |                     |                   |                      |                    |                                |                                 |
| 2019 Hospital Revenue Bond   |                     |                   |                      |                    |                                |                                 |
| Anticipation Notes           | 2019                | 2.50%             | 2063                 | -                  | 27,063,000                     | 27,063,000                      |
| 2019 Hospital Revenue Bonds  | 2020                | 3.50%             | 2034                 | -                  | 3,500,000                      | 3,500,000                       |
| Total Revenue Bonds          |                     |                   |                      |                    | <u>30,563,000</u>              | <u>30,563,000</u>               |
| <b>Waverly Utilities</b>     |                     |                   |                      |                    |                                |                                 |
| 2007 Utility Rev. Bonds      | 2007                | .70%              | 2022                 | 188,421            | 2,826,316                      | 188,421                         |
| 2015 Utility Rev Bonds       | 2015                | 2-4%              | 2030                 | 100,000-185,000    | 4,980,000                      | 4,065,000                       |
| 2013 Revenue Bond            | 2013                | .4-.67%           | 2023                 | 365,000-420,000    | 4,000,000                      | 890,000                         |
| 2015 Comm Utility Rev Bonds  | 2015                | 4.3%              | 2030                 | 350,000-530,000    | 6,672,483                      | 4,888,386                       |
| 2016 Revenue Bonds           | 2016                | 2%                | 2029                 | 135,000-170,000    | 2,860,000                      | 2,130,000                       |
| 2018 Revenue Bonds           | 2018                | 3-3.2%            | 2030                 | 220,000-300,000    | 3,045,000                      | 2,380,000                       |
| Total Revenue Bonds          |                     |                   |                      |                    | <u>24,383,799</u>              | <u>14,541,807</u>               |
| Grand Total Revenue Bonds    |                     |                   |                      |                    | <u>\$ 60,461,799</u>           | <u>\$ 47,504,807</u>            |

The bond principal and interest annual requirements for the City are as follows:

| Year Ending<br>June 30, | <u>General Obligation<br/>Paid by Debt Service</u> |                     | <u>Revenue Bond<br/>Paid by Enterprise Fund</u> |                   |
|-------------------------|--|---------------------|---|-------------------|
|                         | <u>Principal</u>                                   | <u>Interest</u>     | <u>Principal</u>                                | <u>Interest</u>   |
| 2023                    | \$ 3,995,000                                       | \$ 693,450          | \$ 530,000                                      | \$ 71,055         |
| 2024                    | 4,095,000  | 577,450             | 545,000   | 54,605            |
| 2025                    | 3,830,000  | 458,350             | 565,000   | 39,180            |
| 2026                    | 3,860,000  | 356,100             | 385,000   | 22,800            |
| 2027                    | 3,115,000  | 253,300             | 185,000   | 11,250            |
| 2028-2031               | 6,780,000  | 294,613             | 190,000   | 5,700             |
|                         | <u>\$25,675,000</u>                                | <u>\$ 2,633,263</u> | <u>\$ 2,400,000</u>                             | <u>\$ 204,590</u> |

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2022**

**Note 9 - LONG-TERM LIABILITIES (CONTINUED)**

The Health Center issued bond anticipation notes totaling \$27,063,000 on December 27, 2019 to refund the Hospital Bond Anticipation Notes, Series 2018. The notes require semi-annual interest payments at a rate of 2.5%. Principal is not due on the notes until their maturity date of December 31, 2022, at which point the Health Center intends to refinance the notes through the U.S. Department of Agriculture's Community Facilities Loan Program.

The Health Center issued revenue bonds totaling \$3,500,000 on December 24, 2019 for the expansion and renovation of the Health Center's facilities. The interest charged on the bonds is 3.5%. The bonds require monthly interest only payments through December 2022 after which time monthly principal and interest payments are due until maturity on December 1, 2033. At June 30, 2022, the remaining balance on the bonds was \$3,500,000.

The bond principal and interest annual requirements for the component units are as follows:

| <b>Waverly Health Center</b> |                          |                      |                     |                 |                |
|------------------------------|--------------------------|----------------------|---------------------|-----------------|----------------|
| <b>Year Ending</b>           | <b>Revenue Bond</b>      |                      |                     |                 |                |
| <b>June 30,</b>              | <b>Anticipation Note</b> | <b>Interest</b>      | <b>Revenue Bond</b> | <b>Interest</b> |                |
| 2023                         | \$ 249,964               | \$ 827,685           | \$ 131,612          | \$              | 121,544        |
| 2024                         | 342,916                  | 868,424              | 270,224             |                 | 113,586        |
| 2025                         | 354,255                  | 857,085              | 279,836             |                 | 103,975        |
| 2026                         | 365,970                  | 845,370              | 289,788             |                 | 94,022         |
| 2027                         | 378,072                  | 833,268              | 300,095             |                 | 83,715         |
| 2028-2032                    | 2,086,376                | 3,970,324            | 1,668,376           |                 | 250,676        |
| 2033-2037                    | 2,454,928                | 3,601,772            | 560,069             |                 | 15,648         |
| 2038-2042                    | 2,888,586                | 3,168,114            | -                   |                 | -              |
| 2043-2047                    | 3,398,847                | 2,657,853            | -                   |                 | -              |
| 2048-2052                    | 3,999,244                | 2,057,456            | -                   |                 | -              |
| 2053-2057                    | 4,705,698                | 1,351,002            | -                   |                 | -              |
| 2058-2062                    | 5,536,948                | 519,752              | -                   |                 | -              |
| 2063                         | 301,196                  | 1,637                | -                   |                 | -              |
|                              | <u>\$ 27,063,000</u>     | <u>\$ 21,559,742</u> | <u>\$ 3,500,000</u> | <u>\$</u>       | <u>783,166</u> |

**Waverly Utilities**

| <b>Year Ending</b>  | <b>Revenue Bond</b>  |                     |              |                   |  |
|---------------------|----------------------|---------------------|--------------|-------------------|--|
| <b>December 31,</b> | <b>Principal</b>     | <b>Interest</b>     | <b>Total</b> |                   |  |
| 2023                | \$ 1,707,687         | \$ 420,787          | \$           | 2,128,474         |  |
| 2024                | 1,753,096            | 377,385             |              | 2,130,481         |  |
| 2025                | 1,561,926            | 328,120             |              | 1,890,046         |  |
| 2026                | 1,615,756            | 284,266             |              | 1,900,022         |  |
| 2027                | 1,664,587            | 237,026             |              | 1,901,613         |  |
| 2028-2030           | 6,238,755            | 438,903             |              | 6,677,658         |  |
|                     | <u>\$ 14,541,807</u> | <u>\$ 2,086,487</u> | <u>\$</u>    | <u>16,628,294</u> |  |

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2022**

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**Note 9 - LONG-TERM LIABILITIES (CONTINUED)**

There are a number of limitations and restrictions contained in the various bond indentures creating certain reserve and sinking funds to insure repayment of revenue bonds. The reserve and sinking fund requirements are recorded as restricted assets on the combined balance sheet and meet the minimum requirements of the various bond ordinances.

Lease Agreements

On October 1, 2021, the City entered into a three year lease agreement for police vehicles. The agreement required one annual payment of \$100,000 and two annual payments of \$54,000 with an implicit interest rate of 1.33% and the final payment due July 1, 2023. During the year ended June 30, 2022, the City paid principal of \$99,086 and interest of \$914. Future principal and interest lease payments as of June 30, 2022 are as follows:

| Year Ending<br>June 30, | Principal         | Interest        | Total             |
|-------------------------|-------------------|-----------------|-------------------|
| 2023                    | \$ 53,408         | \$ 592          | \$ 54,000         |
| 2024                    | 53,287            | 713             | 54,000            |
| Total                   | <u>\$ 106,695</u> | <u>\$ 1,305</u> | <u>\$ 108,000</u> |

On October 1, 2021, the City entered into a six year lease agreement for police dash cameras and on body cameras. The agreement required one annual payment of \$28,000 and five annual payments of \$15,800 with an implicit interest rate of 1.75% and the final payment due July 1, 2026. During the year ended June 30, 2022, the City paid principal of \$27,397 and interest of \$603. Future principal and interest lease payments as of June 30, 2022 are as follows:

| Year Ending<br>June 30, | Principal        | Interest        | Total            |
|-------------------------|------------------|-----------------|------------------|
| 2023                    | \$ 15,246        | \$ 554          | \$ 15,800        |
| 2024                    | 14,733           | 1,067           | 15,800           |
| 2025                    | 14,992           | 808             | 15,800           |
| 2026                    | 15,257           | 543             | 15,800           |
| 2027                    | 15,526           | 274             | 15,800           |
| Total                   | <u>\$ 75,754</u> | <u>\$ 3,246</u> | <u>\$ 79,000</u> |

On April 27, 2020, the City entered into a three year lease agreement for the use of the golf pro shop. The agreement required semi-annual payments of \$5,500 with an implicit interest rate of 0.57% and the final payment due October 15, 2022. During the year ended June 30, 2022, the City paid principal of \$10,930 and interest of \$70. Future principal and interest lease payments as of June 30, 2022 are as follows:

| Year Ending<br>June 30, | Principal       | Interest     | Total           |
|-------------------------|-----------------|--------------|-----------------|
| 2023                    | \$ 5,488        | \$ 12        | \$ 5,500        |
| Total                   | <u>\$ 5,488</u> | <u>\$ 12</u> | <u>\$ 5,500</u> |

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2022**

**Note 9 - LONG-TERM LIABILITIES (CONTINUED)**

The Health Center has entered into contracts to lease certain buildings and equipment. The lease contracts qualify as other than short-term leases and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception with discount rates ranging from 2.75% to 3.50% and lease term ending between 2023 and 2031. For the year ending June 30, 2022, the Health Center made lease related payments ranging from \$850 to \$206,400.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2022, were as follows.

| Year Ending June 30                         | Principal           | Interest          | Total               |
|---|---------------------|-------------------|---------------------|
| 2023  | \$ 679,253          | \$ 66,169         | \$ 745,422          |
| 2024  | 534,726             | 49,415            | 584,141             |
| 2025  | 530,133             | 34,797            | 564,930             |
| 2026  | 491,328             | 20,460            | 511,788             |
| 2027  | 203,652             | 10,600            | 214,252             |
| 2028-2030                                   | 325,883             | 15,167            | 341,050             |
| Total                                       | 2,764,975           | 196,608           | 2,961,583           |
| Less amounts reported as current maturities | 679,253             | 66,169            | 745,422             |
| Total long-term debt                        | <u>\$ 2,085,722</u> | <u>\$ 130,439</u> | <u>\$ 2,216,161</u> |

**Note 10 – TRANSFERS**

The following is a summary of transfers between funds:

|                                | General           | Employee Benefits | Debt Service        | WPC Improvements    | Nonmajor Governmental | Sewer             | Total Transfer Out   |
|--------------------------------|-------------------|-------------------|---------------------|---------------------|-----------------------|-------------------|----------------------|
| <b>General Fund</b>            | \$ -              | \$ 25,000         | \$ -                | \$ -                | \$ -                  | \$ -              | \$ 25,000            |
| <b>Tax Increment Financing</b> | -                 | -                 | 1,123,945           | -                   | -                     | -                 | 1,123,945            |
| <b>Nonmajor Governmental</b>   | 326,617           | -                 | 1,208,650           | -                   | 2,625,746             | 117,858           | 4,278,871            |
| <b>Water</b>                   | -                 | -                 | -                   | -                   | 190,000               | -                 | 190,000              |
| <b>Sewer</b>                   | -                 | -                 | -                   | 6,561,298           | 40,000                | -                 | 6,601,298            |
| <b>Solid Waste</b>             | -                 | -                 | -                   | -                   | 500,000               | -                 | 500,000              |
| <b>Total Transfers In</b>      | <u>\$ 326,617</u> | <u>\$ 25,000</u>  | <u>\$ 2,332,595</u> | <u>\$ 6,561,298</u> | <u>\$ 3,355,746</u>   | <u>\$ 117,858</u> | <u>\$ 12,719,114</u> |

Transfers are used to:

1. Move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.
2. To move receipts restricted to debt service from the fund collecting the receipts to the debt service fund as debt service payments become due.

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2022**

**Note 11 - PENSION PLAN**

**Pension Plans**

| <b>City</b>  | <b>IPERS</b> | <b>MFPRSI</b> | <b>Total</b> |
|--|--------------|---------------|--------------|
| Net Pension liability                              | \$ 53,954    | \$ 765,111    | \$ 819,065   |
| Deferred Outflows of Resources Related to Pensions | 573,333      | 445,367       | 1,018,700    |
| Deferred Inflows of Resources Related to Pensions  | 2,514,654    | 1,393,579     | 3,908,233    |
| Pension Expense (Income)                           | (219,566)    | (4,759)       | (146,685)    |
| <b>Waverly Health Center</b>                       |              |               |              |
| Net Pension liability (asset)                      | (444,975)    | -             | (444,975)    |
| Deferred Outflows of Resources Related to Pensions | 3,558,542    | -             | 3,558,542    |
| Deferred Inflows of Resources Related to Pensions  | 17,278,963   | -             | 17,278,963   |
| Pension Expense (Income)                           | 1,580,506    | -             | 1,580,506    |
| <b>Waverly Utilities</b>                           |              |               |              |
| Net Pension liability                              | 45,376       | -             | 45,376       |
| Deferred Outflows of Resources Related to Pensions | 200,938      | -             | 200,938      |
| Deferred Inflows of Resources Related to Pensions  | 1,746,448    | -             | 1,746,448    |
| Pension Expense (Income)                           | \$ (157,765) | \$ -          | \$ (157,765) |

**Iowa Public Employees Retirement System**

*Plan description* – IPERS membership is mandatory for employees of the City and its component units, except for those covered by another retirement system. Employees of the City and its component units are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by Iowa Public Employees’ Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at P.O. Box 9117, Des Moines, Iowa 50306-9117 or at [www.ipers.org](http://www.ipers.org).

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

**Pension Benefits**

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

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2022**

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**Note 11 - PENSION PLAN (CONTINUED)**

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

- A multiplier (based on years of service).
- The member's highest five-year average salary. (For members with service before June 30, 2012, the highest three-year average salary as of that date if it is greater than the highest five-year average salary).

Protection occupation members may retire at normal retirement age which is generally at age 55 and may retire any time after reaching age 50 with 22 or more years of covered employment. The formula used to calculate a protection occupation members' monthly IPERS benefit includes:

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

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

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

**Disability and Death Benefits**

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

**Contributions**

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

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2022**

**Note 11 - PENSION PLAN (CONTINUED)**

From July 1, 2021 to June 30, 2022, pursuant to the required rate, regular members contributed 6.29 percent of covered payroll and the City and the Health Center contributed 9.44 percent of covered payroll for a total rate of 15.73 percent. Protective occupation members contributed 6.24 percent of covered payroll and the City contributed 9.31 percent of covered payroll for a total rate of 15.55 percent. From January 1, 2021 through December 31, 2021 Waverly Utilities regular members contributed 6.29% of covered payroll and Waverly Utilities contributed 9.44% for a total rate of 15.73%

The City's total contributions to IPERS for the year ended June 30, 2022 were \$409,930 and total contributions for the component units for their respective year ends, were \$2,831,712.

**Net Pension Liability (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2022, the City reported a liability (asset) of \$53,954 and the Waverly Health Center component unit reported a liability (asset) of \$(444,975). As of December 31, 2021, Waverly Utilities reported a liability (asset) of \$45,376 for the proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2021, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The City and its component units' proportion of the net pension liability (asset) was based on their share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2021, the City's collective proportion was 0.0156286 percent, which was a decrease of 0.0317969 percent from its proportion measured as of June 30, 2020. The component unit's collective proportion was (0.096525) percent, which was a decrease of 0.435458 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the City and the Waverly Health Center component unit recognized pension expense (income) of (\$219,566) and \$1,580,506 respectively and Waverly Utilities recognized pension expense (income) of (\$157,765) as of December 31, 2021. At June 30, 2022 and December 31, 2021, the City and component units reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | <b>City</b>                               |  |
|---|---|--|
|   | <b>Deferred Outflows<br/>of Resources</b> | <b>Deferred Inflows<br/>of Resources</b> |
| Differences between expected and actual experience  | \$ 52,485                                 | \$ 51,653                                |
| Changes of assumption   | 44,344                                    | 15                                       |
| Net difference between projected and actual earnings on pension plan investments                          | -   | 2,460,814                                |
| Changes in proportion and differences between City contributions and proportionate share of contributions | 66,574                                    | 2,172                                    |
| City contributions subsequent to the measurement date   | 409,930                                   | -  |
| <b>Total</b>  | <b>\$ 573,333</b>                         | <b>\$ 2,514,654</b>                      |

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2022**

**Note 11 - PENSION PLAN (CONTINUED)**

|   | <b>Component Units</b>                    |  |
|---|---|--|
|   | <b>Deferred Outflows<br/>of Resources</b> | <b>Deferred Inflows<br/>of Resources</b> |
| Differences between expected and actual experience  | \$ 433,441                                | \$ 367,778                               |
| Changes of assumption   | 322,588                                   | 982                                      |
| Net difference between projected and actual earnings on<br>pension plan investments                                     | -   | 18,157,637                               |
| Changes in proportion and differences between Component<br>Units contributions and proportionate share of contributions | 298,297                                   | 499,014                                  |
| Component Units contributions subsequent to the measurement date  | 2,705,154                                 | -  |
| <b>Total</b>  | <b>\$ 3,759,480</b>                       | <b>\$ 19,025,411</b>                     |

\$409,930 and \$2,705,154 were reported as deferred outflows of resources related to pensions resulting from the City and component unit's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ending June 30, 2023 and December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (income) as follows:

| <b>Year Ending<br/>June 30,</b> | <b>City</b>           | <b>Health<br/>Center</b> | <b>Year Ending<br/>December 31,</b> | <b>Waverly<br/>Utilities</b> |
|---------------------------------|-----------------------|--------------------------|-------------------------------------|------------------------------|
| 2023                            | \$ (574,988)          | \$ (4,009,742)           | 2022                                | \$ (418,395)                 |
| 2024                            | (583,903)             | (4,056,530)              | 2023                                | (423,595)                    |
| 2025                            | (542,362)             | (3,792,383)              | 2024                                | (382,776)                    |
| 2026                            | (656,590)             | (4,490,528)              | 2025                                | (445,647)                    |
| 2027                            | 6,592                 | 45,040                   | 2026                                | 3,471                        |
| <b>Total</b>                    | <b>\$ (2,351,251)</b> | <b>\$ (16,304,143)</b>   | <b>Total</b>                        | <b>\$ (1,666,942)</b>        |

There were no non-employer contributing entities to IPERS.

*Actuarial assumptions* – The total pension liability (asset) in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|  |   |
|--|---|
| Rate of Inflation<br>(effective June 30, 2017)         | 2.60% per annum   |
| Salary Increases<br>(effective June 30, 2017)          | 3.25 to 16.25% average, including inflation. Rates vary by membership group |
| Investment Rate of Return<br>(effective June 30, 2017) | 7.00% compounded annually, net of investment expense, including inflation   |
| Wage Growth<br>(effective June 30, 2017)               | 3.25% per annum based on 2.60% inflation and .65% real wage inflation       |

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2022**

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**Note 11 - PENSION PLAN (CONTINUED)**

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an economic assumption study dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

Mortality rates used in the 2021 valuation were based on the RP-2014 Employee and Health Annuitant Tables with MP-2017 generational adjustments.

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 following table:

| <b>Asset Class</b>       | <b>Target Allocation</b> | <b>Long-Term Expected Real Rate of Return</b> |
|--------------------------|--------------------------|---|
| Domestic equity          | 22.0%                    | 4.43%   |
| International equity     | 17.5                     | 6.01  |
| Global smart beta equity | 6.0                      | 5.10  |
| Core plus fixed income   | 26.0                     | 0.29  |
| Public credit            | 4.0                      | 2.08  |
| Cash                     | 1.0                      | (0.25)  |
| Private equity           | 13.0                     | 9.51  |
| Private real assets      | 7.5                      | 4.63  |
| Private Credit           | 3.0                      | 2.87  |
| Total                    | 100.0%                   |   |

Discount rate – The discount rate used to measure the total pension liability (asset) was 7 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that contributions from the City and its component units will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on IPERS' investments was applied to all periods of projected benefit payments to determine the total pension liability (asset).

Sensitivity of the City and component unit's proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the City's and component unit's proportionate share of the net pension liability (asset) calculated using the discount rate of 7 percent, as well as what the City's and component unit's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6 percent) or 1 percentage point higher (8 percent) than the current rate.

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2022**

**Note 11 - PENSION PLAN (CONTINUED)**

|   | <b>1% Decrease<br/>6%</b> | <b>Discount Rate<br/>7%</b> | <b>1% Increase<br/>8%</b> |
|---|---------------------------|-----------------------------|---------------------------|
| City's proportionate share of the net pension liability (asset)           | \$ 2,388,733              | \$ 53,954                   | \$ (1,902,726)            |
| Component Unit's proportionate share of the net pension liability (asset) | \$ 16,760,946             | \$ (399,599)                | \$(14,780,346)            |

IPERS fiduciary net position – Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report which is available on IPERS' website at [www.ipers.org](http://www.ipers.org).

**Payables to the pension plan**

At June 30, 2022, the Waverly Health Center reported payables to the defined benefit pension plan of approximately \$527,000 for legally required employer and employee contributions which had not yet been remitted to IPERS.

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

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

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

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

Benefits are calculated based upon the member's highest 3 years of compensation. The average of these 3 years becomes the member's average final compensation. The base benefit is 66 percent of the member's average final compensation. Additional benefits are available to members who perform more than 22 years of service (2 percent 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 percent 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. By electing to participate in DROP the member is signing a contract indicating the member will retire at the end of the selected DROP

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2022**

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**Note 11 - PENSION PLAN (CONTINUED)**

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.

Disability and Death Benefits - Disability coverage is broken down into two types, accidental and ordinary. Accidental disability is defined as permanent disability incurred in the line of duty, with benefits equivalent to the greater of 60 percent 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 percent of the member's average final compensation, for those with 5 or more years of service, or the member's service retirement benefit calculation amount, and 25 percent 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 percent 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 percent 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 percent of the previous year's earnable compensation of the member or equal to the amount of the member's total contributions plus interest.

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

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

Contributions - Member contribution rates are set by state statute. In accordance with Chapter 411 of the Code of Iowa, the contribution rate was 9.40 percent of earnable compensation for the year ended June 30, 2022.

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 percent 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 employer's contribution rate cannot be less than 17.00 percent of earnable compensation. The contribution rate was 26.18 percent for the year ended June 30, 2022.

The City's contributions to MFPRSI for the year ended June 30, 2022 was \$323,590.

If approved by the state legislature, state appropriation may further reduce the City's contribution rate, but not below the minimum statutory contribution rate of 17.00 percent of earnable

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
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**Note 11 - PENSION PLAN (CONTINUED)**

compensation. The State of Iowa therefore is considered to be a nonemployer contributing entity in accordance with the provisions of the Governmental Accounting Standards Board Statement No. 67 – Financial Reporting for Pension Plans.

There were no state appropriations to MFPRSI during the fiscal year ended June 30, 2022.

Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2022, the City reported a liability of \$765,111 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all MFPRSI participating employers. At June 30, 2021, the City's proportion was 0.340694 percent which was a decrease of 0.008307 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the City recognized pension expense of \$(4,759). At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | <b>City</b>                               |  |
|---|---|--|
|   | <b>Deferred Outflows<br/>of Resources</b> | <b>Deferred Inflows<br/>of Resources</b> |
| Differences between expected and actual experience  | \$ 88,751                                 | \$ 8,611                                 |
| Changes of assumption   | 28,816                                    | -  |
| Net difference between projected and actual earnings on pension plan investments                          | -   | 1,278,406                                |
| Changes in proportion and differences between City contributions and proportionate share of contributions | 4,210                                     | 106,562                                  |
| City contributions subsequent to the measurement date   | 323,590                                   | -  |
| Total   | \$ 445,367                                | \$ 1,393,579                             |

\$323,590 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <b>Year Ending<br/>June 30,</b> | <b>City</b>    |
|---------------------------------|----------------|
| 2023                            | \$ (261,311)   |
| 2024                            | (278,030)      |
| 2025                            | (323,672)      |
| 2026                            | (408,634)      |
| 2027                            | (155)          |
| Total                           | \$ (1,271,802) |

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2022**

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**Note 11 - PENSION PLAN (CONTINUED)**

Actuarial Assumptions The total pension liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|                           |   |
|---------------------------|---|
| Rate of Inflation         | 3.00 percent  |
| Salary increases          | 3.75 to 15.11 percent, including inflation                                |
| Investment rate of return | 7.50 percent, net of pension plan investment expense, including inflation |

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2007 to June 30, 2017.

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 percent 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:

| Asset Class                  | Long-Term Expected<br>Real Rate of Return |
|------------------------------|---|
| Large Cap                    | 7.4%                                      |
| Small Cap                    | 8.1%                                      |
| International Large Cap      | 7.2%                                      |
| Emerging Markets             | 7.9%                                      |
| Global Infrastructure        | 7.5%                                      |
| Private Non-Core Real Estate | 11.5%                                     |
| Private Credit               | 6.4%                                      |
| Private Equity               | 10.8%                                     |
| Core Plus Fixed Income       | 4.0%                                      |
| Private Core Real Estate     | 7.2%                                      |

Discount Rate - The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made at 9.40% of covered payroll and the City contributions will be made at rates equal to the difference between actuarially determined rates and the member rate. Based on those assumptions, the MFPRSI's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2022**

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**Note 11 - PENSION PLAN (CONTINUED)**

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 percent, as well as what the city's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percent lower (6.50 percent) or 1-percent higher (8.50 percent) than the current rate.

|   | 1%<br>Decrease<br>6.5% | Discount<br>Rate<br>7.5% | 1%<br>Increase<br>8.5% |
|---|------------------------|--------------------------|------------------------|
| City's proportionate share of the net pension liability | \$2,264,123            | \$765,111                | \$(478,983)            |

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

Payables to MFPRSI – All legally required City contributions and legally required employee contributions which had been withheld from employee wages were remitted by the City to MFPRSI by June 30, 2022.

**Note 12 - DEFICIT FUND EQUITY**

The City has eight funds with deficit equity balances at June 30, 2022. The City intends to finance these deficits from various resources including; road use tax funds, general funds, special assessments, capital project debt financing, grant revenues, and utility charges. The individual fund deficits were as follows:

|  |              |
|--|--------------|
| Capital Project – WPC Improvements.....            | \$ 1,071,064 |
| Capital Project – Airport Land Acquisition.....    | 3            |
| Capital Project – Storm Drainage Improvement ..... | 2,835        |
| Capital Project – Youth Ball Diamond .....         | 529,092      |
| Capital Project – Airport Runway 11 Taxiway.....   | 61,930       |
| Capital Project – 2017 Airport Runway Ext.....     | 2,594        |
| Capital Project – Sidewalk Program.....            | 125,219      |
| Capital Project – CDBG Housing Rehab .....         | 15,117       |

**Note 13 - RISK MANAGEMENT**

Medical Insurance - The City uses a partially self-funded medical insurance program accounted for in an internal service fund. Costs of the program include medical benefits, administration fees and premiums for stop-loss coverage with limits of \$5,000 per covered employee per year and 125% of expected claims for year for the City as a whole per year.

Claims payable and estimated claims incurred but not reported are recorded as liabilities of the Internal Service Fund.

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2022**

**Note 13 - RISK MANAGEMENT (CONTINUED)**

|                                 |             |
|---------------------------------|-------------|
| Claims payable at July 1, 2021  | \$ 14,083   |
| Claims paid                     | (1,698,277) |
| Claims incurred                 | 1,714,955   |
| Claims payable at June 30, 2022 | \$ 30,761   |

Other Risk - The City of Waverly is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The City assumes liability for any deductible and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three years.

**Note 14 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

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

OPEB Benefits – Individuals who are employed by the City and its component unit 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 and prescription drug benefits as active employees, which results in an implicit rate subsidy and an OPEB liability.

Retired participants must be age 55 or older at retirement. At June 30, 2022 and January 1, 2020, respectively, the following employees were covered by the benefit terms:

|   | Primary<br>Government | Component<br>Unit |
|---|-----------------------|-------------------|
| Inactive employees/beneficiaries currently receiving benefit payments | 2                     | 5                 |
| Active employees  | 73                    | 25                |
| Total   | 75                    | 30                |

Total OPEB Liability – The total OPEB liability of the City was \$639,886 and the component unit was \$595,215 measured as of June 30, 2022 and December 31, 2021 respectively and was determined by an actuarial valuation as of June 30, 2022 for the City and as of January 1, 2020 for the component unit.

Actuarial Assumptions – The total OPEB liability for the City and the component unit in the June 30, 2022 and January 1, 2021, respectively, actuarial valuation was determined using the following actuarial assumptions and the alternative measurement method, a simplified version of the entry age normal actuarial cost method, applied to all periods included in the measurement.

|                            | City<br>(effective June 30, 2022)                 | Component Unit<br>(effective January 1, 2020) |
|----------------------------|---|---|
| Rate of inflation          | 3.00% per annum                                   | 3.00% per year                                |
| Rates of salary increase   | 3.00% per annum<br>including inflation.           | 2.75% per year                                |
| Discount rate              | 3.54% compounded annually,<br>including inflation | 2.74% per year                                |
| Healthcare cost trend rate | 5% for all years                                  | 6.00% decreasing .25% per year<br>until 5.00% |

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2022**

**Note 14 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

Discount Rate – The discount rate used to measure the total OPEB liability for the City and component unit was 3.54% and 2.74%, respectively, which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the 2019 United States Life Tables for the City and 2016 United States Life Tables for the component unit.

**Changes in the Total OPEB Liability**

|  | City      | Component<br>Unit |
|--|-----------|-------------------|
| Total OPEB liability beginning of year                 | \$948,620 | \$ 557,275        |
| Changes for the year:                                  |           |                   |
| Service cost   | 58,208    | 37,188            |
| Interest   | 21,656    | 16,078            |
| Differences between expected<br>and actual experiences | (259,087) | -                 |
| Changes in assumptions                                 | (75,674)  | -                 |
| Benefit payments                                       | (53,837)  | (15,326)          |
| Net changes  | (308,734) | 37,940            |
| Total OPEB liability end of year                       | \$639,886 | \$ 595,215        |

Changes of assumptions reflect a change in the discount rate from 2.21% in fiscal year 2021 to 3.54% in fiscal year 2022 for the City and no change for the component unit.

Sensitivity of the City's and its Component Unit's Total OPEB liability to Changes in the Discount Rate – The following presents the total OPEB liability of the City and its component unit, as well as what the City and its component unit's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate.

| City's Total OPEB Liability |                             |                           | Component Unit's Total OPEB Liability |                             |                           |
|-----------------------------|-----------------------------|---------------------------|---------------------------------------|-----------------------------|---------------------------|
| 1%<br>Decrease<br>(2.54%)   | Discount<br>Rate<br>(3.54%) | 1%<br>Increase<br>(4.54%) | 1%<br>Decrease<br>(1.74%)             | Discount<br>Rate<br>(2.74%) | 1%<br>Increase<br>(3.74%) |
| \$ 685,816                  | \$ 639,886                  | \$ 592,359                | \$ 631,187                            | \$ 595,215                  | \$ 557,905                |

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2022**

**Note 14 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

Sensitivity of the City's and its Component Unit's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the City and its component unit as well as what the City and its component unit's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates.

| City's Total OPEB Liability |   |                           | Component Unit's Total OPEB Liability            |  |  |
|-----------------------------|---|---------------------------|--|--|--|
| 1%<br>Decrease<br>(4.00%)   | Healthcare<br>Cost Trend<br>Rate<br>(5.00%) | 1%<br>Increase<br>(6.00%) | 1%<br>Decrease<br>(4.75% Decreasing<br>to 4.00%) | Healthcare<br>Cost Trend<br>Rate<br>(5.75% Decreasing<br>to 5.00%) | 1%<br>Increase<br>(6.75% Decreasing<br>to 6.00%) |
| \$ 564,948                  | \$ 639,886                                  | \$ 727,465                | \$ 554,399                                       | \$ 595,215   | \$ 642,410                                       |

For the year ended June 30, 2022 and December 31, 2021, the City and its component unit recognized OPEB expense of (\$254,897) and \$53,266 respectively.

**Note 15 - COMMITMENTS**

During the year ended June 30, 2022, and in previous years the City had entered into several construction contracts totaling \$31,799,585 of which \$24,668,194 has been expended to date. The remaining balance will be paid as work progresses.

During the year ended June 30, 2022, and in previous years the Waverly Health Center had entered into several construction contracts totaling \$28,180,113 of which \$26,788,578 has been expended to date. The remaining balance will be paid as work progresses.

**Note 16 - CONTINGENCY**

The City receives significant financial assistance from the U.S. government. Entitlement to the resources is generally based on compliance with terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by the grantors. Any disallowances as a result of these audits become a liability of the fund that receives the grant. As of June 30, 2022, the City estimates that no material liabilities will result from such audits.

**Note 17 - BLACK HAWK COUNTY LANDFILL CONTRACT**

The City has contracted with Black Hawk County Solid Waste Commission for solid waste disposal. The new contract began July 1, 2021. The County may not be accumulating sufficient financial resources and the participating governments are obligated for a proportionate share of the debt, therefore, the City of Waverly may have an ongoing financial responsibility. The City pays \$42.25/ton of solid waste delivered to the landfill.

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2022**

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**Note 18 - JOINT VENTURE**

The City is a participant with Bremer County in a joint venture to operate the Bremer – Waverly Public Safety Board. The City is obligated to remit 33% of the operating budget of the Bremer – Waverly Public Safety Board to the Organization. On dissolution of the Board, the net position is to be contributed to the County for the operation. The Organization is governed by a five member board composed of two designated representatives from the City and two from the County. The fifth member of the board is chosen by the four designated representatives. Complete financial statements for the Bremer – Waverly Public Safety Board can be obtained from the Board's administrative office.

**Note 19 - CONDUIT DEBT OBLIGATIONS**

The City has issued Industrial Development Revenue Bonds to provide financial assistance to a private-sector entity for the acquisition and construction of commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and payable solely from the private-sector entity. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2022, Industrial Development Revenue Bonds had an original issue amount of \$1,000,000. The outstanding balance at June 30, 2022 was \$596,384.

**Note 20 – URBAN RENEWAL DEVELOPMENT AGREEMENTS**

The City entered into various development agreements for urban renewal projects. The agreements require the City to rebate portions of the incremental property tax paid by the developer in exchange for infrastructure improvements, rehabilitation and development of commercial projects by the developer. The total to be paid by the City under the agreements is not to exceed \$143,404.

During the year ended June 30, 2022, the City rebated \$19,998 of incremental property tax to developers. The total cumulative principal amount rebated on the agreements is \$140,679. The outstanding balance on the agreements at June 30, 2022 was \$2,725

The agreements are not general obligations of the City and, due to their nature, are not recorded as a liability in the City's financial statements. However, the agreements are subject to the constitutional debt limitation of the City.

**Note 21 - TAX ABATEMENTS**

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

City Tax Abatements

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

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2022**

**Note 21 - TAX ABATEMENTS (CONTINUED)**

meet the terms of the agreements, to rebate a portion of the property tax paid by the developers, to pay the developers an economic development grant or to pay the developers a predetermined dollar amount. No other commitments were made by the City as part of these agreements.

For the year ended June 30, 2022, \$8,543 of property tax was diverted from the City under the urban renewal and economic development projects.

Tax Abatements of Other Entities

Property tax revenues of the City were reduced by the following amounts for the year ended June 30, 2022 under agreements entered into by the following entities:

| <u>Entity</u> | <u>Tax Abatement Program</u>                    | <u>Amount of Tax Abated</u> |
|---------------|---|-----------------------------|
| Bremer County | Urban renewal and economic development projects | \$ 53,951                   |

The City also entered into an agreement with an entity, where after the entity meets the terms of the agreement, the City will rebate a portion of the Hotel/Motel Sales tax.

For the year ended June 30, 2022 the City abated \$59,257 of Hotel/Motel Sales tax under said agreement.

**Note 22- COVID-19**

During the year ended June 30, 2022, the Waverly Health Center recognized approximately \$1,560,000 as COVID-19 relief revenue. Among the terms and conditions is a provision that payments will only be used to prevent, prepare for, and respond to COVID-19 and shall reimburse the recipient only for healthcare-related expenses or lost revenues that are attributable to COVID-19.

**Note 23- ACCOUNTING CHANGE**

Governmental Accounting Standards Board Statement No. 87, Leases, was implemented during fiscal year 2022. The new requirements require the reporting of certain lease assets and liabilities which were previously not reported. The result of these changes had no effect on the beginning net position.

|   | <u>Capital Assets</u> | <u>Long-Term Liabilities Lease Agreements Payable</u> |
|---|-----------------------|---|
| Balance June 30, 2021, as previously reported | \$ 82,871,560         | \$30,103,119  |
| Change to implement GASB No. 87               | 16,418                | 16,418  |
| Balances July 1, 2021, as restated            | <u>\$ 82,887,978</u>  | <u>\$30,119,537</u>                                   |

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2022**

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**Note 23- ACCOUNTING CHANGE (CONTINUED)**

Governmental Accounting Standards Board Statement No. 87, Leases, was implemented during the year ended June 30, 2022 for the Waverly Heath Center. The new standard requires recognition of right of use assets, lease liabilities and depreciation and interest expense related to those leases. The Health Center adopted the standard effective retroactively to July 1, 2020 and has restated its financial statements for the year ended June 30, 2021. Adopting the standard resulted in the Health Center recognizing right of use assets and a lease liability as of July 1, 2020 totaling approximately \$3,900,000 with no impact on net position. The change in net position for the year ended June 30, 2021 was decreased by approximately \$35,000 due to the restatement.

**Note 24- PRIOR PERIOD ADJUSTMENT**

The beginning fund balance of the General Fund has been restated on the fund basis financial statements to record a prior period adjustment to remove investments held by a separate organization for Leisure Services. Similarly, the beginning fund balance of the Youth Ball Diamond has been restated on the fund basis financial statements to remove investments as well as record a receivable related to donations. A reconciliation of the prior period ending fund balance to the current year beginning fund balance for the General Fund, Youth Ball Diamond, and Governmental Activities are as follows:

|  | General<br>Fund | Youth Ball<br>Diamond | Governmental<br>Activities |
|--|-----------------|-----------------------|----------------------------|
| Beginning Fund/Net Position Balance<br>July 1, 2021              | \$ 4,760,660    | \$ (1,360,193)        | \$ 59,051,365              |
| Prior Period Adjustment  | (978,029)       | 363,199               | (614,830)                  |
| Beginning Fund/Net Position Balance<br>July 1, 2021, as Restated | \$ 3,782,631    | \$ (996,994)          | \$ 58,436,535              |

**Note 25- PROSPECTIVE ACCOUNTING CHANGE**

Governmental Accounting Standards Board has issued Statement No. 96, Subscription-Based Information Technology Arrangements. This statement will be implemented for the fiscal year ending June 30, 2023. The revised requirements of this statement will require reporting certain assets and liabilities for the right-to-use another party's information technology software alone or in combination with tangible capital assets that are not currently reported.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF WAVERLY, IOWA**  
**BUDGETARY COMPARISON SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN**  
**BALANCES - BUDGET AND ACTUAL (CASH BASIS) -**  
**Governmental Funds and Proprietary Funds**  
**For the Year Ended June 30, 2022**

|  | Governmental<br>Funds<br>Actual | Proprietary<br>Funds<br>Actual | Total<br>Actual |
|--|---------------------------------|--------------------------------|-----------------|
| <b>Receipts:</b>   |                                 |                                |                 |
| Taxes  | \$ 11,087,775                   | \$ -                           | \$ 11,087,775   |
| Special Assessments  | 36,517                          | -                              | 36,517          |
| Licenses and Permits                                       | 141,297                         | -                              | 141,297         |
| Intergovernmental Revenue                                  | 4,392,100                       | 3,729                          | 4,395,829       |
| Charges for Services                                       | 779,309                         | 5,685,175                      | 6,464,484       |
| Fines and Forfeits   | 35,945                          | -                              | 35,945          |
| Contributions  | 1,063,950                       | -                              | 1,063,950       |
| Revenue from Use of Property                               | 93,988                          | 112,354                        | 206,342         |
| Interest on Investments                                    | (77,711)                        | 23,298                         | (54,413)        |
| Miscellaneous  | 137,037                         | -                              | 137,037         |
| Total Receipts   | 17,690,207                      | 5,824,556                      | 23,514,763      |
| <b>Disbursements:</b>                                      |                                 |                                |                 |
| <b>Current:</b>  |                                 |                                |                 |
| Public Safety  | 3,341,771                       | -                              | 3,341,771       |
| Public Works   | 1,824,257                       | -                              | 1,824,257       |
| Health and Social Services                                 | 9,874                           | -                              | 9,874           |
| Culture and Recreation                                     | 3,476,226                       | -                              | 3,476,226       |
| Community and Economic Development                         | 798,583                         | -                              | 798,583         |
| General Government   | 827,600                         | -                              | 827,600         |
| Capital Projects   | 14,847,339                      | -                              | 14,847,339      |
| Debt Service   | 5,000,564                       | -                              | 5,000,564       |
| Business Type/Enterprises                                  | -                               | 4,597,923                      | 4,597,923       |
| Total Disbursements  | 30,126,214                      | 4,597,923                      | 34,724,137      |
| Excess (deficiency) of revenues over expenditures          | (12,436,007)                    | 1,226,633                      | (11,209,374)    |
| <b>Other financing sources (uses):</b>                     |                                 |                                |                 |
| Issuance of Debt   | 308,932                         | 6,627,798                      | 6,936,730       |
| Proceeds from Sale of Capital Assets                       | 2,001,984                       | -                              | 2,001,984       |
| Transfers In   | 12,922,336                      | 117,858                        | 13,040,194      |
| Transfers Out  | (5,427,816)                     | (7,612,378)                    | (13,040,194)    |
| Total other financing sources (uses)                       | 9,805,436                       | (866,722)                      | 8,938,714       |
| Net Change in Fund Balance                                 | (2,630,571)                     | 359,911                        | (2,270,660)     |
| Balances - beginning of year                               | 13,295,230                      | 3,835,158                      | 17,130,388      |
| Prior Period Adjustment                                    | (978,029)                       | -                              | (978,029)       |
| Balances - beginning of year- Restated                     | 12,317,201                      | 3,835,158                      | 16,152,359      |
| Balances - end of year                                     | \$ 9,686,630                    | \$ 4,195,069                   | \$ 13,881,699   |
| <b>Reconciliation of Ending Fund Balance - Cash Basis:</b> |                                 |                                |                 |
| Cash and Cash Equivalents                                  | \$ 7,882,739                    | \$ 2,651,592                   | \$ 10,534,331   |
| Certificates of Deposit                                    | 493,500                         | 400,000                        | 893,500         |
| Investments  | 1,310,391                       | 449,847                        | 1,760,238       |
| Restricted Cash and Cash Equivalents                       | -                               | 443,630                        | 443,630         |
| Restricted Certificates of Deposit                         | -                               | 250,000                        | 250,000         |
|  | \$ 9,686,630                    | \$ 4,195,069                   | \$ 13,881,699   |

| <b>Budgeted Amounts</b> |                      | <b>Final to Actual</b> |
|-------------------------|----------------------|------------------------|
| <b>Original</b>         | <b>Final</b>         | <b>Variance</b>        |
| \$ 10,888,091           | \$ 10,888,091        | \$ 199,684             |
| 23,000                  | 35,711               | 806                    |
| 33,475                  | 33,475               | 107,822                |
| 9,237,190               | 12,933,821           | (8,537,992)            |
| 5,750,650               | 5,750,650            | 713,834                |
| -                       | -                    | 35,945                 |
| -                       | -                    | 1,063,950              |
| 403,213                 | 403,213              | (196,871)              |
| -                       | -                    | (54,413)               |
| 3,461,370               | 3,578,694            | (3,441,657)            |
| <u>29,796,989</u>       | <u>33,623,655</u>    | <u>(10,108,892)</u>    |
| 3,217,162               | 3,400,025            | 58,254                 |
| 1,778,651               | 1,841,673            | 17,416                 |
| 9,874                   | 9,874                | -                      |
| 3,247,372               | 3,479,869            | 3,643                  |
| 801,247                 | 821,160              | 22,577                 |
| 1,110,370               | 1,181,732            | 354,132                |
| 14,865,917              | 20,431,415           | 5,584,076              |
| 4,718,840               | 5,000,964            | 400                    |
| 4,765,107               | 4,903,050            | 305,127                |
| <u>34,514,540</u>       | <u>41,069,762</u>    | <u>6,345,625</u>       |
| <u>(4,717,551)</u>      | <u>(7,446,107)</u>   | <u>(3,763,267)</u>     |
| 2,365,000               | 1,172,090            | 5,764,640              |
| -                       | -                    | 2,001,984              |
| 6,337,304               | 8,552,581            | 4,487,613              |
| <u>(6,337,304)</u>      | <u>(8,552,581)</u>   | <u>(4,487,613)</u>     |
| <u>2,365,000</u>        | <u>1,172,090</u>     | <u>7,766,624</u>       |
| (2,352,551)             | (6,274,017)          | 4,003,357              |
| 17,130,388              | 17,130,388           | -                      |
| -                       | -                    | (978,029)              |
| <u>17,130,388</u>       | <u>17,130,388</u>    | <u>(978,029)</u>       |
| <u>\$ 14,777,837</u>    | <u>\$ 10,856,371</u> | <u>\$ 3,025,328</u>    |

**CITY OF WAVERLY, IOWA**  
**BUDGET TO GAAP RECONCILIATION**  
**REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY REPORTING**  
**For the Year Ended June 30, 2022**

|   | <b>Cash<br/>Basis</b> | <b>Accrual<br/>Adjustments</b> | <b>Accrual/<br/>Modified<br/>Accrual<br/>Basis</b> |
|---|-----------------------|--------------------------------|--|
| <b>Revenue:</b>   |                       |                                |  |
| Taxes   | \$ 11,087,775         | \$ (56,163)                    | \$ 11,031,612                                      |
| Special Assessments   | 36,517                | (17,190)                       | 19,327   |
| Licenses and Permits  | 141,297               | (578)                          | 140,719  |
| Intergovernmental Revenue   | 4,395,829             | (1,064,020)                    | 3,331,809  |
| Charges for Services  | 6,464,484             | (91,563)                       | 6,372,921  |
| Fines and Forfeits  | 35,945                | 3,720                          | 39,665   |
| Contributions   | 1,063,950             | (353,708)                      | 710,242  |
| Revenue from Use of Property  | 206,342               | 200                            | 206,542  |
| Interest on Investments   | (54,413)              | 472                            | (53,941)   |
| Miscellaneous   | 137,037               | 75,079                         | 212,116  |
| Total Revenue   | <u>23,514,763</u>     | <u>(1,503,751)</u>             | <u>22,011,012</u>                                  |
| <b>Expenditures/Expenses:</b>   |                       |                                |  |
| <b>Current:</b>   |                       |                                |  |
| Public Safety   | 3,341,771             | (81,717)                       | 3,260,054  |
| Public Works  | 1,824,257             | (110,767)                      | 1,713,490  |
| Health and Social Services  | 9,874                 | -                              | 9,874  |
| Culture and Recreation  | 3,476,226             | (195,540)                      | 3,280,686  |
| Community and Economic Development  | 798,583               | (8,922)                        | 789,661  |
| General Government  | 827,600               | (48,823)                       | 778,777  |
| Capital Projects  | 14,847,339            | (779,180)                      | 14,068,159   |
| Debt Service  | 5,000,564             | (321,080)                      | 4,679,484  |
| Business Type/Enterprises   | 4,597,923             | 134,735                        | 4,732,658  |
| Total Expenditures/Expenses   | <u>34,724,137</u>     | <u>(1,411,294)</u>             | <u>33,312,843</u>                                  |
| Excess (Deficiency) of Revenues Over Expenditures/Expenses  | <u>(11,209,374)</u>   | <u>(92,457)</u>                | <u>(11,301,831)</u>                                |
| <b>Other financing sources (uses):</b>  |                       |                                |  |
| Issuance of Debt  | 6,936,730             | (6,627,798)                    | 308,932  |
| Contributed Capital Revenue   | -                     | 7,864,601                      | 7,864,601  |
| Proceeds from Sale of Capital Assets  | 2,001,984             | -                              | 2,001,984  |
| Transfers In  | 13,040,194            | (321,080)                      | 12,719,114   |
| Transfers Out   | (13,040,194)          | 321,080                        | (12,719,114)                                       |
| Total other financing sources (uses)  | <u>8,938,714</u>      | <u>1,236,803</u>               | <u>10,175,517</u>                                  |
| Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures/Expenses and Other (Uses) | <u>(2,270,660)</u>    | <u>1,144,346</u>               | <u>(1,126,314)</u>                                 |
| Fund Balance/Retained Earnings - beginning of year  | <u>16,152,359</u>     | <u>10,825,760</u>              | <u>26,978,119</u>                                  |
| Fund Balance/Retained Earnings - end of year  | <u>\$ 13,881,699</u>  | <u>\$ 11,970,106</u>           | <u>\$ 25,851,805</u>                               |

**CITY OF WAVERLY**  
**Required Supplementary Information – Budgetary Reporting**  
**For the Year Ended June 30, 2022**

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

In accordance with the Code of Iowa, the City Council annually adopts a budget on the cash basis following required public notice and hearing for all funds except the Custodial Fund and the Internal Service Fund, and appropriates the amount deemed necessary for each of the different City offices and departments. The budgets may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized on the cash basis budget and appropriations lapse at year end.

Formal and legal budgetary control is based upon nine major classes of expenditures known as functions, not by fund or fund type. These nine functions are: public safety, public works, community and economic development, health and social services, culture and recreation, general government, debt service, capital projects, and business-type activities. Function disbursements required to be budgeted include disbursements for the General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Funds, and the Enterprise Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. During the year, one budget amendment increased budgeted disbursements by \$6,555,222. The budget amendment is reflected in the final budgeted amounts.

During the year ended June 30, 2022, disbursements did not exceed in any budgeted amounts.

The previous two schedules demonstrates the City's legal compliance to the budget and reconciles the budgetary comparison to the actual GAAP basis financial statements.

**CITY OF WAVERLY, IOWA**  
**Schedule of Changes in the City's**  
**Total OPEB Liability, Related Ratios and Notes**  
**For the Year Ended June 30, 2022**  
**Required Supplementary Information**

|  | 2022              |                   | 2021              |                   | 2020              |                   |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|  | City              | Component Unit    | City              | Component Unit    | City              | Component Unit    |
| Service Cost   | \$ 58,208         | \$ 37,188         | \$ 56,513         | \$ 36,193         | \$ 36,278         | \$ 42,353         |
| Interest Cost  | 21,656            | 16,078            | 21,151            | 14,862            | 30,297            | 22,995            |
| Difference between expected and actual experiences               | (259,087)         | -                 | -                 | (181,348)         | 47,375            | -                 |
| Changes in Assumptions   | (75,674)          | -                 | -                 | 25,694            | 100,615           | -                 |
| Benefit payments   | (53,837)          | (15,326)          | (59,179)          | (14,458)          | (62,032)          | (30,294)          |
| Net Change in total OPEB liability                               | (308,734)         | 37,940            | 18,485            | (119,057)         | 152,533           | 35,054            |
| Total OPEB liability beginning of year                           | 948,620           | 557,275           | 930,135           | 676,332           | 777,602           | 641,278           |
| Total OPEB liability end of year                                 | <u>\$ 639,886</u> | <u>\$ 595,215</u> | <u>\$ 948,620</u> | <u>\$ 557,275</u> | <u>\$ 930,135</u> | <u>\$ 676,332</u> |
| Covered-employee payroll   | \$ 4,615,290      | \$ 2,470,187      | \$ 4,388,330      | \$ 2,404,075      | \$ 4,260,515      | \$ 2,511,424      |
| Total OPEB liability as a percentage of covered-employee payroll | 13.86%            | 24.10%            | 21.62%            | 23.18%            | 21.83%            | 26.93%            |
|  | 2019              |                   | 2018              |                   |                   |                   |
|  | City              | Component Unit    | City              |                   |                   |                   |
| Service Cost   | \$ 35,221         | \$ 41,220         | \$ 28,192         |                   |                   |                   |
| Interest Cost  | 30,544            | 21,800            | 28,740            |                   |                   |                   |
| Difference between expected and actual experiences               | -                 | -                 | 40,096            |                   |                   |                   |
| Changes in Assumptions   | -                 | -                 | 99,682            |                   |                   |                   |
| Benefit payments   | (84,395)          | (28,444)          | (21,868)          |                   |                   |                   |
| Net Change in total OPEB liability                               | (18,630)          | 34,576            | 174,842           |                   |                   |                   |
| Total OPEB liability beginning of year                           | 796,232           | 606,702           | 621,390           |                   |                   |                   |
| Total OPEB liability end of year                                 | <u>\$ 777,602</u> | <u>\$ 641,278</u> | <u>\$ 796,232</u> |                   |                   |                   |
| Covered-employee payroll   | \$ 4,063,125      | \$ 2,444,208      | \$ 3,944,782      |                   |                   |                   |
| Total OPEB liability as a percentage of covered-employee payroll | 19.14%            | 26.24%            | 20.18%            |                   |                   |                   |

**Note:** GASB No.75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the entities will present information for those years for which information is available.

**CITY OF WAVERLY, IOWA**  
**Schedule of Changes in the City's**  
**Total OPEB Liability, Related Ratios and Notes**  
**For the Year Ended June 30, 2022**  
**Required Supplementary Information**

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**Notes to Schedule of Changes in the City and its Component Unit's Total OPEB Liability and Related Ratios**

*Changes in benefit terms:*

There were no significant changes in benefit terms.

*Changes in assumptions:*

Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period.

| <b>City</b>              |       |
|--------------------------|-------|
| Year ended June 30, 2022 | 3.54% |
| Year ended June 30, 2021 | 2.21% |
| Year ended June 30, 2020 | 2.21% |
| Year ended June 30, 2019 | 3.87% |
| Year ended June 30, 2018 | 3.87% |
| Year ended June 30, 2017 | 4.50% |

| <b>Component Unit</b>        |       |
|------------------------------|-------|
| Year ended December 31, 2021 | 2.74% |
| Year ended December 31, 2020 | 2.74% |
| Year ended December 31, 2019 | 3.44% |
| Year ended December 31, 2018 | 3.44% |

**CITY OF WAVERLY, IOWA  
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF  
THE NET PENSION LIABILITY (ASSET)  
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM LAST FISCAL EIGHT YEARS\*  
(IN THOUSANDS)  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2022**

|   | <b>City</b> |             |             |             |
|---|-------------|-------------|-------------|-------------|
|   | <b>2022</b> | <b>2021</b> | <b>2020</b> | <b>2019</b> |
| Proportion of the net pension liability (asset)   | 0.015629%   | 0.047426%   | 0.047284%   | 0.046991%   |
| Proportionate share of the net pension liability (asset)  | \$ 54       | \$ 3,331    | \$ 2,738    | \$ 2,974    |
| Covered payroll   | \$ 3,929    | \$ 3,778    | \$ 3,617    | \$ 3,550    |
| Proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 1.37%       | 88.17%      | 75.70%      | 83.77%      |
| Plan fiduciary position as a percentage of the total pension liability (asset)                  | 100.81%     | 82.90%      | 85.45%      | 83.62%      |
|   | <b>2018</b> | <b>2017</b> | <b>2016</b> | <b>2015</b> |
| Proportion of the net pension liability (asset)   | 0.045647%   | 0.046174%   | 0.047006%   | 0.048661%   |
| Proportionate share of the net pension liability (asset)  | \$ 3,041    | \$ 2,906    | \$ 2,337    | \$ 1,930    |
| Covered payroll   | \$ 3,427    | \$ 3,312    | \$ 3,236    | \$ 3,180    |
| Proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 88.74%      | 87.74%      | 72.22%      | 60.69%      |
| Plan fiduciary position as a percentage of the total pension liability (asset)                  | 82.21%      | 81.82%      | 85.19%      | 84.61%      |

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

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

**CITY OF WAVERLY, IOWA**  
**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF**  
**THE NET PENSION LIABILITY (ASSET)**  
**IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM LAST FISCAL EIGHT YEARS\***  
**(IN THOUSANDS)**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2022**

|   | <b>Component Unit</b> |             |             |             |
|---|-----------------------|-------------|-------------|-------------|
|   | <b>2022</b>           | <b>2021</b> | <b>2020</b> | <b>2019</b> |
| Proportion of the net pension liability (asset)   | -0.096525%            | 0.338933%   | 0.352341%   | 0.349185%   |
| Proportionate share of the net pension liability (asset)  | \$ (400)              | \$ 23,793   | \$ 20,415   | \$ 22,097   |
| Covered payroll   | \$ 31,279             | \$ 29,737   | \$ 27,972   | \$ 29,151   |
| Proportionate share of the net pension liability (asset) as a percentage of its covered payroll | -1.28%                | 76.07%      | 72.98%      | 75.80%      |
| Plan fiduciary position as a percentage of the total pension liability (asset)                  | 100.81%               | 82.90%      | 85.45%      | 83.62%      |
|   | <b>2018</b>           | <b>2017</b> | <b>2016</b> | <b>2015</b> |
| Proportion of the net pension liability (asset)   | 0.312792%             | 0.341800%   | 0.334315%   | 0.313143%   |
| Proportionate share of the net pension liability (asset)  | \$ 22,919             | \$ 21,492   | \$ 16,521   | \$ 12,419   |
| Covered payroll   | \$ 25,330             | \$ 24,244   | \$ 23,902   | \$ 23,310   |
| Proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 90.48%                | 88.65%      | 69.12%      | 53.28%      |
| Plan fiduciary position as a percentage of the total pension liability (asset)                  | 82.21%                | 81.82%      | 85.19%      | 84.61%      |

See accompanying independent auditors' report

**CITY OF WAVERLY  
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF  
THE NET PENSION LIABILITY  
MUNICIPAL FIRE AND POLICE RETIREMENT SYSTEM OF IOWA  
LAST FISCAL EIGHT YEARS \* (IN THOUSANDS)  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2022**

|  | <b>2022</b> | <b>2021</b> | <b>2020</b> | <b>2019</b> |
|--|-------------|-------------|-------------|-------------|
| City's Proportion of the net pension liability   | 0.340694%   | 0.349001%   | 0.365489%   | 0.367123%   |
| City's Proportionate share of the net pension liability  | \$ 765      | \$ 2,783    | \$ 2,397    | \$ 2,186    |
| City's Covered payroll   | \$ 1,107    | \$ 1,109    | \$ 1,106    | \$ 1,053    |
| City's Proportionate share of the net pension liability as a percentage of its covered payroll | 69.11%      | 250.95%     | 216.73%     | 207.60%     |
| Plan fiduciary position as a percentage of the total pension liability                         | 93.62%      | 76.47%      | 79.94%      | 81.07%      |
|  | <b>2018</b> | <b>2017</b> | <b>2016</b> | <b>2015</b> |
| City's Proportion of the net pension liability   | 0.003639%   | 0.365764%   | 0.360469%   | 0.364687%   |
| City's Proportionate share of the net pension liability  | \$ 2,134    | \$ 2,287    | \$ 1,694    | \$ 1,322    |
| City's Covered payroll   | \$ 1,030    | \$ 991      | \$ 945      | \$ 930      |
| City's Proportionate share of the net pension liability as a percentage of its covered payroll | 200.07%     | 230.78%     | 179.26%     | 142.15%     |
| Plan fiduciary position as a percentage of the total pension liability                         | 80.60%      | 78.20%      | 83.04%      | 86.27%      |

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

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

**CITY OF WAVERLY  
SCHEDULE OF THE CITY CONTRIBUTIONS  
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
LAST TEN YEARS (IN THOUSANDS)  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2022**

| <b>City</b>   | <b>2022</b>     | <b>2021</b>     | <b>2020</b>     | <b>2019</b>     | <b>2018</b>     |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Statutorily required contribution                                     | \$ 410          | \$ 371          | \$ 357          | \$ 342          | \$ 317          |
| Contributions in relation to the<br>statutorily required contribution | (410)           | (371)           | (357)           | (342)           | (317)           |
| Contribution deficiency (excess)                                      | \$ -            | \$ -            | \$ -            | \$ -            | \$ -            |
| City's covered payroll  | \$ 4,342        | \$ 3,929        | \$ 3,778        | \$ 3,617        | \$ 3,550        |
| Contributions as a percentage of<br>covered payroll                   | 9.44%           | 9.44%           | 9.45%           | 9.44%           | 8.93%           |
| <br><b>City</b>   | <br><b>2017</b> | <br><b>2016</b> | <br><b>2015</b> | <br><b>2014</b> | <br><b>2013</b> |
| Statutorily required contribution                                     | \$ 306          | \$ 297          | \$ 289          | \$ 284          | \$ 266          |
| Contributions in relation to the<br>statutorily required contribution | (306)           | (297)           | (289)           | (284)           | (266)           |
| Contribution deficiency (excess)                                      | \$ -            | \$ -            | \$ -            | \$ -            | \$ -            |
| City's covered payroll  | \$ 3,427        | \$ 3,312        | \$ 3,236        | \$ 3,180        | \$ 3,068        |
| Contributions as a percentage of<br>covered payroll                   | 8.93%           | 8.93%           | 8.93%           | 8.93%           | 8.67%           |
| <br><b>Component Unit</b>   | <br><b>2022</b> | <br><b>2021</b> | <br><b>2020</b> | <br><b>2019</b> | <br><b>2018</b> |
| Statutorily required contribution                                     | \$ 2,832        | \$ 2,724        | \$ 2,631        | \$ 2,518        | \$ 2,432        |
| Contributions in relation to the<br>statutorily required contribution | (2,832)         | (2,724)         | (2,631)         | (2,518)         | (2,432)         |
| Contribution deficiency (excess)                                      | \$ -            | \$ -            | \$ -            | \$ -            | \$ -            |
| Component Unit's covered payroll                                      | \$ 32,274       | \$ 31,279       | \$ 29,737       | \$ 27,972       | \$ 29,151       |
| Contributions as a percentage of<br>covered payroll                   | 8.77%           | 8.71%           | 8.85%           | 9.00%           | 8.34%           |
| <br><b>Component Unit</b>   | <br><b>2017</b> | <br><b>2016</b> | <br><b>2015</b> | <br><b>2014</b> | <br><b>2013</b> |
| Statutorily required contribution                                     | \$ 2,262        | \$ 2,165        | \$ 1,981        | \$ 1,929        | \$ 1,835        |
| Contributions in relation to the<br>statutorily required contribution | (2,262)         | (2,165)         | (1,981)         | (1,929)         | (1,835)         |
| Contribution deficiency (excess)                                      | \$ -            | \$ -            | \$ -            | \$ -            | \$ -            |
| Component Unit's covered payroll                                      | \$ 25,330       | \$ 24,244       | \$ 23,902       | \$ 23,310       | \$ 22,829       |
| Contributions as a percentage of<br>covered payroll                   | 8.93%           | 8.93%           | 8.30%           | 8.30%           | 8.00%           |

See accompanying independent auditors' report

**CITY OF WAVERLY  
SCHEDULE OF THE CITY CONTRIBUTIONS  
MUNICIPAL FIRE AND POLICE RETIREMENT SYSTEM OF IOWA  
LAST TEN YEARS (IN THOUSANDS)  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2022**

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|   | <b>2022</b>  | <b>2021</b>  | <b>2020</b>  | <b>2019</b>  | <b>2018</b>  |
|---|--------------|--------------|--------------|--------------|--------------|
| Statutorily required contribution                                     | \$ 324       | \$ 280       | \$ 271       | \$ 288       | \$ 274       |
| Contributions in relation to the<br>statutorily required contribution | <u>(324)</u> | <u>(280)</u> | <u>(271)</u> | <u>(288)</u> | <u>(274)</u> |
| Contribution deficiency (excess)                                      | <u>\$ -</u>  |
| City's covered payroll  | \$ 1,236     | \$ 1,107     | \$ 1,109     | \$ 1,106     | \$ 1,053     |
| Contributions as a percentage of<br>covered payroll                   | 26.21%       | 25.29%       | 24.44%       | 26.04%       | 26.02%       |
|   | <b>2017</b>  | <b>2016</b>  | <b>2015</b>  | <b>2014</b>  | <b>2013</b>  |
| Statutorily required contribution                                     | \$ 267       | \$ 275       | \$ 287       | \$ 280       | \$ 232       |
| Contributions in relation to the<br>statutorily required contribution | <u>(267)</u> | <u>(275)</u> | <u>(287)</u> | <u>(280)</u> | <u>(232)</u> |
| Contribution deficiency (excess)                                      | <u>\$ -</u>  |
| City's covered payroll  | \$ 1,030     | \$ 991       | \$ 945       | \$ 930       | \$ 888       |
| Contributions as a percentage of<br>covered payroll                   | 25.92%       | 27.77%       | 30.41%       | 30.12%       | 26.12%       |

See accompanying independent auditors' report

**CITY OF WAVERLY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION –  
PENSION LIABILITY (ASSET)  
FOR THE YEAR ENDED JUNE 30, 2022**

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**Iowa Public Employees' Retirement System**

**Changes of Benefit Terms:**

There are no significant changes in benefit terms.

**Changes of Assumptions**

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

- Changed mortality assumptions to the RP-2014 mortality tables with mortality improvements modeled using Scale MP-2017
- Adjusted retirement rates
- 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 percent to 2.60 percent.
- Decreased the assumed rate of interest on member accounts from 3.75 percent to 3.50 percent per year.
- Decreased the discount rate from 7.50 percent to 7.00 percent.
- Decreased the wage growth assumption from 4.00 percent to 3.25 percent.
- Decreased the payroll growth assumption from 4.00 percent to 3.25 percent.

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

- Decreased the inflation assumption from 3.25 percent to 3.00 percent.
- Decreased the assumed rate of interest on member accounts from 4.00 percent to 3.75 percent per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Reduced retirement rates for sheriffs and deputies between the ages of 55 and 64.
- 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 WAVERLY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION –  
PENSION LIABILITY (ASSET)  
FOR THE YEAR ENDED JUNE 30, 2022**

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**Municipal Fire & 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 were based on 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 (males 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 postretirement 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.

**CITY OF WAVERLY, IOWA  
 COMBINING BALANCE SHEET  
 Governmental Nonmajor Funds  
 JUNE 30, 2022**

|   | <b>Special Revenue Funds</b> |                                       |   |
|---|------------------------------|---------------------------------------|---|
|   | <b>Road Use<br/>Tax</b>      | <b>Local<br/>Option<br/>Sales Tax</b> | <b>Sales Tax<br/>Increment<br/>Fund</b> |
| <b>Assets</b>   |                              |                                       |   |
| Cash and Cash Equivalents   | \$ 1,090,115                 | \$ 917,913                            | \$ 532,050                              |
| Certificates of Deposit   | -                            | -                                     | -                                       |
| Receivables (Net, where applicable, of allowance<br>for uncollectibles)                   |                              |                                       |   |
| Accounts  | 255                          | -                                     | -                                       |
| Special Assessments   | -                            | -                                     | -                                       |
| Due from Other Governmental Agencies  | 125,538                      | 111,711                               | -                                       |
| <b>Total Assets</b>   | <b>1,215,908</b>             | <b>1,029,624</b>                      | <b>532,050</b>                          |
| <b>Liabilities</b>  |                              |                                       |   |
| Accounts Payable  | 8,113                        | -                                     | -                                       |
| Accrued Wages   | 9,981                        | -                                     | -                                       |
| Due to Other Funds  | -                            | -                                     | -                                       |
| <b>Total Liabilities</b>  | <b>18,094</b>                | <b>-</b>                              | <b>-</b>                                |
| <b>Deferred Inflows of Resources</b>  |                              |                                       |   |
| Unavailable Revenue - special assessments   | -                            | -                                     | -                                       |
| <b>Total Deferred Inflows of Resources</b>  | <b>-</b>                     | <b>-</b>                              | <b>-</b>                                |
| <b>Fund Balances (Deficits)</b>   |                              |                                       |   |
| Nonspendable:   |                              |                                       |   |
| Perpetual Care  | -                            | -                                     | -                                       |
| Restricted for:   |                              |                                       |   |
| Road Purposes   | 1,197,814                    | -                                     | -                                       |
| Local Option Sales Tax  | -                            | 1,029,624                             | 532,050                                 |
| Capital Expenditures  | -                            | -                                     | -                                       |
| Cable TV  | -                            | -                                     | -                                       |
| Assigned for:   |                              |                                       |   |
| Capital Improvement   | -                            | -                                     | -                                       |
| Unassigned  | -                            | -                                     | -                                       |
| <b>Total Fund Balances (Deficits)</b>   | <b>1,197,814</b>             | <b>1,029,624</b>                      | <b>532,050</b>                          |
| <b>Total Liabilities, Deferred Inflows of<br/>Resources, and Fund Balances (Deficits)</b> | <b>\$ 1,215,908</b>          | <b>\$ 1,029,624</b>                   | <b>\$ 532,050</b>                       |

| Special Revenue | Capital Project Funds |                            |                  |                           |                              |                          |
|-----------------|-----------------------|----------------------------|------------------|---------------------------|------------------------------|--------------------------|
|                 | 2017<br>Cable TV      | 2017<br>Airport Runway Ext | Sidewalk Program | Fair/Ball Diamond Project | 2017<br>Bituminous Seal Coat | Capital Improvement Fund |
| \$ 98,069       | \$ -                  | \$ -                       | \$ -             | \$ -                      | \$ 70,010                    | \$ 457,444               |
| -               | -                     | -                          | -                | -                         | -                            | -                        |
| 4,093           | -                     | -                          | -                | -                         | -                            | -                        |
| -               | -                     | 2,783                      | -                | -                         | -                            | -                        |
| 7,741           | -                     | -                          | -                | -                         | -                            | -                        |
| 109,903         | -                     | 2,783                      | -                | -                         | 70,010                       | 457,444                  |
| -               | -                     | -                          | -                | -                         | -                            | 34,970                   |
| -               | -                     | -                          | -                | -                         | -                            | -                        |
| -               | 2,594                 | 126,286                    | -                | -                         | -                            | -                        |
| -               | 2,594                 | 126,286                    | -                | -                         | -                            | 34,970                   |
| -               | -                     | 1,716                      | -                | -                         | -                            | -                        |
| -               | -                     | 1,716                      | -                | -                         | -                            | -                        |
| -               | -                     | -                          | -                | -                         | -                            | -                        |
| -               | -                     | -                          | -                | -                         | -                            | -                        |
| -               | -                     | -                          | -                | -                         | -                            | -                        |
| 109,903         | -                     | -                          | -                | -                         | -                            | -                        |
| -               | -                     | -                          | -                | -                         | 70,010                       | 422,474                  |
| -               | (2,594)               | (125,219)                  | -                | -                         | -                            | -                        |
| 109,903         | (2,594)               | (125,219)                  | -                | -                         | 70,010                       | 422,474                  |
| \$ 109,903      | \$ -                  | \$ 2,783                   | \$ -             | \$ -                      | \$ 70,010                    | \$ 457,444               |

**CITY OF WAVERLY, IOWA  
 COMBINING BALANCE SHEET  
 Governmental Nonmajor Funds  
 JUNE 30, 2022**

|   | <b>Capital Project Funds</b> |                           |                               |
|---|------------------------------|---------------------------|-------------------------------|
|   | <b>Eagle<br/>Ridge</b>       | <b>Trail<br/>Projects</b> | <b>Youth<br/>Ball Diamond</b> |
| <b>Assets</b>   |                              |                           |                               |
| Cash and Pooled Investments   | \$ 55,045                    | \$ -                      | \$ -                          |
| Certificates of Deposit   | -                            | -                         | -                             |
| Receivables (Net, where applicable, of allowance<br>for uncollectibles)                   |                              |                           |                               |
| Accounts  | -                            | -                         | 4,491                         |
| Special Assessments   | -                            | -                         | -                             |
| Due from Other Governmental Agencies  | -                            | -                         | -                             |
| <b>Total Assets</b>   | <b>55,045</b>                | <b>-</b>                  | <b>4,491</b>                  |
| <b>Liabilities</b>  |                              |                           |                               |
| Accounts Payable  | -                            | -                         | 132,810                       |
| Accrued Wages   | -                            | -                         | -                             |
| Due to Other Funds  | -                            | -                         | 400,773                       |
| <b>Total Liabilities</b>  | <b>-</b>                     | <b>-</b>                  | <b>533,583</b>                |
| <b>Deferred Inflows of Resources</b>  |                              |                           |                               |
| Unavailable Revenue - special assessments   | -                            | -                         | -                             |
| <b>Total Deferred Inflows of Resources</b>  | <b>-</b>                     | <b>-</b>                  | <b>-</b>                      |
| <b>Fund Balances (Deficits)</b>   |                              |                           |                               |
| Nonspendable:   |                              |                           |                               |
| Perpetual Care  | -                            | -                         | -                             |
| Restricted for:   |                              |                           |                               |
| Road Purposes   | -                            | -                         | -                             |
| Local Option Sales Tax  | -                            | -                         | -                             |
| Capital Expenditures  | -                            | -                         | -                             |
| Cable TV  | -                            | -                         | -                             |
| Assigned for:   |                              |                           |                               |
| Capital Improvement   | 55,045                       | -                         | -                             |
| Unassigned  | -                            | -                         | (529,092)                     |
| <b>Total Fund Balances (Deficits)</b>   | <b>55,045</b>                | <b>-</b>                  | <b>(529,092)</b>              |
| <b>Total Liabilities, Deferred Inflows of<br/>Resources, and Fund Balances (Deficits)</b> | <b>\$ 55,045</b>             | <b>\$ -</b>               | <b>\$ 4,491</b>               |

| Capital Project Funds      |                            |                                 |                                   |                     |                         |  |
|----------------------------|----------------------------|---------------------------------|-----------------------------------|---------------------|-------------------------|--|
| Sanitary Sewer Improvement | Storm Drainage Improvement | Bremer Ave Hwy 3 Reconstruction | E. Bremer Ave Sanitary Sewer 2019 | WPC Dome Demolition | 10th St SW Improvements |  |
| \$ 85,436                  | \$ 5,645                   | \$ -                            | \$ 42                             | \$ -                | \$ 4,961                |  |
| -                          | -                          | -                               | -                                 | -                   | -                       |  |
| -                          | -                          | -                               | -                                 | -                   | -                       |  |
| -                          | -                          | 16,796                          | -                                 | -                   | 1,026                   |  |
| 85,436                     | 5,645                      | 16,796                          | 42                                | -                   | 5,987                   |  |
| -                          | 8,480                      | -                               | -                                 | -                   | -                       |  |
| -                          | -                          | -                               | -                                 | -                   | -                       |  |
| -                          | -                          | 1,603                           | -                                 | -                   | -                       |  |
| -                          | 8,480                      | 1,603                           | -                                 | -                   | -                       |  |
| -                          | -                          | 13,936                          | -                                 | -                   | 912                     |  |
| -                          | -                          | 13,936                          | -                                 | -                   | 912                     |  |
| -                          | -                          | -                               | -                                 | -                   | -                       |  |
| -                          | -                          | -                               | -                                 | -                   | -                       |  |
| -                          | -                          | -                               | -                                 | -                   | -                       |  |
| -                          | -                          | -                               | -                                 | -                   | -                       |  |
| 85,436                     | -                          | 1,257                           | 42                                | -                   | 5,075                   |  |
| -                          | (2,835)                    | -                               | -                                 | -                   | -                       |  |
| 85,436                     | (2,835)                    | 1,257                           | 42                                | -                   | 5,075                   |  |
| \$ 85,436                  | \$ 5,645                   | \$ 16,796                       | \$ 42                             | \$ -                | \$ 5,987                |  |

**CITY OF WAVERLY, IOWA  
 COMBINING BALANCE SHEET  
 Governmental Nonmajor Funds  
 JUNE 30, 2022**

|   | <b>Capital Project Funds</b>           |                                |   |
|---|--|--------------------------------|---|
|   | <b>Various Projects<br/>2019 Bonds</b> | <b>S Riverside PK<br/>2019</b> | <b>Business<br/>Hwy 218<br/>Improvement</b> |
| <b>Assets</b>   |  |                                |   |
| Cash and Pooled Investments   | \$ 15,211                              | \$ 254,162                     | \$ 1  |
| Certificates of Deposit   | -                                      | -                              | -   |
| Receivables (Net, where applicable, of allowance<br>for uncollectibles)                   |  |                                |   |
| Accounts  | -                                      | -                              | -   |
| Special Assessments   | -                                      | -                              | -   |
| Due from Other Governmental Agencies  | -                                      | -                              | -   |
| <b>Total Assets</b>   | <b>15,211</b>                          | <b>254,162</b>                 | <b>1</b>                                    |
| <b>Liabilities</b>  |  |                                |   |
| Accounts Payable  | -                                      | 3,185                          | -   |
| Accrued Wages   | -                                      | -                              | -   |
| Due to Other Funds  | -                                      | -                              | -   |
| <b>Total Liabilities</b>  | <b>-</b>                               | <b>3,185</b>                   | <b>-</b>                                    |
| <b>Deferred Inflows of Resources</b>  |  |                                |   |
| Unavailable Revenue - special assessments   | -                                      | -                              | -   |
| <b>Total Deferred Inflows of Resources</b>  | <b>-</b>                               | <b>-</b>                       | <b>-</b>                                    |
| <b>Fund Balances (Deficits)</b>   |  |                                |   |
| Nonspendable:   |  |                                |   |
| Perpetual Care  | -                                      | -                              | -   |
| Restricted for:   |  |                                |   |
| Road Purposes   | -                                      | -                              | -   |
| Local Option Sales Tax  | -                                      | -                              | -   |
| Capital Expenditures  | -                                      | 185,833                        | -   |
| Cable TV  | -                                      | -                              | -   |
| Assigned for:   |  |                                |   |
| Capital Improvement   | 15,211                                 | 65,144                         | 1   |
| Unassigned  | -                                      | -                              | -   |
| <b>Total Fund Balances (Deficits)</b>   | <b>15,211</b>                          | <b>250,977</b>                 | <b>1</b>                                    |
| <b>Total Liabilities, Deferred Inflows of<br/>Resources, and Fund Balances (Deficits)</b> | <b>\$ 15,211</b>                       | <b>\$ 254,162</b>              | <b>\$ 1</b>                                 |

| Capital Project Funds   |                                |                             |                           |                                 |                                |     |
|-------------------------|--------------------------------|-----------------------------|---------------------------|---------------------------------|--------------------------------|-----|
| 20th St NW<br>RR X-Road | Public<br>Services<br>Facility | South<br>Industrial<br>Park | FEMA<br>Flood<br>Projects | 3rd Street<br>Bridge<br>Project | Airport<br>Land<br>Acquisition |     |
| \$ 3,414                | \$ 19,079                      | \$ 715,110                  | \$ 6,248                  | \$ 7,095                        | \$ -                           |     |
| -                       | -                              | -                           | -                         | -                               | -                              |     |
| -                       | -                              | -                           | -                         | 4,948                           | -                              |     |
| -                       | -                              | -                           | -                         | -                               | -                              |     |
| -                       | -                              | -                           | -                         | -                               | -                              |     |
| 3,414                   | 19,079                         | 715,110                     | 6,248                     | 12,043                          | -                              |     |
| -                       | 5,000                          | -                           | -                         | -                               | -                              |     |
| -                       | -                              | -                           | -                         | -                               | -                              |     |
| -                       | -                              | -                           | -                         | -                               | -                              | 3   |
| -                       | 5,000                          | -                           | -                         | -                               | -                              | 3   |
| -                       | -                              | -                           | -                         | -                               | -                              |     |
| -                       | -                              | -                           | -                         | -                               | -                              |     |
| -                       | -                              | -                           | -                         | -                               | -                              |     |
| -                       | -                              | -                           | -                         | -                               | -                              |     |
| 3,414                   | -                              | -                           | 6,248                     | -                               | -                              |     |
| -                       | -                              | -                           | -                         | -                               | -                              |     |
| -                       | 14,079                         | 715,110                     | -                         | 12,043                          | -                              |     |
| -                       | -                              | -                           | -                         | -                               | -                              | (3) |
| 3,414                   | 14,079                         | 715,110                     | 6,248                     | 12,043                          | (3)                            |     |
| \$ 3,414                | \$ 19,079                      | \$ 715,110                  | \$ 6,248                  | \$ 12,043                       | \$ -                           |     |

**CITY OF WAVERLY, IOWA  
COMBINING BALANCE SHEET  
Governmental Nonmajor Funds  
JUNE 30, 2022**

|   | <b>Capital Project Funds</b>                |                                      |                               |
|---|---|--------------------------------------|-------------------------------|
|   | <b>Alley<br/>Reconstruction<br/>Project</b> | <b>Cedar Lane<br/>2nd Ave<br/>NE</b> | <b>CDBG<br/>Housing Rehab</b> |
| <b>Assets</b>   |   |                                      |                               |
| Cash and Pooled Investments   | \$ 47,233                                   | \$ 856,751                           | \$ -                          |
| Certificates of Deposit   | -   | -                                    | -                             |
| Receivables (Net, where applicable, of allowance<br>for uncollectibles)                   |   |                                      |                               |
| Accounts  | -   | -                                    | -                             |
| Special Assessments   | -   | -                                    | -                             |
| Due from Other Governmental Agencies  | -   | -                                    | 44,677                        |
| <b>Total Assets</b>   | <b>47,233</b>                               | <b>856,751</b>                       | <b>44,677</b>                 |
| <b>Liabilities</b>  |   |                                      |                               |
| Accounts Payable  | 37,536                                      | 266,756                              | 26,931                        |
| Accrued Wages   | -   | -                                    | -                             |
| Due to Other Funds  | -   | -                                    | 32,863                        |
| <b>Total Liabilities</b>  | <b>37,536</b>                               | <b>266,756</b>                       | <b>59,794</b>                 |
| <b>Deferred Inflows of Resources</b>  |   |                                      |                               |
| Unavailable Revenue - special assessments   | -   | -                                    | -                             |
| <b>Total Deferred Inflows of Resources</b>  | <b>-</b>                                    | <b>-</b>                             | <b>-</b>                      |
| <b>Fund Balances (Deficits)</b>   |   |                                      |                               |
| Nonspendable:   |   |                                      |                               |
| Perpetual Care  | -   | -                                    | -                             |
| Restricted for:   |   |                                      |                               |
| Road Purposes   | -   | -                                    | -                             |
| Local Option Sales Tax  | -   | -                                    | -                             |
| Capital Expenditures  | -   | 589,995                              | -                             |
| Cable TV  | -   | -                                    | -                             |
| Assigned for:   |   |                                      |                               |
| Capital Improvement   | 9,697                                       | -                                    | -                             |
| Unassigned  | -   | -                                    | (15,117)                      |
| <b>Total Fund Balances (Deficits)</b>   | <b>9,697</b>                                | <b>589,995</b>                       | <b>(15,117)</b>               |
| <b>Total Liabilities, Deferred Inflows of<br/>Resources, and Fund Balances (Deficits)</b> | <b>\$ 47,233</b>                            | <b>\$ 856,751</b>                    | <b>\$ 44,677</b>              |

| Capital Project Funds     |                        |                                 |                        |                      |                                |   |
|---------------------------|------------------------|---------------------------------|------------------------|----------------------|--------------------------------|---|
| 2020                      | 2017                   |                                 | Airport                | Airport              |                                |   |
| 20th St NW<br>Improvement | Cedar River<br>Parkway | 1st Street NW<br>Reconstruction | Obstruction<br>Removal | Runway 11<br>Taxiway | 10th Ave SW<br>Trail Extension |   |
| \$ -                      | \$ -                   | \$ 64,641                       | \$ 20,019              | \$ -                 | \$ 120,663                     |   |
| -                         | -                      | -                               | -                      | -                    | -                              | - |
| -                         | -                      | -                               | -                      | -                    | -                              | - |
| -                         | -                      | 2,925                           | -                      | -                    | -                              | - |
| -                         | -                      | 22,500                          | -                      | -                    | -                              | - |
| -                         | -                      | 90,066                          | 20,019                 | -                    | 120,663                        |   |
| -                         | -                      | -                               | -                      | 3,645                | -                              | - |
| -                         | -                      | -                               | -                      | -                    | -                              | - |
| -                         | -                      | -                               | -                      | 58,285               | -                              | - |
| -                         | -                      | -                               | -                      | 61,930               | -                              | - |
| -                         | -                      | 2,633                           | -                      | -                    | -                              | - |
| -                         | -                      | 2,633                           | -                      | -                    | -                              | - |
| -                         | -                      | -                               | -                      | -                    | -                              | - |
| -                         | -                      | -                               | -                      | -                    | -                              | - |
| -                         | -                      | 87,433                          | -                      | -                    | 120,663                        | - |
| -                         | -                      | -                               | -                      | -                    | -                              | - |
| -                         | -                      | -                               | 20,019                 | -                    | -                              | - |
| -                         | -                      | -                               | -                      | (61,930)             | -                              | - |
| -                         | -                      | 87,433                          | 20,019                 | (61,930)             | 120,663                        |   |
| \$ -                      | \$ -                   | \$ 90,066                       | \$ 20,019              | \$ -                 | \$ 120,663                     |   |

CITY OF WAVERLY, IOWA  
 COMBINING BALANCE SHEET  
 Governmental Nonmajor Funds  
 JUNE 30, 2022

|   | Capital Project   |                               | Permanent         | Governmental<br>Nonmajor<br>Funds |
|---|-------------------|-------------------------------|-------------------|-----------------------------------|
|   | 4th St<br>Project | Well No. 5<br>Reconfiguration | Perpetual<br>Care |                                   |
| <b>Assets</b>   |                   |                               |                   |                                   |
| Cash and Pooled Investments   | \$ 34,830         | \$ 120,161                    | \$ 67,957         | \$ 5,669,305                      |
| Certificates of Deposit   | -                 | -                             | 465,000           | 465,000                           |
| Receivables (Net, where applicable, of allowance<br>for uncollectibles)                   |                   |                               |                   |                                   |
| Accounts  | -                 | -                             | -                 | 13,787                            |
| Special Assessments   | 13,206            | -                             | -                 | 36,736                            |
| Due from Other Governmental Agencies  | -                 | -                             | -                 | 312,167                           |
| <b>Total Assets</b>   | <b>48,036</b>     | <b>120,161</b>                | <b>532,957</b>    | <b>6,496,995</b>                  |
| <b>Liabilities</b>  |                   |                               |                   |                                   |
| Accounts Payable  | -                 | -                             | -                 | 527,426                           |
| Accrued Wages   | -                 | -                             | -                 | 9,981                             |
| Due to Other Funds  | -                 | -                             | -                 | 622,407                           |
| <b>Total Liabilities</b>  | <b>-</b>          | <b>-</b>                      | <b>-</b>          | <b>1,159,814</b>                  |
| <b>Deferred Inflows of Resources</b>  |                   |                               |                   |                                   |
| Unavailable Revenue - special assessments   | 9,790             | -                             | -                 | 28,987                            |
| <b>Total Deferred Inflows of Resources</b>  | <b>9,790</b>      | <b>-</b>                      | <b>-</b>          | <b>28,987</b>                     |
| <b>Fund Balances (Deficits)</b>   |                   |                               |                   |                                   |
| Nonspendable:   |                   |                               |                   |                                   |
| Perpetual Care  | -                 | -                             | 532,957           | 532,957                           |
| Restricted for:   |                   |                               |                   |                                   |
| Road Purposes   | -                 | -                             | -                 | 1,197,814                         |
| Local Option Sales Tax  | -                 | -                             | -                 | 1,561,674                         |
| Capital Expenditures  | -                 | -                             | -                 | 993,586                           |
| Cable TV  | -                 | -                             | -                 | 109,903                           |
| Assigned for:   |                   |                               |                   |                                   |
| Capital Improvement   | 38,246            | 120,161                       | -                 | 1,649,050                         |
| Unassigned  | -                 | -                             | -                 | (736,790)                         |
| <b>Total Fund Balances (Deficits)</b>   | <b>38,246</b>     | <b>120,161</b>                | <b>532,957</b>    | <b>5,308,194</b>                  |
| <b>Total Liabilities, Deferred Inflows of<br/>Resources, and Fund Balances (Deficits)</b> | <b>\$ 48,036</b>  | <b>\$ 120,161</b>             | <b>\$ 532,957</b> | <b>\$ 6,496,995</b>               |

**CITY OF WAVERLY, IOWA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**Governmental Nonmajor Funds**  
**For the Year Ended June 30, 2022**

|  | <b>Special Revenue Funds</b> |                                       |   |
|--|------------------------------|---------------------------------------|---|
|  | <b>Road Use<br/>Tax</b>      | <b>Local<br/>Option<br/>Sales Tax</b> | <b>Sales Tax<br/>Increment<br/>Fund</b> |
| Revenue:   |                              |                                       |   |
| Taxes  | \$ -                         | \$ 1,443,857                          | \$ 579,702                              |
| Special Assessments  | -                            | -                                     | -                                       |
| Licenses and Permits   | -                            | -                                     | -                                       |
| Intergovernmental Revenue                                    | 1,395,173                    | -                                     | -                                       |
| Contributions  | -                            | -                                     | -                                       |
| Rental Income  | -                            | -                                     | -                                       |
| Interest   | -                            | 6,327                                 | 2,852                                   |
| Miscellaneous  | 9,885                        | -                                     | -                                       |
| Total Revenue  | <u>1,405,058</u>             | <u>1,450,184</u>                      | <u>582,554</u>                          |
| Expenditures:  |                              |                                       |   |
| Current:   |                              |                                       |   |
| Public Works   | 1,043,380                    | -                                     | -                                       |
| Culture and Recreation                                       | -                            | -                                     | -                                       |
| Capital Projects   | -                            | -                                     | -                                       |
| Debt Service   | -                            | -                                     | -                                       |
| Total Expenditures   | <u>1,043,380</u>             | <u>-</u>                              | <u>-</u>                                |
| Excess (deficiency) of revenues over expenditures            | <u>361,678</u>               | <u>1,450,184</u>                      | <u>582,554</u>                          |
| Other financing sources (uses):                              |                              |                                       |   |
| Proceeds from Sale of Capital Assets                         | -                            | -                                     | -                                       |
| Transfers In   | -                            | -                                     | -                                       |
| Transfers Out  | (117,200)                    | (1,238,426)                           | (579,400)                               |
| Total other financing sources (uses)                         | <u>(117,200)</u>             | <u>(1,238,426)</u>                    | <u>(579,400)</u>                        |
| Net Change in Fund Balance                                   | 244,478                      | 211,758                               | 3,154                                   |
| Fund balances (deficits) - beginning of year                 | 953,336                      | 817,866                               | 528,896                                 |
| Prior Period Adjustment                                      | -                            | -                                     | -                                       |
| Fund balances (deficits) -<br>beginning of year, as restated | <u>953,336</u>               | <u>817,866</u>                        | <u>528,896</u>                          |
| Fund balances (deficits) - end of year                       | <u>\$ 1,197,814</u>          | <u>\$ 1,029,624</u>                   | <u>\$ 532,050</u>                       |

| Special<br>Revenue | Capital Project Funds         |                     |                                 |                                 |                                |
|--------------------|-------------------------------|---------------------|---------------------------------|---------------------------------|--------------------------------|
|                    | 2017<br>Airport<br>Runway Ext | Sidewalk<br>Program | Fair/Ball<br>Diamond<br>Project | 2017<br>Bituminous<br>Seal Coat | Capital<br>Improvement<br>Fund |
| \$ -               | \$ -                          | \$ -                | \$ -                            | \$ -                            | \$ -                           |
| -                  | -                             | 1,018               | -                               | -                               | -                              |
| 46,205             | -                             | -                   | -                               | -                               | -                              |
| -                  | -                             | -                   | -                               | -                               | 260,591                        |
| -                  | -                             | -                   | 17,400                          | -                               | -                              |
| -                  | -                             | -                   | -                               | -                               | 1,028                          |
| -                  | -                             | -                   | -                               | -                               | 3,514                          |
| 46,205             | -                             | 1,018               | 17,400                          | -                               | 265,133                        |
| -                  | -                             | -                   | -                               | -                               | -                              |
| 37,361             | -                             | -                   | -                               | -                               | -                              |
| -                  | 3,604                         | 1,074               | -                               | 187,394                         | 190,827                        |
| -                  | -                             | -                   | -                               | -                               | -                              |
| 37,361             | 3,604                         | 1,074               | -                               | 187,394                         | 190,827                        |
| 8,844              | (3,604)                       | (56)                | 17,400                          | (187,394)                       | 74,306                         |
| -                  | -                             | -                   | -                               | -                               | -                              |
| -                  | 138,000                       | -                   | -                               | 200,000                         | 225,000                        |
| -                  | -                             | -                   | (59,465)                        | -                               | (25,000)                       |
| -                  | 138,000                       | -                   | (59,465)                        | 200,000                         | 200,000                        |
| 8,844              | 134,396                       | (56)                | (42,065)                        | 12,606                          | 274,306                        |
| 101,059            | (136,990)                     | (125,163)           | 42,065                          | 57,404                          | 148,168                        |
| -                  | -                             | -                   | -                               | -                               | -                              |
| 101,059            | (136,990)                     | (125,163)           | 42,065                          | 57,404                          | 148,168                        |
| \$ 109,903         | \$ (2,594)                    | \$ (125,219)        | \$ -                            | \$ 70,010                       | \$ 422,474                     |

**CITY OF WAVERLY, IOWA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**Governmental Nonmajor Funds**  
**For the Year Ended June 30, 2022**

|  | <b>Capital Project Funds</b> |                           |                               |
|--|------------------------------|---------------------------|-------------------------------|
|  | <b>Eagle<br/>Ridge</b>       | <b>Trail<br/>Projects</b> | <b>Youth<br/>Ball Diamond</b> |
| <b>Revenue:</b>  |                              |                           |                               |
| Taxes  | \$ -                         | \$ -                      | \$ -                          |
| Special Assessments  | -                            | -                         | -                             |
| Licenses and Permits   | -                            | -                         | -                             |
| Intergovernmental Revenue                                    | -                            | -                         | -                             |
| Contributions  | 331,640                      | -                         | 281,147                       |
| Rental Income  | -                            | -                         | -                             |
| Interest   | -                            | -                         | -                             |
| Miscellaneous  | -                            | -                         | -                             |
| <b>Total Revenue</b>   | <b>331,640</b>               | <b>-</b>                  | <b>281,147</b>                |
| <b>Expenditures:</b>   |                              |                           |                               |
| <b>Current:</b>  |                              |                           |                               |
| Public Works   | -                            | -                         | -                             |
| Culture and Recreation                                       | -                            | -                         | -                             |
| Capital Projects   | 577,154                      | -                         | 1,728,522                     |
| Debt Service   | -                            | -                         | 65                            |
| <b>Total Expenditures</b>                                    | <b>577,154</b>               | <b>-</b>                  | <b>1,728,587</b>              |
| Excess (deficiency) of revenues over expenditures            | (245,514)                    | -                         | (1,447,440)                   |
| <b>Other financing sources (uses):</b>                       |                              |                           |                               |
| Proceeds from Sale of Capital Assets                         | -                            | -                         | 1,855,877                     |
| Transfers In   | 415,500                      | -                         | 59,465                        |
| Transfers Out  | -                            | (3,468)                   | -                             |
| <b>Total other financing sources (uses)</b>                  | <b>415,500</b>               | <b>(3,468)</b>            | <b>1,915,342</b>              |
| Net Change in Fund Balance                                   | 169,986                      | (3,468)                   | 467,902                       |
| Fund balances (deficits) - beginning of year                 | (114,941)                    | 3,468                     | (1,360,193)                   |
| Prior Period Adjustment                                      | -                            | -                         | 363,199                       |
| Fund balances (deficits) -<br>beginning of year, as restated | (114,941)                    | 3,468                     | (996,994)                     |
| Fund balances (deficits) - end of year                       | \$ 55,045                    | \$ -                      | \$ (529,092)                  |

| Capital Project Funds      |                            |                                 |                                   |                     |                         |
|----------------------------|----------------------------|---------------------------------|-----------------------------------|---------------------|-------------------------|
| Sanitary Sewer Improvement | Storm Drainage Improvement | Bremer Ave Hwy 3 Reconstruction | E. Bremer Ave Sanitary Sewer 2019 | WPC Dome Demolition | 10th St SW Improvements |
| \$ -                       | \$ -                       | \$ -                            | \$ -                              | \$ -                | \$ -                    |
| -                          | -                          | 2,805                           | -                                 | -                   | 3,395                   |
| -                          | -                          | -                               | -                                 | -                   | -                       |
| -                          | -                          | -                               | -                                 | -                   | -                       |
| -                          | -                          | -                               | -                                 | -                   | -                       |
| -                          | -                          | -                               | -                                 | -                   | -                       |
| -                          | -                          | 2,805                           | -                                 | -                   | 3,395                   |
| -                          | -                          | -                               | -                                 | -                   | -                       |
| -                          | -                          | -                               | -                                 | -                   | -                       |
| -                          | 12,979                     | 1,391,487                       | -                                 | 55                  | 719                     |
| -                          | -                          | 17                              | -                                 | -                   | -                       |
| -                          | 12,979                     | 1,391,504                       | -                                 | 55                  | 719                     |
| -                          | (12,979)                   | (1,388,699)                     | -                                 | (55)                | 2,676                   |
| -                          | -                          | -                               | -                                 | -                   | -                       |
| 40,000                     | 25,000                     | 350,000                         | -                                 | -                   | 245,000                 |
| -                          | -                          | -                               | -                                 | (117,858)           | -                       |
| 40,000                     | 25,000                     | 350,000                         | -                                 | (117,858)           | 245,000                 |
| 40,000                     | 12,021                     | (1,038,699)                     | -                                 | (117,913)           | 247,676                 |
| 45,436                     | (14,856)                   | 1,039,956                       | 42                                | 117,913             | (242,601)               |
| -                          | -                          | -                               | -                                 | -                   | -                       |
| 45,436                     | (14,856)                   | 1,039,956                       | 42                                | 117,913             | (242,601)               |
| \$ 85,436                  | \$ (2,835)                 | \$ 1,257                        | \$ 42                             | \$ -                | \$ 5,075                |

**CITY OF WAVERLY, IOWA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**Governmental Nonmajor Funds**  
**For the Year Ended June 30, 2022**

|  | <b>Capital Project Funds</b>           |                                |   |
|--|--|--------------------------------|---|
|  | <b>Various Projects<br/>2019 Bonds</b> | <b>S Riverside PK<br/>2019</b> | <b>Business<br/>Hwy 218<br/>Improvement</b> |
| Revenue:   |  |                                |   |
| Taxes  | \$ -                                   | \$ -                           | \$ -  |
| Special Assessments  | -                                      | -                              | -   |
| Licenses and Permits   | -                                      | -                              | -   |
| Intergovernmental Revenue                                    | -                                      | -                              | -   |
| Contributions  | -                                      | 1,100                          | -   |
| Rental Income  | -                                      | -                              | -   |
| Interest   | -                                      | -                              | -   |
| Miscellaneous  | -                                      | -                              | -   |
| Total Revenue  | -                                      | 1,100                          | -   |
| Expenditures:  |  |                                |   |
| Current:   |  |                                |   |
| Public Works   | -                                      | -                              | -   |
| Culture and Recreation                                       | -                                      | -                              | -   |
| Capital Projects   | 43,632                                 | 356,720                        | -   |
| Debt Service   | -                                      | -                              | -   |
| Total Expenditures   | 43,632                                 | 356,720                        | -   |
| Excess (deficiency) of revenues over expenditures            | (43,632)                               | (355,620)                      | -   |
| Other financing sources (uses):                              |  |                                |   |
| Proceeds from Sale of Capital Assets                         | -                                      | -                              | -   |
| Transfers In   | -                                      | 273,094                        | 33,066                                      |
| Transfers Out  | (50,000)                               | -                              | -   |
| Total other financing sources (uses)                         | (50,000)                               | 273,094                        | 33,066                                      |
| Net Change in Fund Balance                                   | (93,632)                               | (82,526)                       | 33,066                                      |
| Fund balances (deficits) - beginning of year                 | 108,843                                | 333,503                        | (33,065)                                    |
| Prior Period Adjustment                                      | -                                      | -                              | -   |
| Fund balances (deficits) -<br>beginning of year, as restated | 108,843                                | 333,503                        | (33,065)                                    |
| Fund balances (deficits) - end of year                       | \$ 15,211                              | \$ 250,977                     | \$ 1  |

| Capital Project Funds   |                                |                             |                           |                                 |                                |
|-------------------------|--------------------------------|-----------------------------|---------------------------|---------------------------------|--------------------------------|
| 20th St NW<br>RR X-Road | Public<br>Services<br>Facility | South<br>Industrial<br>Park | FEMA<br>Flood<br>Projects | 3rd Street<br>Bridge<br>Project | Airport<br>Land<br>Acquisition |
| \$ -                    | \$ -                           | \$ -                        | \$ -                      | \$ -                            | \$ -                           |
| -                       | -                              | -                           | -                         | -                               | -                              |
| -                       | -                              | -                           | -                         | -                               | -                              |
| -                       | -                              | -                           | -                         | -                               | -                              |
| -                       | -                              | 3,344                       | -                         | -                               | -                              |
| -                       | -                              | -                           | -                         | 4,948                           | -                              |
| -                       | -                              | 3,344                       | -                         | 4,948                           | -                              |
| -                       | -                              | -                           | -                         | -                               | -                              |
| -                       | 1,005,047                      | 2,000                       | -                         | 213,030                         | -                              |
| -                       | -                              | -                           | -                         | -                               | -                              |
| -                       | 1,005,047                      | 2,000                       | -                         | 213,030                         | -                              |
| -                       | (1,005,047)                    | 1,344                       | -                         | (208,082)                       | -                              |
| -                       | -                              | -                           | -                         | 139,017                         | -                              |
| -                       | 550,000                        | -                           | -                         | -                               | -                              |
| (171,000)               | -                              | -                           | -                         | (829,331)                       | (153,553)                      |
| (171,000)               | 550,000                        | -                           | -                         | (690,314)                       | (153,553)                      |
| (171,000)               | (455,047)                      | 1,344                       | -                         | (898,396)                       | (153,553)                      |
| 174,414                 | 469,126                        | 713,766                     | 6,248                     | 910,439                         | 153,550                        |
| -                       | -                              | -                           | -                         | -                               | -                              |
| 174,414                 | 469,126                        | 713,766                     | 6,248                     | 910,439                         | 153,550                        |
| \$ 3,414                | \$ 14,079                      | \$ 715,110                  | \$ 6,248                  | \$ 12,043                       | \$ (3)                         |

**CITY OF WAVERLY, IOWA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**Governmental Nonmajor Funds**  
**For the Year Ended June 30, 2022**

|  | <b>Capital Project Funds</b>                |                                      |                               |
|--|---|--------------------------------------|-------------------------------|
|  | <b>Alley<br/>Reconstruction<br/>Project</b> | <b>Cedar Lane<br/>2nd Ave<br/>NE</b> | <b>CDBG<br/>Housing Rehab</b> |
| Revenue:   |   |                                      |                               |
| Taxes  | \$ -  | \$ -                                 | \$ -                          |
| Special Assessments  | -   | -                                    | -                             |
| Licenses and Permits   | -   | -                                    | -                             |
| Intergovernmental Revenue                                    | -   | -                                    | 73,132                        |
| Contributions  | -   | -                                    | -                             |
| Rental Income  | -   | -                                    | -                             |
| Interest   | -   | -                                    | -                             |
| Miscellaneous  | -   | 54                                   | -                             |
| Total Revenue  | <u>-</u>                                    | <u>54</u>                            | <u>73,132</u>                 |
| Expenditures:  |   |                                      |                               |
| Current:   |   |                                      |                               |
| Public Works   | -   | -                                    | -                             |
| Culture and Recreation                                       | -   | -                                    | -                             |
| Capital Projects   | 52,483                                      | 672,981                              | 79,687                        |
| Debt Service   | -   | -                                    | -                             |
| Total Expenditures   | <u>52,483</u>                               | <u>672,981</u>                       | <u>79,687</u>                 |
| Excess (deficiency) of revenues over expenditures            | <u>(52,483)</u>                             | <u>(672,927)</u>                     | <u>(6,555)</u>                |
| Other financing sources (uses):                              |   |                                      |                               |
| Proceeds from Sale of Capital Assets                         | -   | -                                    | -                             |
| Transfers In   | -   | 615,303                              | -                             |
| Transfers Out  | -   | -                                    | -                             |
| Total other financing sources (uses)                         | <u>-</u>                                    | <u>615,303</u>                       | <u>-</u>                      |
| Net Change in Fund Balance                                   | (52,483)                                    | (57,624)                             | (6,555)                       |
| Fund balances (deficits) - beginning of year                 | 62,180                                      | 647,619                              | (8,562)                       |
| Prior Period Adjustment                                      | -   | -                                    | -                             |
| Fund balances (deficits) -<br>beginning of year, as restated | <u>62,180</u>                               | <u>647,619</u>                       | <u>(8,562)</u>                |
| Fund balances (deficits) - end of year                       | <u>\$ 9,697</u>                             | <u>\$ 589,995</u>                    | <u>\$ (15,117)</u>            |

| Capital Project Funds     |                        |                                 |                        |                      |                                |      |
|---------------------------|------------------------|---------------------------------|------------------------|----------------------|--------------------------------|------|
| 2020                      | 2017                   |                                 | Airport                | Airport              |                                |      |
| 20th St NW<br>Improvement | Cedar River<br>Parkway | 1st Street NW<br>Reconstruction | Obstruction<br>Removal | Runway 11<br>Taxiway | 10th Ave SW<br>Trail Extension |      |
| \$ -                      | \$ -                   | \$ -                            | \$ -                   | \$ -                 | \$ -                           | \$ - |
| -                         | -                      | 1,918                           | -                      | -                    | -                              | -    |
| -                         | -                      | -                               | -                      | -                    | -                              | -    |
| -                         | -                      | 450,000                         | -                      | -                    | -                              | -    |
| -                         | -                      | -                               | -                      | -                    | -                              | -    |
| -                         | -                      | -                               | -                      | -                    | -                              | -    |
| -                         | -                      | -                               | -                      | -                    | -                              | -    |
| -                         | -                      | 451,918                         | -                      | -                    | -                              | -    |
| -                         | -                      | -                               | -                      | -                    | -                              | -    |
| -                         | -                      | -                               | -                      | -                    | -                              | -    |
| -                         | -                      | 675,673                         | -                      | 52,242               | 976                            | -    |
| -                         | -                      | -                               | -                      | -                    | 175                            | -    |
| -                         | -                      | 675,673                         | -                      | 52,242               | 1,151                          | -    |
| -                         | -                      | (223,755)                       | -                      | (52,242)             | (1,151)                        | -    |
| -                         | -                      | -                               | -                      | -                    | -                              | -    |
| -                         | -                      | -                               | -                      | 15,553               | 30,765                         | -    |
| (14,603)                  | (48,626)               | (600,700)                       | -                      | (25,241)             | -                              | -    |
| (14,603)                  | (48,626)               | (600,700)                       | -                      | (9,688)              | 30,765                         | -    |
| (14,603)                  | (48,626)               | (824,455)                       | -                      | (61,930)             | 29,614                         | -    |
| 14,603                    | 48,626                 | 911,888                         | 20,019                 | -                    | 91,049                         | -    |
| -                         | -                      | -                               | -                      | -                    | -                              | -    |
| 14,603                    | 48,626                 | 911,888                         | 20,019                 | -                    | 91,049                         | -    |
| \$ -                      | \$ -                   | \$ 87,433                       | \$ 20,019              | \$ (61,930)          | \$ 120,663                     |      |

**CITY OF WAVERLY, IOWA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**Governmental Nonmajor Funds**  
**For the Year Ended June 30, 2022**

|  | Capital Project   |                               | Permanent         | Governmental      |
|--|-------------------|-------------------------------|-------------------|-------------------|
|  | 4th St<br>Project | Well No. 5<br>Reconfiguration | Perpetual<br>Care | Nonmajor<br>Funds |
| <b>Revenue:</b>  |                   |                               |                   |                   |
| Taxes  | \$ -              | \$ -                          | \$ -              | \$ 2,023,559      |
| Special Assessments  | 10,191            | -                             | -                 | 19,327            |
| Licenses and Permits   | -                 | -                             | -                 | 46,205            |
| Intergovernmental Revenue                                    | -                 | -                             | -                 | 2,178,896         |
| Contributions  | -                 | -                             | 6,808             | 620,695           |
| Rental Income  | -                 | -                             | -                 | 17,400            |
| Interest   | -                 | -                             | -                 | 13,551            |
| Miscellaneous  | -                 | -                             | -                 | 18,401            |
| Total Revenue  | 10,191            | -                             | 6,808             | 4,938,034         |
| <b>Expenditures:</b>   |                   |                               |                   |                   |
| <b>Current:</b>  |                   |                               |                   |                   |
| Public Works   | -                 | -                             | -                 | 1,043,380         |
| Culture and Recreation                                       | -                 | -                             | -                 | 37,361            |
| Capital Projects   | 14,733            | 19,839                        | -                 | 7,282,858         |
| Debt Service   | -                 | -                             | -                 | 257               |
| Total Expenditures   | 14,733            | 19,839                        | -                 | 8,363,856         |
| Excess (deficiency) of revenues over expenditures            | (4,542)           | (19,839)                      | 6,808             | (3,425,822)       |
| <b>Other financing sources (uses):</b>                       |                   |                               |                   |                   |
| Proceeds from Sale of Capital Assets                         | -                 | -                             | -                 | 1,994,894         |
| Transfers In   | -                 | 140,000                       | -                 | 3,355,746         |
| Transfers Out  | (245,000)         | -                             | -                 | (4,278,871)       |
| Total other financing sources (uses)                         | (245,000)         | 140,000                       | -                 | 1,071,769         |
| Net Change in Fund Balance                                   | (249,542)         | 120,161                       | 6,808             | (2,354,053)       |
| Fund balances (deficits) - beginning of year                 | 287,788           | -                             | 526,149           | 7,299,048         |
| Prior Period Adjustment                                      | -                 | -                             | -                 | 363,199           |
| Fund balances (deficits) -<br>beginning of year, as restated | 287,788           | -                             | 526,149           | 7,662,247         |
| Fund balances (deficits) - end of year                       | \$ 38,246         | \$ 120,161                    | \$ 532,957        | \$ 5,308,194      |

## **CITY OF WAVERLY STATISTICAL SECTION**

This part of the City of Waverly's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

| Contents:  | Pages     |
|--|-----------|
| Financial Trends   | 112 – 122 |
| These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.  |           |
| Revenue Capacity   | 123 – 126 |
| These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.  |           |
| Debt Capacity  | 127 – 135 |
| These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.                    |           |
| Demographic and Economic Information   | 136 - 137 |
| These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.   |           |
| Operating Information  | 138 - 142 |
| These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. |           |

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive reports for the relevant year.

**City of Waverly, Iowa**  
**Government-Wide Net Position by Component <sup>1</sup>**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

|  | <b>Fiscal Year</b>  |                     |                     |                     |
|--|---------------------|---------------------|---------------------|---------------------|
|  | <u>2013</u>         | <u>2014</u>         | <u>2015</u>         | <u>2016</u>         |
| Governmental Activities                          |                     |                     |                     |                     |
| Net Investment in Capital Assets                 | \$43,321,391        | \$45,860,962        | \$44,889,601        | \$45,139,066        |
| Restricted                                       | 2,699,291           | 2,509,661           | 2,043,840           | 2,706,371           |
| Unrestricted                                     | 2,503,546           | 976,180             | 149,599             | 1,638,015           |
| Total Governmental Activities Net Position       | <u>\$48,524,228</u> | <u>\$49,346,803</u> | <u>\$47,083,040</u> | <u>\$49,483,452</u> |
| Business-type Activities                         |                     |                     |                     |                     |
| Net Investment in Capital Assets                 | \$10,591,981        | \$10,274,538        | \$ 8,167,297        | \$10,659,431        |
| Restricted                                       | 89,468              | 88,279              | -                   | 22,734              |
| Unrestricted                                     | 2,366,784           | 2,509,368           | 4,581,247           | 2,892,703           |
| Total Business-type Activities Net Position      | <u>\$13,048,233</u> | <u>\$12,872,185</u> | <u>\$12,748,544</u> | <u>\$13,574,868</u> |
| Primary Government                               |                     |                     |                     |                     |
| Net Investment in Capital Assets                 | \$53,913,372        | \$56,135,500        | \$53,056,894        | \$55,798,497        |
| Restricted                                       | 2,788,759           | 2,597,940           | 2,043,840           | 2,729,105           |
| Unrestricted                                     | 4,870,330           | 3,485,548           | 4,730,846           | 4,530,718           |
| Total Primary Government Activities Net Position | <u>\$61,572,461</u> | <u>\$62,218,988</u> | <u>\$59,831,580</u> | <u>\$63,058,320</u> |

Notes:

1) Accounting standards require that net position be reported in three components in the financial statements: net investment in capital assets, restricted and unrestricted. Net position is considered restricted only when (1) an external party, such as the State of Iowa or the federal government, places a restriction on how the resources may be used, or (2) enabling legislation is enacted by the City.

| <b>Fiscal Year</b>  |                     |                     |                     |                     |                     |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <u>2017</u>         | <u>2018</u>         | <u>2019</u>         | <u>2020</u>         | <u>2021</u>         | <u>2022</u>         |
| \$46,400,267        | \$48,702,502        | \$47,543,076        | \$51,146,367        | \$55,333,374        | \$57,750,010        |
| 3,236,491           | 2,893,954           | 3,064,822           | 3,009,120           | 5,924,464           | 6,089,667           |
| (113,581)           | (2,095,449)         | 1,877,510           | 986,922             | (2,206,473)         | (1,723,291)         |
| <u>\$49,523,177</u> | <u>\$49,501,007</u> | <u>\$52,485,408</u> | <u>\$55,142,409</u> | <u>\$59,051,365</u> | <u>\$62,116,386</u> |
| <br>                |                     |                     |                     |                     |                     |
| \$11,615,461        | \$12,439,840        | \$10,833,717        | \$11,567,403        | \$12,645,950        | \$20,483,473        |
| 103,401             | 94,493              | 675,094             | 684,498             | 685,954             | 676,460             |
| 3,178,122           | 3,326,174           | 2,923,932           | 2,765,410           | 2,494,574           | (3,571,288)         |
| <u>\$14,896,984</u> | <u>\$15,860,507</u> | <u>\$14,432,743</u> | <u>\$15,017,311</u> | <u>\$15,826,478</u> | <u>\$17,588,645</u> |
| <br>                |                     |                     |                     |                     |                     |
| \$58,015,728        | \$61,142,342        | \$58,376,793        | \$62,713,770        | \$67,979,324        | \$78,233,483        |
| 3,339,892           | 2,988,447           | 3,739,916           | 3,693,618           | 6,610,418           | 6,766,127           |
| 3,064,541           | 1,230,725           | 4,801,442           | 3,752,332           | 288,101             | (5,294,579)         |
| <u>\$64,420,161</u> | <u>\$65,361,514</u> | <u>\$66,918,151</u> | <u>\$70,159,720</u> | <u>\$74,877,843</u> | <u>\$79,705,031</u> |

**City of Waverly, Iowa**  
**Changes in Net Position**  
**Last Ten Fiscal Years**

|   | Fiscal Year         |                     |                     |                     |                     |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
|   | 2013                | 2014                | 2015                | 2016                | 2017                |
| <b>Expenses</b>                                 |                     |                     |                     |                     |                     |
| Governmental Activities:                        |                     |                     |                     |                     |                     |
| General Government                              | \$ 854,130          | \$ 819,124          | \$ 964,181          | \$ 812,686          | \$ 1,149,474        |
| Public Safety                                   | 2,313,898           | 2,344,143           | 2,187,109           | 2,247,521           | 2,478,198           |
| Public Works                                    | 3,455,969           | 4,007,339           | 4,063,154           | 5,275,053           | 4,374,264           |
| Health and Social Services                      | 159,562             | 161,194             | 184,325             | 64,184              | 9,874               |
| Community & Economic Development                | 1,122,593           | 1,151,508           | 1,557,169           | 515,249             | 1,292,607           |
| Culture and Recreation                          | 2,308,768           | 2,362,684           | 2,364,058           | 2,574,145           | 2,505,856           |
| Debt Service                                    | 306,030             | 194,220             | 477,628             | 536,149             | 437,831             |
| Total Governmental Activities Expenses          | <u>10,520,950</u>   | <u>11,040,212</u>   | <u>11,797,624</u>   | <u>12,024,987</u>   | <u>12,248,104</u>   |
| Business-type Activities                        |                     |                     |                     |                     |                     |
| Water   | 1,239,221           | 1,357,585           | 1,129,752           | 1,125,154           | 1,225,589           |
| Sewer   | 1,793,911           | 1,700,847           | 1,524,393           | 1,700,848           | 1,780,570           |
| Solid waste                                     | 1,069,970           | 1,197,667           | 1,206,111           | 1,048,675           | 1,218,735           |
| Total Business-type Activities Expenses         | <u>4,103,102</u>    | <u>4,256,099</u>    | <u>3,860,256</u>    | <u>3,874,677</u>    | <u>4,224,894</u>    |
| Total Primary Government Expenses               | <u>14,624,052</u>   | <u>15,296,311</u>   | <u>15,657,880</u>   | <u>15,899,664</u>   | <u>16,472,998</u>   |
| <b>Program Revenues (2)</b>                     |                     |                     |                     |                     |                     |
| Governmental Activities:                        |                     |                     |                     |                     |                     |
| Charges for Services                            |                     |                     |                     |                     |                     |
| General Government                              | 224,984             | 241,614             | 268,368             | 241,010             | 271,525             |
| Public Safety                                   | 60,096              | 53,708              | 41,530              | 42,533              | 51,089              |
| Public Works                                    | 82,504              | 25,914              | 27,995              | 44,526              | 57,264              |
| Community & Economic Development                | 12,347              | 12,338              | 20,266              | 23,303              | 22,734              |
| Culture and Recreation                          | 614,045             | 676,297             | 667,345             | 638,946             | 625,840             |
| Operating Grants and Contributions              | 1,556,417           | 1,922,408           | 1,803,342           | 2,159,919           | 2,217,432           |
| Capital Grants and Contributions                | 945,531             | 414,555             | 1,507,147           | 2,007,771           | 330,201             |
| Total Governmental Activities Program Revenues  | <u>3,495,924</u>    | <u>3,346,834</u>    | <u>4,335,993</u>    | <u>5,158,008</u>    | <u>3,576,085</u>    |
| Business-type Activities:                       |                     |                     |                     |                     |                     |
| Charges for services:                           |                     |                     |                     |                     |                     |
| Water   | 1,195,417           | 1,228,012           | 1,236,098           | 1,246,479           | 1,308,725           |
| Sewer   | 1,573,000           | 1,640,186           | 1,643,939           | 1,792,574           | 1,666,757           |
| Solid waste                                     | 1,073,959           | 1,153,726           | 1,271,353           | 1,340,891           | 1,424,910           |
| Capital Grants and Contributions                | -                   | -                   | 169,235             | 269,205             | 2,348               |
| Total Business-Type Activities Program Revenues | <u>3,842,376</u>    | <u>4,021,924</u>    | <u>4,320,625</u>    | <u>4,649,149</u>    | <u>4,402,740</u>    |
| Total Primary Government Program Revenues       | <u>\$ 7,338,300</u> | <u>\$ 7,368,758</u> | <u>\$ 8,656,618</u> | <u>\$ 9,807,157</u> | <u>\$ 7,978,825</u> |

**Fiscal Year**

| <u>2018</u>         | <u>2019</u>         | <u>2020</u>          | <u>2021</u>          | <u>2022</u>          |
|---------------------|---------------------|----------------------|----------------------|----------------------|
| \$ 1,149,385        | \$ 669,502          | \$ 930,649           | \$ 890,918           | \$ 750,438           |
| 2,701,599           | 2,643,357           | 2,980,681            | 2,907,703            | 2,333,262            |
| 5,104,045           | 4,724,799           | 4,609,339            | 5,627,091            | 5,068,309            |
| 9,874               | 9,874               | 9,874                | 9,874                | 9,874                |
| 729,567             | 774,466             | 973,361              | 834,488              | 756,854              |
| 2,605,857           | 2,776,818           | 2,871,985            | 3,039,296            | 3,189,567            |
| 445,257             | 761,646             | 743,123              | 747,278              | 655,515              |
| <u>12,745,584</u>   | <u>12,360,462</u>   | <u>13,119,012</u>    | <u>14,056,648</u>    | <u>12,763,819</u>    |
| 1,211,683           | 1,502,936           | 1,390,408            | 1,253,842            | 1,400,442            |
| 1,698,567           | 1,764,687           | 1,853,223            | 1,748,680            | 1,969,126            |
| 1,219,573           | 1,373,526           | 1,325,275            | 1,390,486            | 1,363,090            |
| <u>4,129,823</u>    | <u>4,641,149</u>    | <u>4,568,906</u>     | <u>4,393,008</u>     | <u>4,732,658</u>     |
| <u>16,875,407</u>   | <u>17,001,611</u>   | <u>17,687,918</u>    | <u>18,449,656</u>    | <u>17,496,477</u>    |
| 251,725             | 127,635             | 104,466              | 124,028              | 152,806              |
| 47,839              | 53,175              | 40,244               | 89,619               | 197,207              |
| 87,868              | 105,935             | 130,957              | 31,594               | 158,949              |
| 9,334               | 19,612              | 24,998               | 16,899               | 45,477               |
| 592,286             | 630,601             | 587,973              | 889,390              | 986,188              |
| 2,157,667           | 2,443,545           | 3,296,788            | 3,346,721            | 2,296,820            |
| 681,523             | 69,412              | 1,394,149            | 1,891,675            | 1,148,221            |
| <u>3,828,242</u>    | <u>3,449,915</u>    | <u>5,579,575</u>     | <u>6,389,926</u>     | <u>4,985,668</u>     |
| 1,335,896           | 1,496,978           | 1,515,461            | 1,575,486            | 1,555,079            |
| 1,695,866           | 1,837,309           | 1,944,024            | 2,121,115            | 2,257,532            |
| 1,458,395           | 1,462,918           | 1,590,679            | 1,702,582            | 1,854,970            |
| 359,703             | 109,913             | -                    | 5,498                | 3,729                |
| <u>4,849,860</u>    | <u>4,907,118</u>    | <u>5,050,164</u>     | <u>5,404,681</u>     | <u>5,671,310</u>     |
| <u>\$ 8,678,102</u> | <u>\$ 8,357,033</u> | <u>\$ 10,629,739</u> | <u>\$ 11,794,607</u> | <u>\$ 10,656,978</u> |

(continued on next page)

|                                       | <u>2013</u>        | <u>2014</u>        | <u>2015</u>         | <u>2016</u>         | <u>2017</u>         |
|---------------------------------------|--------------------|--------------------|---------------------|---------------------|---------------------|
| Net (Expense)/Revenue <sup>1</sup>    |                    |                    |                     |                     |                     |
| Governmental Activities:              | \$ (7,025,026)     | \$(7,693,378)      | \$(7,461,631)       | \$(6,866,979)       | \$(8,672,019)       |
| Business-type Activities              | (260,726)          | (234,175)          | 460,369             | 774,472             | 177,846             |
| Total Primary Government Net Expense  | <u>(7,285,752)</u> | <u>(7,927,553)</u> | <u>(7,001,262)</u>  | <u>(6,092,507)</u>  | <u>(8,494,173)</u>  |
| <b>General Revenues</b>               |                    |                    |                     |                     |                     |
| Governmental Activities:              |                    |                    |                     |                     |                     |
| Property Taxes                        | 6,745,028          | 7,133,869          | 7,000,472           | 7,086,413           | 7,504,828           |
| Local Option Sales Tax                | 871,022            | 896,970            | 996,545             | 1,128,998           | 1,502,733           |
| Hotel/Motel Taxes                     | 150,172            | 163,599            | 154,137             | 175,269             | 232,582             |
| Interest                              | 43,479             | 44,973             | 34,653              | 46,697              | 50,928              |
| General Intergovernmental Revenues    | 153,540            | 173,778            | 148,034             | 191,934             | 192,114             |
| Commercial/Industrial Tax replacement | -                  | -                  | 113,678             | 233,203             | 208,008             |
| Gain on Sale of Capital Assets        | 11,186             | -                  | 4,500               | -                   | 30,735              |
| Miscellaneous                         | 40,697             | 77,764             | 22,198              | 96,217              | 8,280               |
| Transfers                             | -                  | 25,000             | 57,166              | 60,474              | (1,018,464)         |
| Total Governmental Activities         | <u>8,015,124</u>   | <u>8,515,953</u>   | <u>8,531,383</u>    | <u>9,019,205</u>    | <u>8,711,744</u>    |
| Business-type Activities:             |                    |                    |                     |                     |                     |
| Investment Earnings                   | 5,031              | 7,606              | 12,624              | 19,508              | 17,637              |
| Gain on Sale of Capital Assets        | -                  | -                  | -                   | -                   | 10,726              |
| Miscellaneous                         | 76,040             | 75,521             | 91,809              | 92,824              | 97,443              |
| Transfers                             | -                  | (25,000)           | (57,166)            | (60,474)            | 1,018,464           |
| Total Business-type Activities        | <u>81,071</u>      | <u>58,127</u>      | <u>47,267</u>       | <u>51,858</u>       | <u>1,144,270</u>    |
| Total Primary Government              | <u>8,096,195</u>   | <u>8,574,080</u>   | <u>8,578,650</u>    | <u>9,071,063</u>    | <u>9,856,014</u>    |
| <b>Change in Net Position</b>         |                    |                    |                     |                     |                     |
| Governmental Activities               | 990,098            | 822,575            | 1,069,752           | 2,152,226           | 39,725              |
| Business-type Activities              | (179,655)          | (176,048)          | 507,636             | 826,330             | 1,322,116           |
| Total Primary Government              | <u>\$ 810,443</u>  | <u>\$ 646,527</u>  | <u>\$ 1,577,388</u> | <u>\$ 2,978,556</u> | <u>\$ 1,361,841</u> |

Notes:

1) Net (expense)/revenue is the difference between the expenses and program revenues of a function or program. It indicates the degree to which a function or program supports itself with its own fees and grants versus its reliance upon funding from taxes and other general revenues.

| <b>2018</b>         | <b>2019</b>         | <b>2020</b>         | <b>2021</b>         | <b>2022</b>         |
|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$(8,917,342)       | \$(8,910,547)       | \$ (7,539,437)      | \$ (7,666,722)      | \$ (7,778,151)      |
| 720,037             | 265,969             | 481,258             | 1,011,673           | 938,652             |
| <u>(8,197,305)</u>  | <u>(8,644,578)</u>  | <u>(7,058,179)</u>  | <u>(6,655,049)</u>  | <u>(6,839,499)</u>  |
| 7,287,523           | 7,487,736           | 7,613,429           | 8,600,766           | 9,008,053           |
| 1,222,010           | 1,560,866           | 1,714,891           | 1,931,044           | 2,023,559           |
| 188,106             | 179,842             | 151,341             | 105,368             | 251,080             |
| 45,347              | 103,701             | 113,639             | 122,172             | (77,670)            |
| 197,245             | 191,646             | 190,890             | 187,644             | 181,085             |
| 202,647             | 193,412             | 185,738             | 194,209             | 203,521             |
| -                   | 12,230              | 4,302               | 2,949               | 437,049             |
| 224,921             | 129,650             | 201,509             | 102,693             | 118,757             |
| (108,102)           | 1,837,271           | 52,974              | 329,187             | (687,432)           |
| <u>9,259,697</u>    | <u>11,696,354</u>   | <u>10,228,713</u>   | <u>11,576,032</u>   | <u>11,458,002</u>   |
| 35,407              | 45,229              | 52,278              | 24,848              | 23,729              |
| 1,500               | -                   | -                   | -                   | -                   |
| 98,477              | 98,309              | 104,006             | 101,833             | 112,354             |
| 108,102             | (1,837,271)         | (52,974)            | (329,187)           | 687,432             |
| <u>243,486</u>      | <u>(1,693,733)</u>  | <u>103,310</u>      | <u>(202,506)</u>    | <u>823,515</u>      |
| <u>9,503,183</u>    | <u>10,002,621</u>   | <u>10,332,023</u>   | <u>11,373,526</u>   | <u>12,281,517</u>   |
| 342,355             | 2,785,807           | 2,689,276           | 3,909,310           | 3,679,851           |
| 963,523             | (1,427,764)         | 584,568             | 809,167             | 1,762,167           |
| <u>\$ 1,305,878</u> | <u>\$ 1,358,043</u> | <u>\$ 3,273,844</u> | <u>\$ 4,718,477</u> | <u>\$ 5,442,018</u> |

**City of Waverly, Iowa  
Tax Revenues By Source  
Last Ten Fiscal Years  
(cash basis of accounting)**

| <b>Fiscal Year</b> | <b>General Property Tax</b> | <b>Local Option Sales Tax</b> | <b>Tax Increment Financing Taxes</b> | <b>Cable TV Franchise Tax</b> | <b>Hotel - Motel Tax</b> | <b>Total Taxes</b> |
|--------------------|-----------------------------|-------------------------------|--------------------------------------|-------------------------------|--------------------------|--------------------|
| 2013               | \$ 4,830,132                | \$ 874,064                    | \$ 1,915,351                         | \$ 51,384                     | \$ 148,736               | \$ 7,819,667       |
| 2014               | 5,173,802                   | 897,221                       | 2,121,270                            | 57,632                        | 163,599                  | 8,413,524          |
| 2015               | 5,418,739                   | 983,208                       | 1,584,732                            | 50,150                        | 154,137                  | 8,190,966          |
| 2016               | 5,081,839                   | 908,243                       | 2,050,061                            | 51,810                        | 175,269                  | 8,267,222          |
| 2017               | 5,565,696                   | 1,372,762                     | 1,933,728                            | 56,752                        | 180,074                  | 9,109,012          |
| 2018               | 6,088,658                   | 1,402,341                     | 1,203,728                            | 61,708                        | 188,196                  | 8,944,631          |
| 2019               | 6,153,187                   | 1,743,644                     | 1,319,322                            | 94,107                        | 170,017                  | 9,480,277          |
| 2020               | 6,189,238                   | 1,536,181                     | 1,289,307                            | 102,544                       | 177,861                  | 9,295,131          |
| 2021               | 7,153,240                   | 2,016,292                     | 1,499,410                            | 96,588                        | 141,092                  | 10,906,622         |
| 2022               | \$ 7,692,171                | \$ 2,090,158                  | \$ 1,305,443                         | \$ 92,831                     | \$ 194,613               | \$ 11,375,216      |

Percentage  
Change  
In Dollars Over  
10 Years

|        |         |         |        |        |        |
|--------|---------|---------|--------|--------|--------|
| 59.25% | 139.13% | -31.84% | 80.66% | 30.84% | 45.47% |
|--------|---------|---------|--------|--------|--------|

**City of Waverly, Iowa**  
**Fund Balances of Governments Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

|                                    | <b>Fiscal Year</b>  |                     |                      |                     |
|------------------------------------|---------------------|---------------------|----------------------|---------------------|
|                                    | <u>2013</u>         | <u>2014</u>         | <u>2015</u>          | <u>2016</u>         |
| General Fund                       |                     |                     |                      |                     |
| Nonspendable                       | \$ 58,623           | \$ 74,062           | \$ 75,689            | \$ 74,377           |
| Restricted                         | -                   | -                   | -                    | -                   |
| Assigned                           | 26,025              | 11,416              | 20,874               | 24,627              |
| Unassigned                         | <u>1,590,215</u>    | <u>2,125,165</u>    | <u>2,271,397</u>     | <u>2,657,093</u>    |
| Total General Fund                 | <u>\$ 1,674,863</u> | <u>\$ 2,210,643</u> | <u>\$ 2,367,960</u>  | <u>\$ 2,756,097</u> |
| All Other Governmental Funds       |                     |                     |                      |                     |
| Nonspendable                       | \$ 485,084          | \$ 490,621          | \$ 496,551           | \$ 767,461          |
| Restricted                         | 2,228,356           | 2,034,196           | 1,564,753            | 1,714,074           |
| Assigned                           | 1,529,851           | 1,263,823           | 9,011,683            | 3,079,501           |
| Unassigned                         | <u>(748,823)</u>    | <u>(2,263,027)</u>  | <u>(230,217)</u>     | <u>(706,489)</u>    |
| Total All Other Governmental Funds | <u>\$ 3,494,468</u> | <u>\$ 1,525,613</u> | <u>\$ 10,842,770</u> | <u>\$ 4,854,547</u> |
| Total Governmental Funds           |                     |                     |                      |                     |
| Nonspendable                       | \$ 543,707          | \$ 564,683          | \$ 572,240           | \$ 841,838          |
| Restricted                         | 2,228,356           | 2,034,196           | 1,564,753            | 2,203,990           |
| Assigned                           | 1,555,876           | 1,275,239           | 9,032,557            | 2,614,212           |
| Unassigned                         | <u>841,392</u>      | <u>(137,862)</u>    | <u>2,041,180</u>     | <u>1,950,604</u>    |
| Total Governmental Funds           | <u>\$ 5,169,331</u> | <u>\$ 3,736,256</u> | <u>\$ 13,210,730</u> | <u>\$ 7,610,644</u> |

Notes:

The fluctuations in the fund balance result from construction projects in which funds are borrowed  
<sup>1</sup> in one year and spent in another fiscal year.

**Fiscal Year**

| <u>2017</u>         | <u>2018</u>         | <u>2019</u>          | <u>2020</u>          | <u>2021</u>          | <u>2022</u>         |
|---------------------|---------------------|----------------------|----------------------|----------------------|---------------------|
| \$ 88,789           | \$ 87,795           | \$ 233,783           | \$ 92,658            | \$ 100,690           | \$ 219,533          |
| -                   | -                   | -                    | -                    | 1,215,116            | 829,372             |
| 22,810              | 23,549              | 26,506               | 25,523               | 20,769               | 19,518              |
| <u>2,704,255</u>    | <u>3,126,763</u>    | <u>2,873,063</u>     | <u>3,766,212</u>     | <u>3,424,085</u>     | <u>2,108,825</u>    |
| <u>\$ 2,815,854</u> | <u>\$ 3,238,107</u> | <u>\$ 3,133,352</u>  | <u>\$ 3,884,393</u>  | <u>\$ 4,760,660</u>  | <u>\$ 3,177,248</u> |
| <br>                |                     |                      |                      |                      |                     |
| \$ 507,588          | \$ 513,603          | \$ 516,978           | \$ 519,488           | \$ 526,149           | \$ 532,957          |
| 2,727,209           | 2,420,088           | 2,609,603            | 10,336,821           | 7,644,301            | 4,711,759           |
| 1,242,751           | 1,755,210           | 7,439,541            | 1,735,994            | 1,728,213            | 1,649,050           |
| (743,199)           | (2,983,470)         | (780,849)            | (558,596)            | (2,892,852)          | (1,807,854)         |
| <u>\$ 3,734,349</u> | <u>\$ 1,705,431</u> | <u>\$ 9,785,273</u>  | <u>\$ 12,033,707</u> | <u>\$ 7,005,811</u>  | <u>\$ 5,085,912</u> |
| <br>                |                     |                      |                      |                      |                     |
| \$ 596,377          | \$ 601,398          | \$ 750,761           | \$ 612,146           | \$ 626,839           | \$ 752,490          |
| 2,727,209           | 2,420,088           | 2,609,603            | 10,336,821           | 8,859,417            | 5,541,131           |
| 1,265,561           | 1,778,759           | 7,466,047            | 1,761,517            | 1,748,982            | 1,668,568           |
| 1,961,056           | 143,293             | 2,092,214            | 3,207,616            | 531,233              | 300,971             |
| <u>\$ 6,550,203</u> | <u>\$ 4,943,538</u> | <u>\$ 12,918,625</u> | <u>\$ 15,918,100</u> | <u>\$ 11,766,471</u> | <u>\$ 8,263,160</u> |

**City of Waverly, Iowa**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

|  | <b>Fiscal Year</b>    |                       |                      |                       |
|--|-----------------------|-----------------------|----------------------|-----------------------|
|  | <u>2013</u>           | <u>2014</u>           | <u>2015</u>          | <u>2016</u>           |
| <b>Revenues</b>  |                       |                       |                      |                       |
| Taxes  | \$ 7,766,222          | \$ 8,192,294          | \$ 8,151,154         | \$ 8,215,412          |
| Special Assessments  | 6,215                 | 20,944                | 4,600                | 11,304                |
| Licenses and Permits   | 77,482                | 91,315                | 83,939               | 87,653                |
| Intergovernmental  | 2,592,220             | 2,262,054             | 3,377,252            | 4,558,349             |
| Charges for Services   | 775,303               | 859,319               | 842,155              | 814,866               |
| Fines and Forfeits   | 70,244                | 64,414                | 52,559               | 54,191                |
| Investment Earnings  | 42,180                | 43,948                | 32,623               | 44,609                |
| Rental Income  | 70,947                | 75,058                | 120,581              | 67,106                |
| Contributions  | 43,424                | 145,064               | 110,751              | 84,473                |
| Refunds/Reimbursements                                       | 21,505                | -                     | -                    | -                     |
| Miscellaneous  | 40,697                | 65,295                | 22,198               | 184,174               |
| Total Revenues   | <u>\$ 11,506,439</u>  | <u>\$ 11,819,705</u>  | <u>\$ 12,797,812</u> | <u>\$ 14,122,137</u>  |
| <b>Expenditures</b>  |                       |                       |                      |                       |
| Current:   |                       |                       |                      |                       |
| Public Safety  | 2,390,307             | 1,968,180             | 2,096,232            | 2,329,272             |
| Public Works   | 1,596,015             | 1,824,051             | 1,495,735            | 1,436,058             |
| Health and Social Services                                   | 159,562               | 161,194               | 184,325              | 64,184                |
| Culture and Recreation                                       | 2,104,902             | 2,254,536             | 2,355,850            | 2,462,074             |
| Community and Economic Development                           | 1,115,555             | 1,130,112             | 1,657,349            | 489,769               |
| General Government   | 795,178               | 815,808               | 871,927              | 837,847               |
| Debt Service:  |                       |                       |                      |                       |
| Principal  | 1,796,882             | 1,895,000             | 2,085,000            | 2,235,000             |
| Interest   | 304,063               | 191,920               | 490,171              | 585,738               |
| Capital Projects   | 2,930,055             | 3,202,963             | 9,269,704            | 9,591,741             |
| Total Expenditures   | <u>\$ 13,192,519</u>  | <u>\$ 13,443,764</u>  | <u>\$ 20,506,293</u> | <u>\$ 20,031,683</u>  |
| Excess (Deficiency) of Revenues<br>over (under) Expenditures | (1,686,080)           | (1,624,059)           | (7,708,481)          | (5,909,546)           |
| <b>Other Financing Sources (Uses)</b>                        |                       |                       |                      |                       |
| Issuance of Bonds, Notes, and Leases                         | 700,000               | 83,226                | 15,804,500           | -                     |
| Premiums on Bonds Issued                                     | -                     | -                     | 767,487              | -                     |
| Transfers In   | 4,753,789             | 3,677,611             | 5,137,112            | 4,044,527             |
| Transfers Out  | (4,753,789)           | (3,574,023)           | (5,079,946)          | (3,984,053)           |
| Sale of Capital Assets                                       | 25,105                | 4,170                 | 4,500                | 800                   |
| Total Other Financing Sources (Uses)                         | <u>\$ (1,409,895)</u> | <u>\$ 190,984</u>     | <u>\$ 16,633,653</u> | <u>\$ 61,274</u>      |
| Net change in fund balances                                  | <u>\$ (3,095,975)</u> | <u>\$ (1,433,075)</u> | <u>\$ 8,925,172</u>  | <u>\$ (5,848,272)</u> |
| Debt service as a percentage of non-capital<br>expenditures  | 20.47%                | 20.38%                | 22.92%               | 24.01%                |

| Fiscal Year           |                       |                      |                      |                       |                       |
|-----------------------|-----------------------|----------------------|----------------------|-----------------------|-----------------------|
| <u>2017</u>           | <u>2018</u>           | <u>2019</u>          | <u>2020</u>          | <u>2021</u>           | <u>2022</u>           |
| \$ 9,007,561          | \$ 8,510,566          | \$ 9,048,602         | \$ 9,226,758         | \$ 10,531,810         | \$ 11,031,612         |
| 40,566                | -                     | 13,167               | 13,458               | 79,723                | 19,327                |
| 113,545               | 78,885                | 142,033              | 139,460              | 97,544                | 140,719               |
| 3,000,504             | 3,119,322             | 2,960,743            | 4,299,111            | 4,721,728             | 3,331,809             |
| 822,666               | 793,572               | 587,526              | 623,064              | 810,735               | 779,350               |
| 57,489                | 54,876                | 43,750               | 41,041               | 29,590                | 39,665                |
| 49,191                | 45,347                | 103,701              | 113,639              | 122,172               | (77,670)              |
| 65,945                | 96,742                | 105,662              | 89,737               | 101,906               | 94,188                |
| 53,203                | 37,681                | 109,620              | 897,947              | 904,836               | 710,242               |
| -                     | -                     | -                    | -                    | -                     | -                     |
| 21,980                | 247,841               | 143,709              | 216,119              | 122,023               | 138,106               |
| <u>\$ 13,232,650</u>  | <u>\$ 12,984,832</u>  | <u>\$ 13,258,513</u> | <u>\$ 15,660,334</u> | <u>\$ 17,522,067</u>  | <u>\$ 16,207,348</u>  |
| 2,101,970             | 2,253,573             | 2,594,111            | 2,800,963            | 2,404,783             | 3,260,054             |
| 1,769,481             | 1,855,470             | 1,841,712            | 1,858,532            | 1,846,967             | 1,713,490             |
| 9,874                 | 9,874                 | 9,874                | 9,874                | 9,874                 | 9,874                 |
| 2,528,258             | 2,414,847             | 2,642,004            | 2,831,586            | 2,807,462             | 3,280,686             |
| 1,310,800             | 721,972               | 774,460              | 865,910              | 820,876               | 789,661               |
| 935,697               | 1,023,626             | 632,951              | 777,081              | 789,924               | 778,777               |
| 2,210,000             | 2,710,000             | 2,985,000            | 3,509,000            | 3,804,784             | 3,050,000             |
| 546,634               | 684,914               | 864,294              | 793,441              | 831,325               | 1,629,484             |
| 3,123,039             | 5,185,465             | 9,835,274            | 6,532,560            | 12,514,115            | 14,068,159            |
| <u>\$ 14,535,753</u>  | <u>\$ 16,859,741</u>  | <u>\$ 22,179,680</u> | <u>\$ 19,978,947</u> | <u>\$ 25,830,110</u>  | <u>\$ 28,580,185</u>  |
| (1,303,103)           | (3,874,909)           | (8,921,167)          | (4,318,613)          | (8,308,043)           | (12,372,837)          |
| 111,927               | 2,115,000             | 14,500,000           | 6,245,700            | 2,530,000             | 308,932               |
| -                     | 31,141                | 348,159              | 275,616              | 147,199               | -                     |
| 3,858,815             | 3,164,804             | 5,953,992            | 5,502,000            | 4,659,683             | 12,601,256            |
| (3,758,815)           | (3,056,704)           | (4,116,721)          | (4,677,255)          | (3,183,460)           | (5,427,816)           |
| 30,735                | -                     | 12,230               | 4,302                | 3,346                 | 2,001,984             |
| <u>\$ 242,662</u>     | <u>\$ 2,254,241</u>   | <u>\$ 16,697,660</u> | <u>\$ 7,350,363</u>  | <u>\$ 4,156,768</u>   | <u>\$ 9,484,356</u>   |
| <u>\$ (1,060,441)</u> | <u>\$ (1,620,668)</u> | <u>\$ 7,776,493</u>  | <u>\$ 3,031,750</u>  | <u>\$ (4,151,275)</u> | <u>\$ (2,888,481)</u> |
| 24.24%                | 27.52%                | 31.59%               | 31.73%               | 30.80%                | 22.28%                |

**City of Waverly, Iowa**  
**Assessed and Taxable Value of Taxable Property <sup>1</sup>**  
**Last Ten Fiscal Years**

| Fiscal Year | Real Property  |                            | Utilities <sup>3</sup> |               | Total          |                | Total Direct Tax Rate | Total Taxable Value To Total Assessed Value |
|-------------|----------------|----------------------------|------------------------|---------------|----------------|----------------|-----------------------|---|
|             | Assessed Value | Taxable Value <sup>2</sup> | Assessed Value         | Taxable Value | Assessed Value | Taxable Value  |                       |   |
| 2013        | \$ 621,511,271 | \$ 382,279,300             | \$ 9,330,400           | \$ 6,096,518  | \$ 630,841,671 | \$ 388,375,818 | 14.254                | 61.56%                                      |
| 2014        | 630,243,149    | 410,744,591                | 9,122,016              | 5,939,377     | 639,365,165    | 416,683,968    | 14.247                | 65.17%                                      |
| 2015        | 602,476,470    | 422,655,243                | 7,091,567              | 5,850,431     | 609,568,037    | 428,505,674    | 14.149                | 70.30%                                      |
| 2016        | 605,883,951    | 363,660,524                | 6,689,149              | 5,365,197     | 612,573,100    | 369,025,721    | 14.048                | 60.24%                                      |
| 2017        | 645,945,496    | 382,489,321                | 6,611,615              | 4,827,675     | 652,557,111    | 387,316,996    | 14.027                | 59.35%                                      |
| 2018        | 681,955,724    | 420,026,282                | 4,661,743              | 2,858,190     | 686,617,467    | 422,884,472    | 14.179                | 61.59%                                      |
| 2019        | 686,944,235    | 413,216,491                | 4,501,684              | 2,727,564     | 691,445,919    | 415,944,055    | 14.449                | 60.16%                                      |
| 2020        | 701,709,206    | 428,766,383                | 4,566,808              | 2,604,893     | 706,276,014    | 431,371,276    | 14.372                | 61.08%                                      |
| 2021        | 729,895,541    | 433,495,905                | 4,619,064              | 2,542,384     | 734,514,605    | 436,038,289    | 15.686                | 59.36%                                      |
| 2022        | \$ 750,671,036 | \$ 456,132,797             | \$ 4,578,884           | \$ 2,332,531  | 755,249,920    | 458,465,328    | 16.331                | 60.70%                                      |

Source: Bremer County, Iowa; County Auditor

Notes: The county reassesses by January 1 for the following fiscal year. The state sets the rollback percentage for the taxable value. For the FY 2022 budget this percentage is 56.4094% for Residential

<sup>1</sup> Taxable Value does not include the Tax Increment Levy

<sup>2</sup> Taxable value = (percent rollback \* assessed value) - exemptions (military, homestead, elderly, etc.)

<sup>3</sup> Utilities includes Railroads, Utilities, and Gas & Electric

**City of Waverly, Iowa**  
**Property Tax Rates- Direct and Overlapping Governments**  
**(Per \$1,000 of Taxable Value)**  
**Last Ten Fiscal Years**  
**Tax Rates**

| <b>Fiscal Year</b> | <b>City of Waverly</b> |                        |                     |                     | <b>Overlapping Rates</b>           |                      |                                  |                          | <b>Total Direct and Overlapping</b> |
|--------------------|------------------------|------------------------|---------------------|---------------------|------------------------------------|----------------------|----------------------------------|--------------------------|-------------------------------------|
|                    | <b>General</b>         | <b>Special Revenue</b> | <b>Debt Service</b> | <b>Total Direct</b> | <b>Waverly - Shell Rock School</b> | <b>Bremer County</b> | <b>Hawkeye Community College</b> | <b>Total Overlapping</b> |                                     |
| 2013               | \$ 8.564               | \$ 3.657               | \$ 2.033            | \$ 14.254           | \$ 14.058                          | \$ 5.616             | \$ 0.961                         | \$ 20.635                | \$ 34.889                           |
| 2014               | 8.544                  | 3.777                  | 1.927               | 14.247              | 15.816                             | 5.609                | 0.952                            | 22.377                   | 36.624                              |
| 2015               | 8.478                  | 3.401                  | 2.271               | 14.149              | 15.782                             | 5.881                | 0.951                            | 22.614                   | 36.763                              |
| 2016               | 8.494                  | 3.187                  | 2.367               | 14.048              | 15.783                             | 5.847                | 0.951                            | 22.581                   | 36.629                              |
| 2017               | 8.440                  | 3.181                  | 2.406               | 14.027              | 15.184                             | 5.703                | 0.951                            | 21.838                   | 35.865                              |
| 2018               | 8.449                  | 3.000                  | 2.730               | 14.179              | 12.722                             | 5.059                | 0.971                            | 18.752                   | 32.931                              |
| 2019               | 8.453                  | 3.241                  | 2.755               | 14.449              | 12.778                             | 4.999                | 1.017                            | 18.794                   | 33.243                              |
| 2020               | 8.449                  | 2.981                  | 2.942               | 14.372              | 12.694                             | 4.974                | 1.118                            | 18.786                   | 33.158                              |
| 2021               | 8.454                  | 2.948                  | 4.284               | 15.686              | 12.601                             | 4.992                | 1.158                            | 18.751                   | 34.437                              |
| 2022               | \$ 8.454               | \$ 3.272               | \$ 4.605            | \$ 16.331           | \$ 12.554                          | \$ 4.688             | \$ 1.176                         | \$ 18.418                | \$ 34.749                           |

Source: Bremer County Iowa: County Auditor-Accounting Department

**City of Waverly, Iowa**  
**Principal Taxpayers and Their Assessed Valuations**  
**June 30, 2022 and 2013**

| <u>Taxpayer</u>                     | <u>2022</u>                   |             |   | <u>2013</u>                   |             |   |
|-------------------------------------|-------------------------------|-------------|---|-------------------------------|-------------|---|
|                                     | <u>Taxable Assessed Value</u> | <u>Rank</u> | <u>Percentage of Total Taxable Assessed Value</u> | <u>Taxable Assessed Value</u> | <u>Rank</u> | <u>Percentage of Total Taxable Assessed Value</u> |
| <b>Wal-Mart</b>                     | \$ 9,231,110                  | 1           | 2.01%   | \$ 9,062,890                  | 2           | 2.48%   |
| <b>CUNA Mutual Life Insurance</b>   | 8,920,000                     | 2           | 1.95%   | 9,947,140                     | 1           | 2.73%   |
| <b>Pinnacle Apartments SPE, LLC</b> | 12,216,980                    | 3           | 2.66%   | -                             | -           | 0.00%   |
| <b>Birdworks LLC</b>                | 6,816,100                     | 4           | 1.49%   | 6,816,100                     | 3           | 1.87%   |
| <b>Neste Beverage Company</b>       | 4,860,690                     | 5           | 1.06%   | 6,748,850                     | 4           | 1.85%   |
| <b>GMT LLC</b>                      | 4,774,020                     | 6           | 1.04%   | 4,043,030                     | 6           | 1.11%   |
| <b>First Bank of Waverly</b>        | 4,726,860                     | 7           | 1.03%   | 4,553,320                     | 5           | 1.25%   |
| <b>Graening-Knights II, LC</b>      | 3,797,310                     | 8           | 0.83%   | -                             | -           | 0.00%   |
| <b>Waverly Hotel Group, LLC</b>     | 3,617,720                     | 9           | 0.79%   | -                             | -           | 0.00%   |
| <b>Village Sq Plaza Ltd Ptnrs</b>   | 3,521,520                     | 10          | 0.77%   | 3,980,860                     | 7           | 1.09%   |
| <b>CMI Investments, LLC</b>         | 3,197,050                     | -           | 0.70%   | -                             | -           | 0.00%   |
| <b>MDM Partnership</b>              | 3,096,350                     | -           | 0.68%   | 3,543,320                     | 8           | 0.97%   |
| <b>Terex Cranes Inc - Waverly</b>   | -                             | -           | 0.00%   | 3,543,320                     | 9           | 0.97%   |
| <b>State Bank &amp; Trust Co</b>    | -                             | -           | 0.00%   | 2,873,490                     | 10          | 0.79%   |
| Total Principal Taxpayers           | <u>68,775,710</u>             |             | <u>15.00%</u>                                     | <u>55,112,320</u>             |             | <u>15.11%</u>                                     |
| All Other Taxpayers                 | <u>389,689,618</u>            |             | <u>85.00%</u>                                     | <u>309,850,081</u>            |             | <u>84.89%</u>                                     |
| Total Assessed Valuation            | <u>\$458,465,328</u>          |             | <u>100.00%</u>                                    | <u>\$ 364,962,401</u>         |             | <u>100.00%</u>                                    |

Source: Bremer County, Iowa: County Treasurer

**City of Waverly, Iowa  
Property Tax Levies and Collections <sup>1</sup>  
Last Ten Fiscal Years**

| <b>Fiscal Year</b> | <b>Total Tax Levy</b> | <b>Current Tax Collections (2)</b> | <b>Percent of Levy Collected</b> | <b>Collections in Subsequent Years (2)</b> | <b>Total Tax Collections</b> | <b>Percent of Total Tax Collections to Tax Levy</b> |
|--------------------|-----------------------|------------------------------------|----------------------------------|--|------------------------------|---|
| 2013               | \$ 4,780,652          | \$ 4,830,133                       | 101.04%                          | N/A  | \$ 4,830,133                 | 101.04%   |
| 2014               | 4,952,345             | 5,007,343                          | 101.11%                          | N/A  | 5,007,343                    | 101.11%   |
| 2015               | 5,329,955             | 5,362,269                          | 100.61%                          | N/A  | 5,362,269                    | 100.61%   |
| 2016               | 5,264,349             | 5,257,108                          | 99.86%                           | N/A  | 5,257,108                    | 99.86%  |
| 2017               | 5,529,788             | 5,748,010                          | 103.95%                          | N/A  | 5,748,010                    | 103.95%   |
| 2018               | 6,061,652             | 6,088,658                          | 100.45%                          | N/A  | 6,088,658                    | 100.45%   |
| 2019               | 6,095,525             | 6,144,867                          | 100.81%                          | N/A  | 6,144,867                    | 100.81%   |
| 2020               | 6,287,382             | 6,189,238                          | 98.44%                           | N/A  | 6,189,238                    | 98.44%  |
| 2021               | 7,017,280             | 7,153,240                          | 101.94%                          | N/A  | 7,153,240                    | 101.94%   |
| 2022               | \$ 7,657,798          | \$ 7,692,172                       | 100.45%                          | N/A  | \$ 7,692,172                 | 100.45%   |

Source: Bremer County Treasurer, Bremer County, Iowa

Notes:

<sup>1</sup> GAAP Basis

<sup>2</sup> Collected totals for each fiscal year include delinquent and current property taxes. The Bremer County Treasurer's Office does not record for which year delinquent payments are made therefore delinquent collections are included in year collected.

**City of Waverly, Iowa  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years**

| Fiscal Year | Governmental Activities  |                  |               | Business-Type Activities |               |              | Total Primary Government | Percentage of Personal Income <sup>2</sup> | Per Capita <sup>1</sup> |
|-------------|--------------------------|------------------|---------------|--------------------------|---------------|--------------|--------------------------|--|-------------------------|
|             | General Obligation Bonds | Lease Agreements | Notes Payable | General Obligation Bonds | Revenue Bonds | Note Payable |                          |  |                         |
| 2013        | \$ 10,060,213            | \$ -             | \$ 22,193     | \$ 3,219,546             | \$ 175,000    | \$ -         | \$ 13,476,952            | 5.53%                                      | \$ 1,334                |
| 2014        | 8,160,133                | -                | 66,206        | 2,785,672                | 45,000        | 207,655      | 11,264,666               | 4.30%                                      | 1,115                   |
| 2015        | 22,445,768               | -                | 193,602       | 2,396,089                | 3,800,331     | 157,655      | 28,993,445               | 10.73%                                     | 2,869                   |
| 2016        | 20,145,924               | -                | 145,490       | 2,014,486                | 3,482,780     | 372,711      | 26,161,391               | 8.68%                                      | 2,589                   |
| 2017        | 17,871,080               | -                | 207,281       | 1,639,050                | 3,130,265     | 221,529      | 23,069,205               | 9.47%                                      | 2,286                   |
| 2018        | 17,239,411               | -                | 39,002        | 1,245,174                | 2,797,587     | 149,806      | 21,470,980               | 6.84%                                      | 2,120                   |
| 2019        | 29,013,793               | -                | -             | 941,300                  | 3,981,425     | 75,901       | 34,012,419               | 10.83%                                     | 2,120                   |
| 2020        | 31,832,952               | -                | 91,700        | 632,426                  | 3,475,773     | 446,765      | 36,479,616               | 12.25%                                     | 3,564                   |
| 2021        | 30,621,328               | -                | 46,946        | 318,552                  | 2,970,121     | 753,237      | 34,710,184               | 10.63%                                     | 3,367                   |
| 2022        | \$ 26,602,314            | \$ 187,937       | \$ -          | \$ -                     | \$ 2,444,469  | \$ 7,381,035 | \$ 36,615,755            | 11.84%                                     | \$ 3,488                |

Notes:

- 1 Population data used was the estimated census from the year 2022 of 10,498.
- 2 See the Schedule of Demographic and Economic Statistics on page 136 for personal income data.

**City of Waverly**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

| <b>Fiscal Year</b> | <b>General Obligation Bonds</b> | <b>Less: Amounts Available in Debt Service Fund</b> | <b>Total</b>  | <b>Percentage of Estimated Actual <sup>1</sup> Taxable Value of Property</b> | <b>Per Capita <sup>2</sup></b> |
|--------------------|---------------------------------|---|---------------|--|--------------------------------|
| 2013               | \$ 13,279,759                   | \$ 467,780  | \$ 12,811,979 | 3.21%  | \$ 1,186                       |
| 2014               | 10,945,805                      | 86,345  | 10,859,460    | 3.30%  | 1,277                          |
| 2015               | 24,841,857                      | 87,198  | 24,754,659    | 2.61%  | 1,078                          |
| 2016               | 22,160,410                      | -   | 22,160,410    | 5.78%  | 2,450                          |
| 2017               | 19,510,130                      | 9,413.00  | 19,500,717    | 6.01%  | 2,193                          |
| 2018               | 18,484,585                      | 128,265   | 18,356,320    | 5.03%  | 1,932                          |
| 2019               | 29,955,093                      | 175,331   | 29,779,762    | 7.16%  | 1,813                          |
| 2020               | 32,465,378                      | -   | 32,465,378    | 7.53%  | 3,172                          |
| 2021               | 30,939,880                      | -   | 30,939,880    | 7.10%  | 3,172                          |
| 2022               | \$ 26,602,314                   | \$ 46,618   | \$ 26,555,696 | 5.79%  | \$ 2,530                       |

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

<sup>1</sup> See the Table of Assessed Values and Taxable Value of Taxable Property for property value data.

<sup>2</sup> Population data used was the estimated census from the year 2022 of 10,498.

**City of Waverly, Iowa**  
**Computation of Direct and Overlapping Debt <sup>3</sup>**  
**June 30, 2022**

| Name of Governmental Unit                       | GO Debt<br>Outstanding | Percentage <sup>4</sup><br>Applicable<br>to City | Amount<br>Applicable<br>to City |
|---|------------------------|--|---------------------------------|
| Direct:   |                        |  |                                 |
| City of Waverly                                 | \$ 26,602,314          | 100%   | \$ 26,602,314                   |
| Overlapping:                                    |                        |  |                                 |
| Bremer County <sup>1</sup>                      | 304,934                | 18%  | 54,888                          |
| Waverly-Shell Rock School District <sup>2</sup> | <u>31,873,000</u>      | 44%  | <u>14,024,120</u>               |
| Total Overlapping Debt                          | <u>32,177,934</u>      |  | <u>14,079,008</u>               |
| Total Direct and Overlapping Debt               | <u>\$ 58,780,248</u>   |  | <u>\$ 40,681,322</u>            |

Sources:

<sup>1</sup> Finance Dept, Bremer County, Iowa

<sup>2</sup> Waverly-Shell Rock School District

Notes:

<sup>3</sup> For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using assessed property values.

<sup>4</sup> Applicable percentages were estimated by determining the portion of another government unit's assessed value that is within the City's boundaries and dividing it by each unit's total assessed value.

**City of Waverly  
Legal Debt Margin Information  
Last Ten Fiscal Years**

|   | <u>2013</u>       | <u>2014</u>       | <u>2015</u>       | <u>2016</u>       |
|---|-------------------|-------------------|-------------------|-------------------|
| Debt Limit  | \$ 31,542,084     | \$ 31,968,258     | \$ 32,971,505     | \$ 33,601,567     |
| Total Net Debt Applicable to Limit                                      | <u>12,759,413</u> | <u>10,793,655</u> | <u>23,955,208</u> | <u>21,435,000</u> |
| Legal Debt Margin   | \$ 18,670,454     | \$ 18,782,671     | \$ 21,174,603     | \$ 9,016,297      |
| Total Net Debt Applicable to the Limit<br>as a percentage of debt limit | 40.45%            | 33.76%            | 72.65%            | 63.79%            |

**Legal Debt Margin Calculation for Fiscal Year 2022**

|  |              |                             |
|--|--------------|-----------------------------|
| <u>Assessed Value</u>  |              |                             |
| Real and Personal Property Within the City                   |              | <u>\$ 807,502,896</u>       |
| DEBT LIMIT - 5% of ESTIMATED VALUATION                       |              | 40,375,145                  |
| <u>Amount of Debt Applicable to Limit</u>                    |              |                             |
| Total Debt and Long-Term Notes Payable                       | 36,427,818   |                             |
| Less:  |              |                             |
| Revenue Bonds:   |              |                             |
| Sewer Revenue Bonds  | 800,000      |                             |
| Sewer Revenue Bonds Premium                                  | 26,874       |                             |
| Water Revenue Bonds  | 1,600,000    |                             |
| Water Revenue Bonds Premium                                  | 17,595       |                             |
| Governmental Activities GO Bond Premium                      | 927,314      |                             |
| Sewer Notes  | 7,381,035    |                             |
| Amount Available for Repayment of<br>General Obligation Debt | 46,618       |                             |
| Add:   |              |                             |
| Urban Renewal Development Agreements                         | <u>2,898</u> |                             |
| Debt Applicable to Debt Limit                                |              | <u>25,631,280</u>           |
| Legal Debt Margin  |              | <u><u>\$ 14,743,865</u></u> |

Notes: Under Title IX, Subtitle 2, Chapter 358C, paragraph 16 of the Iowa State Code, the City's debt limit should not exceed 5% of the estimated value of the taxable property within that district.

| <u>2017</u>       | <u>2018</u>       | <u>2019</u>       | <u>2020</u>       | <u>2021</u>       | <u>2022</u>       |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| \$ 35,847,307     | \$ 36,810,958     | \$ 37,339,744     | \$ 38,040,656     | \$ 39,610,447     | \$ 40,375,145     |
| <u>19,789,924</u> | <u>19,202,505</u> | <u>29,076,663</u> | <u>31,556,555</u> | <u>29,915,239</u> | <u>25,631,280</u> |
| \$ 12,166,567     | \$ 16,057,383     | \$ 8,263,081      | \$ 6,484,101      | \$ 9,695,208      | \$ 14,743,865     |
| 55.21%            | 52.17%            | 77.87%            | 82.95%            | 75.52%            | 63.48%            |

**City of Waverly, Iowa  
Water Revenue Bond Coverage  
Last Ten Fiscal Years <sup>1</sup>**

| <b>Fiscal Year</b> | <b>Net Operating Revenue</b> | <b>Direct Operating Expense</b> | <b>Depreciation &amp; Amortization Included in Expenses</b> | <b>Net Revenue Available for Debt Service</b> | <b>Payments On Principal</b> |
|--------------------|------------------------------|---------------------------------|---|---|------------------------------|
| 2013               | \$ 1,195,417                 | \$ 1,197,792                    | \$ 283,418  | \$ (2,375)                                    | \$ 260,862                   |
| 2014               | 1,228,012                    | 1,326,703                       | 305,013   | (98,691)                                      | 262,931                      |
| 2015               | 1,236,098                    | 1,076,601                       | 306,766   | 159,497                                       | 357,931                      |
| 2016               | 1,246,479                    | 1,071,839                       | 306,376   | 174,640                                       | 370,000                      |
| 2017               | 1,308,725                    | 1,179,598                       | 340,505   | 129,127                                       | 375,000                      |
| 2018               | 1,335,896                    | 1,171,119                       | 328,522   | 164,777                                       | 377,069                      |
| 2019               | 1,496,978                    | 1,411,717                       | 330,319   | 85,261  | 444,139                      |
| 2020               | 1,515,461                    | 1,319,948                       | 331,524   | 195,513                                       | 446,207                      |
| 2021               | 1,575,486                    | 1,191,651                       | 321,653   | 383,835                                       | 448,275                      |
| 2022               | \$ 1,555,079                 | \$ 1,348,655                    | \$ 320,915  | \$ 206,424                                    | \$ 460,345                   |

Notes

<sup>1</sup> GAAP Basis

| <b>Payments<br/>For<br/>Interest</b> | <b>Total<br/>Debt Service<br/>Payments</b> | <b>Coverage</b> | <b>Net Revenue<br/>Available<br/>For Debt<br/>Service Plus<br/>Depreciation</b> | <b>Coverage<br/>Without<br/>Depreciation</b> |
|--------------------------------------|--|-----------------|---|--|
| \$ 41,429                            | \$ 302,291                                 | (0.01)          | \$ 281,043  | 0.93   |
| 30,882                               | 293,813                                    | (0.34)          | 206,322   | 0.70   |
| 51,721                               | 409,652                                    | 0.39            | 466,263   | 1.14   |
| 53,761                               | 423,761                                    | 0.41            | 481,016   | 1.14   |
| 47,337                               | 422,337                                    | 0.31            | 469,632   | 1.11   |
| 41,721                               | 418,790                                    | 0.39            | 493,299   | 1.18   |
| 92,146                               | 536,285                                    | 0.16            | 415,580   | 0.77   |
| 75,796                               | 522,003                                    | 0.37            | 527,037   | 1.01   |
| 67,559                               | 515,834                                    | 0.74            | 705,488   | 1.37   |
| \$ 57,100                            | \$ 517,445                                 | 0.40            | \$ 527,339  | 1.02   |

**City of Waverly, Iowa**  
**Sewer Revenue Bond Coverage**  
**Last Ten Fiscal Years<sup>1</sup>**

| <b>Fiscal Year</b> | <b>Net Operating Revenue</b> | <b>Direct Operating Expense</b> | <b>Depreciation &amp; Amortization Included in Expenses</b> | <b>Net Revenue Available For Debt Service</b> | <b>Payments On Principal</b> | <b>Payments For Interest</b> |
|--------------------|------------------------------|---------------------------------|---|---|------------------------------|------------------------------|
| 2013               | \$ 1,573,000                 | \$ 1,756,675                    | \$ 489,997  | \$ (183,675)                                  | \$ 294,138                   | \$ 37,236                    |
| 2014               | 1,640,186                    | 1,676,045                       | 523,946   | (35,859)                                      | 297,069                      | 24,802                       |
| 2015               | 1,643,939                    | 1,470,986                       | 524,675   | 172,953                                       | 212,069                      | 44,238                       |
| 2016               | 1,792,574                    | 1,623,141                       | 526,562   | 169,433                                       | 325,000                      | 80,548                       |
| 2017               | 1,666,757                    | 1,726,341                       | 567,804   | (59,584)                                      | 335,000                      | 68,622                       |
| 2018               | 1,695,866                    | 1,645,111                       | 515,526   | 50,755  | 337,931                      | 63,896                       |
| 2019               | 1,837,309                    | 1,717,150                       | 522,519   | 120,159                                       | 345,861                      | 57,989                       |
| 2020               | 1,944,024                    | 1,811,736                       | 526,753   | 132,288                                       | 353,793                      | 51,951                       |
| 2021               | 2,121,115                    | 1,713,149                       | 547,793   | 407,966                                       | 356,725                      | 46,145                       |
| 2022               | \$ 2,257,532                 | \$ 1,793,752                    | \$ 553,046  | \$ 463,780                                    | \$ 369,655                   | \$ 174,771                   |

Notes

<sup>1</sup> GAAP Basis

| <b>Total Debt Service Payments</b> |         | <b>Coverage</b> | <b>Net Revenue Available For Debt Service Plus Depreciation</b> |           | <b>Coverage Without Depreciation</b> |
|------------------------------------|---------|-----------------|---|-----------|--------------------------------------|
| \$                                 | 331,374 | (0.55)          | \$  | 306,322   | 0.92                                 |
|                                    | 321,871 | (0.11)          |   | 488,087   | 1.52                                 |
|                                    | 256,307 | 0.67            |   | 697,628   | 2.72                                 |
|                                    | 405,548 | 0.42            |   | 695,995   | 1.72                                 |
|                                    | 403,622 | (0.15)          |   | 508,220   | 1.26                                 |
|                                    | 401,827 | 0.13            |   | 566,281   | 1.41                                 |
|                                    | 403,850 | 0.30            |   | 642,678   | 1.59                                 |
|                                    | 405,744 | 0.33            |   | 659,041   | 1.62                                 |
|                                    | 402,870 | 1.01            |   | 955,759   | 2.37                                 |
| \$                                 | 544,426 | 0.85            | \$  | 1,016,826 | 1.87                                 |

**City of Waverly, Iowa  
Demographic and Economic Statistics <sup>1</sup>  
Selected Years**

| <u>Fiscal Year</u> | <u>Population</u> | <u>Total Personal Income <sup>2</sup></u> | <u>Per Capita Personal Income</u> | <u>Median Age</u> | <u>Educational Attainment Bachelor's Degree or Higher</u> | <u>School Enrollment</u> | <u>Unemployment Rate</u> |
|--------------------|-------------------|---|-----------------------------------|-------------------|---|--------------------------|--------------------------|
| 1970               | 7,205             | \$ 21,334,005                             | \$ 2,961                          | 25.2              | n/a   | 2,582                    | 3.80%                    |
| 1980               | 8,444             | 60,644,808                                | 7,182                             | 27.4              | n/a   | 2,282                    | 4.60%                    |
| 1990               | 8,539             | 101,972,738                               | 11,942                            | 32.5              | n/a   | 2,120                    | 4.20%                    |
| 2000               | 8,968             | 163,979,880                               | 18,285                            | 34.1              | 1,618   | 1,944                    | 2.40%                    |
| 2010               | 9,874             | 243,670,572                               | 24,678                            | 34.1              | 3,545   | 1,969                    | 4.00%                    |
| 2020               | 10,235            | 297,756,620                               | 29,092                            | 35.4              | 4,012   | 2,268                    | 3.75%                    |
| 2022               | 10,498 (3)        | \$ 309,218,590                            | \$ 29,455 (4)                     | 36.9 (5)          | 4,567 (6)   | 2,260 (7)                | 3.60% (8)                |

Sources: U.S. Census Bureau

**Notes:**

1. Accurate statistical figures are only available every ten years.
2. Computation of per capita personal income multiplied by population.
3. Population 2022 estimate from worldpopulationreview.com
4. Taken from quickfacts.census.gov
5. Estimate from worldpopulationreview.com
6. Estimate from census.gov
7. WSR school enrollment for 21-22
8. Waverly Economic Development

**City of Waverly, Iowa  
Principal Employers  
Current Year and Nine Years Ago**

| Employer                               | 2022      |      |                                     | 2013      |      |                                     |
|--|-----------|------|-------------------------------------|-----------|------|-------------------------------------|
|  | Employees | Rank | Percentage of Total City Employment | Employees | Rank | Percentage of Total City Employment |
| CUNA Mutual Life Insurance             | 550       | 1    | 4.04%                               | 515       | 1    | 6.49%                               |
| Wartburg College                       | 500       | 2    | 3.68%                               | 500       | 2    | 6.30%                               |
| Waverly Health Center                  | 487       | 3    | 3.58%                               | 436       | 3    | 5.49%                               |
| Waverly Shell Rock Schools             | 433       | 4    | 3.18%                               | 381       | 4    | 4.80%                               |
| GMT Corporation                        | 283       | 5    | 2.08%                               | 310       | 6    | 3.90%                               |
| Walmart                                | 240       | 6    | 1.76%                               | 266       | 8    | 3.35%                               |
| Bartels Lutheran Retirement Comm       | 216       | 7    | 1.59%                               | 283       | 7    | 3.56%                               |
| Nestle USA                             | 195       | 8    | 1.43%                               | 200       | 9    | 2.52%                               |
| Bremer County                          | 177       | 9    | 1.30%                               | -         | -    | -                                   |
| UEA                                    | 158       | 10   | 1.16%                               | -         | -    | -                                   |
| Terex Cranes, Inc. Waverly             | -         | -    | -                                   | 350       | 5    | 4.41%                               |
| Lutheran Services in Iowa, Inc         | -         | -    | -                                   | 170       | 10   | 2.14%                               |
| Total Employees of Principal Employers | 3,239     |      | 23.80%                              | 3,411     |      | 42.96%                              |
| Other Employees                        | 10,361    |      | 76.20%                              | 4,528     |      | 57.04%                              |
| Adjusted Labor Force <sup>1</sup>      | 13,600    |      | 100.00%                             | 7,939     |      | 100.00%                             |

Source:  
Waverly Economic Development

Note:

1 Includes full-time and part-time employees based on Iowa Work Force Development

**City of Waverly, Iowa**  
**Full-time Equivalent City Government Employees by Function**  
**Last Ten Fiscal Years**

| <b>Function</b>                | <b>2013</b>  | <b>2014</b>  | <b>2015</b>  | <b>2016</b>  | <b>2017</b>  | <b>2018</b>   | <b>2019</b>  | <b>2020</b>   | <b>2021</b>   | <b>2022</b>  |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|---------------|---------------|--------------|
| General Government             | 13.5         | 13.5         | 13           | 13           | 13           | 15.5          | 13           | 14.35         | 14.6          | 14.75        |
| Library                        | 10.5         | 10.5         | 11           | 11           | 11.3         | 11.3          | 11.3         | 11.2          | 11.2          | 11.2         |
| Public Safety                  |              |              |              |              |              |               |              |               |               |              |
| Police                         |              |              |              |              |              |               |              |               |               |              |
| Officers                       | 16           | 16           | 16           | 16           | 16           | 16            | 16           | 16            | 16            | 17           |
| Secretaries                    | 1            | 1            | 1            | 1            | 1            | 1             | 1            | 1             | 1             | 1            |
| Fire                           |              |              |              |              |              |               |              |               |               |              |
| Firefighters and Officers      | 8            | 8            | 8            | 8            | 9            | 9             | 9            | 9             | 9             | 9            |
| Volunteers                     | 29           | 29           | 29           | 29           | 28           | 28            | 28           | 28            | 28            | 31           |
| Highways and Streets           |              |              |              |              |              |               |              |               |               |              |
| Public Works Admin/Engineering | 6            | 6            | 6            | 6            | 6            | 6             | 5.5          | 5.2           | 5.2           | 6.2          |
| Zoning/Economic                | 3            | 4            | 5            | 5            | 5            | 5             | 5            | 4             | 4             | 4            |
| Equipment Maintenance          | 2            | 2            | 2            | 2            | 2            | 2             | 2            | 2             | 2             | 2            |
| Street Maintenance             | 7            | 7            | 7            | 7            | 7            | 6.75          | 8            | 7.78          | 7.78          | 7            |
| Sanitation                     | 8.5          | 8.5          | 8.5          | 8.5          | 8.5          | 8.7           | 9            | 9             | 9             | 9            |
| Culture and Recreation         | 18           | 18           | 18           | 18           | 18           | 18            | 19           | 18            | 21.3          | 21.25        |
| Water                          | 3.5          | 3.5          | 3.5          | 3.5          | 3.75         | 3.75          | 3.25         | 3.25          | 3.5           | 3.5          |
| Sewer                          | 5.5          | 5.5          | 3.5          | 3.5          | 5.75         | 5.75          | 5.25         | 5.25          | 6.5           | 6.3          |
|                                | <u>131.5</u> | <u>132.5</u> | <u>131.5</u> | <u>131.5</u> | <u>134.3</u> | <u>136.75</u> | <u>135.3</u> | <u>134.03</u> | <u>139.08</u> | <u>143.2</u> |

Source: City of Waverly Accounting Department

**City of Waverly, Iowa**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

| Function                               | Fiscal Year   |               |               |               |
|--|---------------|---------------|---------------|---------------|
|  | 2013          | 2014          | 2015          | 2016          |
| <b>Police</b>                          |               |               |               |               |
| Physical Arrests                       | 299           | 340           | 504           | 623           |
| Parking Violations                     | 599           | 728           | 528           | 548           |
| Traffic Violations                     | 950           | 847           | 818           | 754           |
| <b>Fire</b>                            |               |               |               |               |
| Number of Calls Answered               | 111           | 76            | 112           | 106           |
| <b>Highways and Streets</b>            |               |               |               |               |
| Street Maintenance (Blocks)            | 97            | 95            | 88            | 78            |
| Street Reconstruction (Blocks)         | 36            | 10            | 10            | 6             |
| Building Permits                       |               |               |               |               |
| Number                                 | 423           | 388           | 422           | 440           |
| Value                                  | \$ 19,816,016 | \$ 15,692,981 | \$ 35,672,014 | \$ 27,773,351 |
| Permit Fees                            | \$ 111,018    | \$ 139,127    | \$ 139,265    | \$ 126,235    |
| <b>Sanitation</b>                      |               |               |               |               |
| Solid Waste Collected (tons)           | 3,653         | 3,910         | 3,995         | 4,239         |
| Recyclables Collected (pounds)         | 1,956,116     | 1,840,308     | 1,397,998     | 2,276,000     |
| <b>Water</b>                           |               |               |               |               |
| Water Pumped (in thousands of gallons) | 328,942       | 327,477       | 375,445       | 352,702       |
| Water Billed (in thousands of gallons) | 266,859       | 270,427       | 260,622       | 254,403       |
| Percent Accountable                    | 81%           | 83%           | 69%           | 72%           |

Source: Annual reports from each department.

| Fiscal Year   |               |               |               |               |               |  |
|---------------|---------------|---------------|---------------|---------------|---------------|--|
| 2017          | 2018          | 2019          | 2020          | 2021          | 2022          |  |
| 465           | 451           | 400           | 291           | 407           | 430           |  |
| 579           | 602           | 514           | 399           | 532           | 579           |  |
| 649           | 706           | 646           | 526           | 536           | 545           |  |
| 110           | 123           | 111           | 117           | 145           | 153           |  |
| 100           | 125           | 60            | 90            | 110           | 110           |  |
| -             | 36            | 40            | 15            | -             | 5             |  |
| 428           | 370           | 396           | 349           | 364           | 341           |  |
| \$ 23,430,006 | \$ 21,702,076 | \$ 25,493,654 | \$ 45,975,454 | \$ 16,481,831 | \$ 63,964,233 |  |
| \$ 123,002    | \$ 111,581    | \$ 120,598    | \$ 158,347    | \$ 91,996     | \$ 198,348    |  |
| 4,464         | 4,472         | 4,635         | 4,663         | 4,663         | 4,839         |  |
| 2,064,840     | 2,766,960     | 2,393,008     | 2,051,650     | 2,060,000     | 1,986,000     |  |
| 356,489       | 358,615       | 341,884       | 349,624       | 384,774       | 338,991       |  |
| 247,064       | 250,852       | 243,332       | 250,099       | 268,223       | 266,292       |  |
| 69%           | 70%           | 71%           | 72%           | 70%           | 79%           |  |

**City of Waverly, Iowa**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**

| Function   | Fiscal Year |           |           |           |
|--|-------------|-----------|-----------|-----------|
|  | 2013        | 2014      | 2015      | 2016      |
| Police:  |             |           |           |           |
| Stations   | 1           | 1         | 1         | 1         |
| Patrol Units                                     | 8           | 8         | 8         | 8         |
| Fire Stations                                    | 1           | 1         | 1         | 1         |
| Sanitation                                       |             |           |           |           |
| Collection Trucks                                | 4           | 4         | 4         | 4         |
| Recycling Trucks                                 | 1           | 1         | 1         | 1         |
| Highways and Streets                             |             |           |           |           |
| Streets City Maintained (miles)                  | 67          | 67        | 67        | 67        |
| State Highway (miles)                            | 7           | 7         | 7         | 7         |
| Culture and Recreation                           |             |           |           |           |
| Parks Acreage                                    | 140         | 140       | 140       | 146       |
| Parks  | 25          | 25        | 25        | 25        |
| Miles of Recreational Trails                     | 15          | 15        | 15        | 15        |
| Swimming Pools                                   | 1           | 1         | 1         | 1         |
| Libraries  | 1           | 1         | 1         | 1         |
| Community Centers                                | 1           | 1         | 1         | 1         |
| Airports   | 1           | 1         | 1         | 1         |
| Golf Courses                                     | 1           | 1         | 1         | 1         |
| Boat Ramps                                       | 2           | 2         | 2         | 2         |
| Boat Docks                                       | 1           | 1         | 1         | 1         |
| Skate Parks                                      | 1           | 1         | 1         | 1         |
| Cemetery   |             |           |           |           |
| Cemetery (acres)                                 | 47          | 47        | 47        | 47        |
| Water  |             |           |           |           |
| Water Mains (miles)                              | 73          | 74        | 71        | 74        |
| Number of Service Connections                    | 3,591       | 3,664     | 3,674     | 3,966     |
| Daily Ave. Consumption in Gallons                | 996,948     | 1,059,384 | 1,028,616 | 966,307   |
| Fire Hydrants                                    | 679         | 690       | 690       | 692       |
| Maximum Daily Capacity<br>(thousands of gallons) | 7,000,000   | 7,000,000 | 7,000,000 | 7,000,000 |
| Sewer  |             |           |           |           |
| Sanitary Sewers (miles)                          | 62          | 63        | 61        | 63        |
| Number of Treatment Plants                       | 1           | 1         | 1         | 1         |
| Number of Service Connections                    | 3,527       | 3,595     | 3,620     | 3,675     |
| Daily Ave. Treatments in Gallons                 | 1,240,333   | 1,202,904 | 1,102,000 | 1,020,000 |
| Maximum Daily Capacity<br>(thousands of gallons) | 2,330,000   | 2,330,000 | 2,330,000 | 2,330,000 |

|  | Fiscal Year |           |           |           |           |           |
|--|-------------|-----------|-----------|-----------|-----------|-----------|
|  | 2017        | 2018      | 2019      | 2020      | 2021      | 2022      |
|  | 1           | 1         | 1         | 1         | 1         | 1         |
|  | 8           | 8         | 8         | 8         | 8         | 8         |
|  | 1           | 1         | 1         | 1         | 1         | 1         |
|  | 4           | 4         | 4         | 4         | 4         | 4         |
|  | 1           | 1         | 1         | 1         | 1         | 1         |
|  | 69          | 69.6      | 69.6      | 69.6      | 69.6      | 69.6      |
|  | 7           | 7         | 7         | 7         | 7         | 7         |
|  | 175         | 175       | 175       | 175       | 175       | 199       |
|  | 25          | 25        | 25        | 25        | 25        | 25        |
|  | 15          | 15        | 15        | 20        | 20        | 20        |
|  | 1           | 1         | 1         | 1         | 1         | 1         |
|  | 1           | 1         | 1         | 1         | 1         | 1         |
|  | 1           | 1         | 1         | 1         | 1         | 1         |
|  | 1           | 1         | 1         | 1         | 1         | 1         |
|  | 1           | 1         | 1         | 1         | 1         | 1         |
|  | 2           | 2         | 2         | 2         | 2         | 2         |
|  | 1           | 1         | 1         | 1         | 1         | 1         |
|  | 1           | 1         | 1         | 1         | 1         | 1         |
|  | 47          | 47        | 47        | 47        | 47        | 47        |
|  | 76          | 74        | 74        | 76        | 76        | 76        |
|  | 4,059       | 4,099     | 4,231     | 4,333     | 4,380     | 4,391     |
|  | 976,682     | 976,583   | 936,583   | 955,333   | 1,053,075 | 928,416   |
|  | 693         | 639       | 639       | 709       | 727       | 737       |
|  | 7,000,000   | 7,000,000 | 7,000,000 | 7,632,000 | 7,632,000 | 7,632     |
|  | 60          | 60        | 60        | 61.4      | 62.8      | 63.7      |
|  | 1           | 1         | 1         | 1         | 1         | 1         |
|  | 3,688       | 3,745     | 3,760     | 4,000     | 4,000     | 3,912     |
|  | 1,588,904   | 1,154,000 | 2,064,000 | 1,404,000 | 1,054,400 | 1,154,000 |
|  | 2,330,000   | 2,330,000 | 2,330,000 | 2,330,000 | 2,330,000 | 2,330     |



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

Honorable Members of the City Council  
City of Waverly, Iowa

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Waverly, Iowa as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated January 24, 2023. Our report includes a reference to other auditors who audited the financial statements of Waverly Health Center and Waverly Utilities, as described in our report on the City of Waverly's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2022-001 that we consider to be a material weakness.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Waverly's 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2022 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the City. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

## City of Waverly's Response to Findings

*Government Auditing Standards* requires the auditor to perform limited procedures on The City of Waverly, Iowa's response to the findings identified in our audit and described in the accompanying schedule of findings. City of Waverly, Iowa'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 is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the City during the course of our audit.

If you have any questions concerning the above matters, we would be pleased to discuss them with you at your convenience.

*Wells & Company P.C.*

Certified Public Accountants

Le Mars, Iowa  
January 24, 2023

**CITY OF WAVERLY, IOWA**  
**Schedule of Findings**  
**For the Year Ended June 30, 2022**

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**Part I: Summary of the Independent Auditors' Results**

- (a) Unmodified opinions were issued on the financial statements prepared in accordance with U.S. generally accepted accounting principles.
- (b) A material weakness in internal control over financial reporting was disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.

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

**Instances of Non-Compliance:**

No matters were noted.

**Material Weakness:**

2022-001 Financial Reporting

Condition and Criteria – During the audit, we identified material amounts of receivables, payables and capital asset additions not recorded in the City's financial statements. Adjustments were subsequently made by the City to properly include these amounts in the financial statements.

Effect – Because of insufficient review procedures, the financial accounting is susceptible to an increased risk of errors and omissions.

Cause – With limited number of personnel and time constraints, review of all financial accounting activities is not feasible.

Recommendation – The City should implement procedures to ensure all receivables, payables and capital asset additions are identified and included in the City's financial statements.

Views of Responsible Officials – We will double check these in the future to avoid missing any receivables, payables or capital asset transactions.

**CITY OF WAVERLY, IOWA**  
**Schedule of Findings**  
**For the Year Ended June 30, 2022**

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

- IV-A-22 - Certified Budget – Disbursements during the year ended June 30, 2022 did not exceed the amounts budgeted in any function.
- IV-B-22 - Questionable Expenditures – No expenditures we believe may not meet the requirements of public purposes as defined in an Attorney General's opinion dated April 25, 1979 were noted.
- IV-C-22 - Travel Expense - No expenditures of City money for travel expenses of spouses of City officials or employees were noted.
- IV-D-22 - Business Transactions – Business transactions between the City and City officials and/or employees are detailed as follows:

| <u>Name, Business Connection</u>            | <u>Description</u>       | <u>Amount</u> |
|---|--------------------------|---------------|
| Advantage Administrators, Council Member    | Medical Claim Processing | \$7,857       |
| Cedar River Construction, Employee's Spouse | Construction             | \$600         |

In accordance with Chapter 362.5(3)(j) of the Code of Iowa, the transaction with the employee's spouse does not appear to represent conflicts of interest since total transaction is less than \$6,000 during the fiscal year. The transaction with the council member may represent a conflict of interest and the City should contact legal counsel for determination.

- IV-E-22 - 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.
- IV-F-22 - Bond Coverage - Surety bond coverage of City officials and employees is in accordance with statutory provisions. However, we recommend that the amount of coverage be reviewed annually to insure that the coverage is adequate for current operations.
- IV-G-22 - Council Minutes - We noted no transactions requiring approval which had not been approved by the Council.
- IV-H-22 - Deposits and Investments - We noted no instances of noncompliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the City's investment policy.
- IV-I-22 - Revenue Bonds - No violations of revenue bond resolutions were noted.
- IV-J-22 - Annual Urban Renewal Report – The annual urban renewal report was properly approved and certified to the Iowa Department of Management on or before December 1 and no exceptions were noted.