

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT  
OF THE  
CITY OF WAVERLY, IOWA  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2021**

Prepared by the  
Finance Department  
Jeena Trumbauer, Finance Director

**CITY OF WAVERLY, IOWA  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2021  
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200 First Street NE - PO Box 616 - Waverly IA 50677  
Main Office 319 352 4252 – Fax 319 352 5772 Web Site: [www.waverlyia.com](http://www.waverlyia.com)

December 28, 2021

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, 2021. 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 increased approximately 4% from FY20, however, the total value of permits decreased by over 60% during the same time period. In the fiscal year 2020 the number of permits decreased 11% but the value increased 80% over the FY19. Fiscal year 2021 was still a strong in development with numerous projects being constructed as well as significant remodels and expansions. Some of the more significant projects include the redevelopment of the Red Fox Inn by 1859 Ventures, LLC as well as the construction of the new storage facility from Sugar Beet, LLC and the remodel of the New Creations Childcare facility. 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. All 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 545, Wartburg College with 500 employees, Waverly Health Center with 479 employees, Waverly Shell-Rock Schools with 434 employees, GMT Corporation with 317 employees and Bartels Lutheran Retirement Community with 220 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 \$1,336,831 in fiscal year 2021. 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 2021 average unemployment rate of 3.19% compares favorably to the State's fiscal year 2021 average rate of 4.17 % 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.

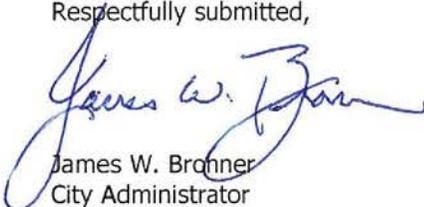
It is the policy of the City to invest public funds in a manner which will provide the maximum security, meet daily cash flow demands, and provide the highest investment return while conforming to all state and local statutes governing the investment of public funds.

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 comprehensive annual financial report (CAFR) for the year ended June 30, 2019. In order to receive this award, the city must publish an easily readable and efficiently organized CAFR. 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 2021 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,

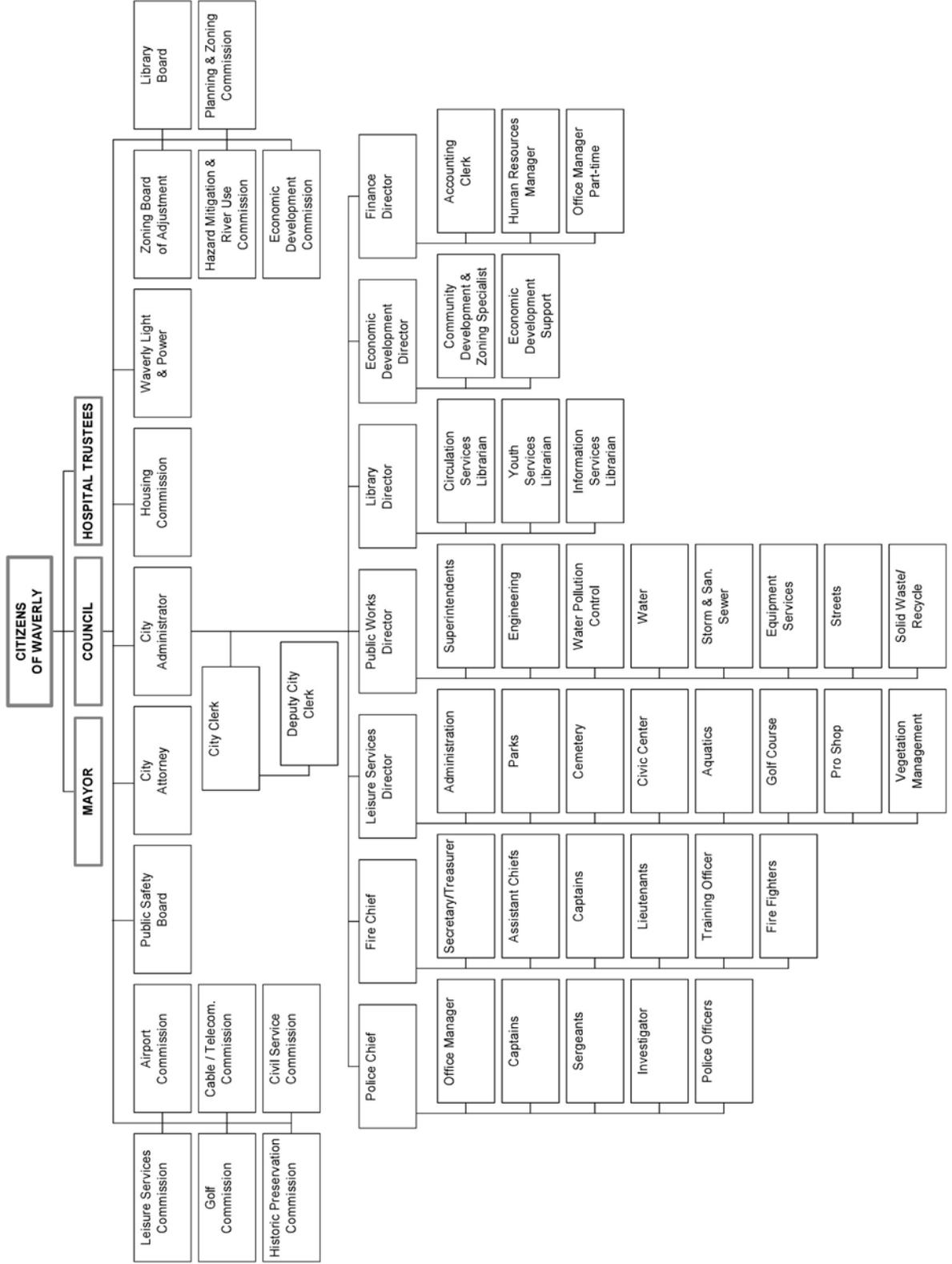


James W. Bronner  
City Administrator



Jeena Trumbauer  
Director of Finance

# Organizational Flow Chart The City Of Waverly, Iowa



**CITY OF WAVERLY, IOWA**

**List of Principal Officials  
June 30, 2021**

**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**

---

City Administrator ..... James W. Bronner  
City Clerk ..... Carla Guyer  
Community Development Director/City Attorney ..... William D. Werger  
Director of Finance ..... Jeena Trumbauer  
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  
Deputy City Clerk ..... Valorie Northrup  
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 Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*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, 2020. 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.



21 1<sup>st</sup> Avenue NW  
P.O. Box 1010  
Le Mars, IA 51031  
Phone (712) 546-7801  
Fax (712) 546-6543  
www.williamscpas.com

## INDEPENDENT AUDITORS' REPORT

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

### Report on the Financial Statements

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

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Waverly Health Center and Waverly Utilities (discretely presented component units), which statements reflect total assets of \$91,170,459 and \$60,292,251 as of June 30, 2021 and December 31, 2020, respectively, and total program revenues of \$70,928,602 and \$22,130,672 for the years then ended. Those financial statements were audited by other auditors whose reports thereon have 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 reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the

effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

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, 2021, 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.

## **Emphasis of a Matter**

As described in Note 21 to the financial statements, in 2021, the City adopted new accounting guidance related to Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities. Our opinions are not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information, the Schedule of Changes in the City's Total OPEB Liability, Related Ratios and Notes, Schedule of the City's Proportionate Share of Net Pension Liability, and Schedule of the City's Contributions on pages 81 through 84 and 85 through 86 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, 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.

### *Other 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 introductory section, combining nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of*

*Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2021, 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.

*Williams & Company P.C.*

Certified Public Accountants

Le Mars, Iowa  
December 28, 2021

## Management's Discussion and Analysis

The discussion and analysis of the City of Waverly's financial statements for the year ended June 30, 2021 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, 2021, by \$74,877,843. Of this amount, \$288,101 is unrestricted and may be used to meet the government's ongoing obligations to the citizens and creditors.
- The City's net position increased by \$4,718,477 during the year. Of this amount the net position of our Governmental Activities increased by \$3,909,310 and the net position of our Business Activities increased \$809,167.
- The City's long-term debt increased approximately \$1,769,000. The City issued \$2,530,000 in new bonds in 2021. The debt limit is \$39.6M. Outstanding general obligation debt totals \$29,870,000 and other note payables total \$800,183, and revenue bonds total \$2,915,000.
- The unassigned fund balance for the general fund, at the end of the current fiscal year was \$3,424,085.

### 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 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 42 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 39-76 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, 2021 and 2020.

	General Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Assets</b>						
Current & Other Assets	\$ 23,766,043	\$ 26,688,189	\$ 4,812,252	\$ 4,727,892	\$ 28,578,295	\$ 31,416,081
Capital Assets	82,871,560	75,866,041	15,934,623	15,675,602	98,806,183	91,541,643
Total Assets	106,637,603	102,554,230	20,746,875	20,403,494	127,384,478	122,957,724
<b>Deferred Outflows</b>	1,448,853	1,147,660	190,956	167,156	1,639,809	1,314,816
<b>Liabilities</b>						
Other Liabilities	2,608,251	1,837,827	146,010	148,832	2,754,261	1,986,659
Noncurrent Liabilities	37,425,307	37,832,898	4,943,911	5,301,010	42,369,218	43,133,908
Total Liabilities	40,033,558	39,670,725	5,089,921	5,449,842	45,123,479	45,120,567
<b>Deferred Inflows</b>	9,001,533	8,888,756	21,432	103,497	9,022,965	8,992,253
<b>Net Position</b>						
Net Investment in Capital Assets	55,333,374	51,146,367	12,645,950	11,567,403	67,979,324	62,713,770
Restricted	5,924,464	3,009,120	685,954	684,498	6,610,418	3,693,618
Unrestricted	(2,206,473)	986,922	2,494,574	2,765,410	288,101	3,752,332
Total Net Position	\$ 59,051,365	\$ 55,142,409	\$ 15,826,478	\$ 15,017,311	\$ 74,877,843	\$ 70,159,720

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, \$6,610,418, represents resources that are subject to external restriction on how they may be used. Restricted net position include the amounts restricted for library of \$1,215,116, airport expansion of \$153,550, FEMA flood projects of \$6,248, cemetery perpetual care of \$526,149, Tax Increment Financing allowable purposes of \$349,101, Local Option Sales Tax allowable purposes of \$1,346,762, Road Purposes of \$953,336, Debt Service of \$685,954, other specific revenue restrictions of \$315,202, and capital expansion restrictions of \$1,059,000. The remaining balance of unrestricted net position of \$288,101 may be used to meet the government's ongoing obligations.

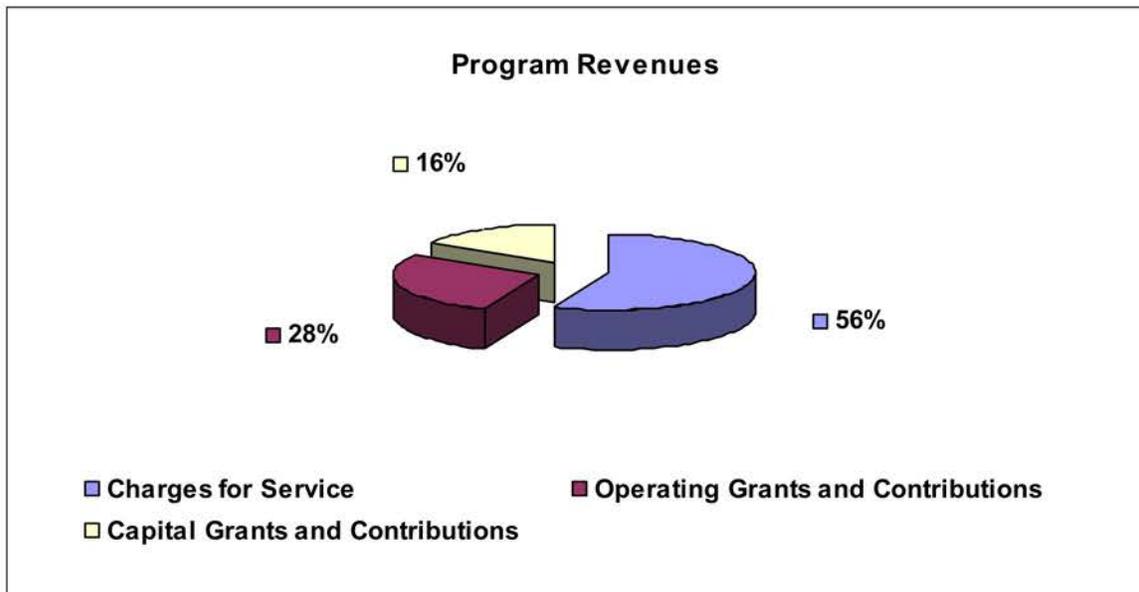
At the end of the current fiscal year, the City of Waverly is able to report positive balances in all categories of net position, both for the government as a whole and business-type activities, however the governmental activities unrestricted ended the year with a negative balance.

Total revenue reported in Fiscal year 2021 was \$23,168,133. The following table breaks down revenues collected for General Governmental Activities and Business-Type Activities for Fiscal Year 2021 and 2020.

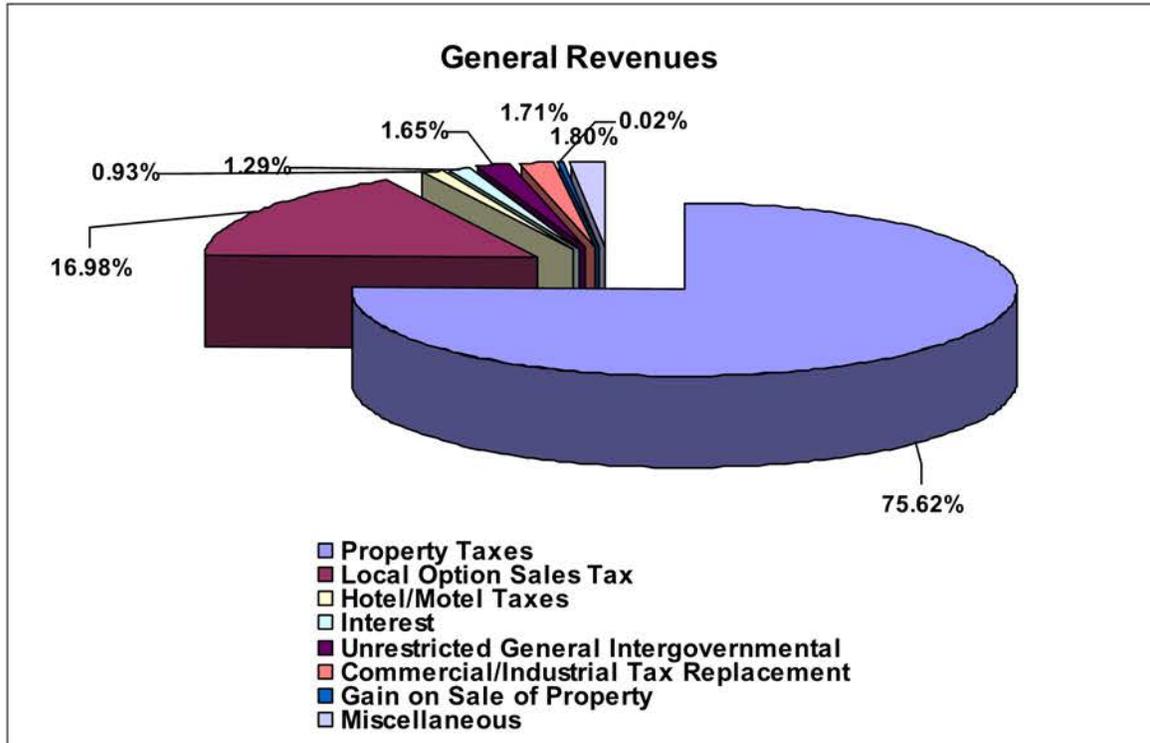
Revenue Source	General Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Program Revenues:</b>						
Charges for services	\$ 1,151,530	\$ 888,638	\$ 5,399,183	\$ 5,050,164	\$ 6,550,713	\$ 5,938,802
Operating grants & contributions	3,346,721	3,296,788	-	-	3,346,721	3,296,788
Capital grants & contributions	1,891,675	1,394,149	5,498	-	1,897,173	1,394,149
<b>Total Program Revenues</b>	<b>6,389,926</b>	<b>5,579,575</b>	<b>5,404,681</b>	<b>5,050,164</b>	<b>11,794,607</b>	<b>10,629,739</b>
<b>General Revenues and Transfers:</b>						
Property Taxes	8,600,766	7,613,429	-	-	8,600,766	7,613,429
Local Option Sales Tax	1,931,044	1,714,891	-	-	1,931,044	1,714,891
Hotel/Motel Tax	105,368	151,341	-	-	105,368	151,341
Interest	122,172	113,639	24,848	52,278	147,020	165,917
Unrestricted General						
Intergovernmental Revenues	187,644	190,890	-	-	187,644	190,890
Commercial/Industrial Tax Replacement	194,209	185,738	-	-	194,209	185,738
Gain on Sale of Property	2,949	4,302	-	-	2,949	4,302
Miscellaneous	102,693	201,509	101,833	104,006	204,526	305,515
<b>Total General Revenues</b>	<b>11,246,845</b>	<b>10,175,739</b>	<b>126,681</b>	<b>156,284</b>	<b>11,373,526</b>	<b>10,332,023</b>
Interfund Transfers	329,187	52,974	(329,187)	(52,974)	-	-
<b>Total Revenues and Interfund Transfers</b>	<b>\$ 17,965,958</b>	<b>\$ 15,808,288</b>	<b>\$ 5,202,175</b>	<b>\$ 5,153,474</b>	<b>\$ 23,168,133</b>	<b>\$ 20,961,762</b>

Program revenues totaled \$11,794,607 for fiscal year 2021. Governmental Activities provided \$6,389,926 and Business-Type Activities provided \$5,404,681.

The city continues to develop projects to move the city forward. Property tax revenue was up slightly in fiscal year 2021. The following chart breaks down program revenues by source:



General Revenues for fiscal year 2021 totaled \$11,373,526. Governmental Activities provided \$11,246,845 and Business-Type Activities provided \$126,681. Property Tax Revenues for fiscal year 2021 totaled \$8,600,766, accounting for 75.62% of General Revenues. The following chart breaks down General Revenues by source:



Expenses for fiscal year 2021 totaled \$18,449,656. Expenses for General Governmental Activities totaled \$14,056,648 accounting for 76.19% of the total expenses. Business-Type Activity expenses totaled \$4,393,008 for 23.81% of the total. This is an increase of \$761,738, or 4.31% from the prior year. The breakdown of expenses by activity and program are as follows:

Program Level	General Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Public Safety	\$ 2,907,703	\$ 2,980,681	\$ -	\$ -	\$ 2,907,703	\$ 2,980,681
Public Works	5,627,091	4,609,339	-	-	5,627,091	4,609,339
Health & Social Services	9,874	9,874	-	-	9,874	9,874
Culture and Recreation	3,039,296	2,871,985	-	-	3,039,296	2,871,985
Community and Economic Development	834,488	973,361	-	-	834,488	973,361
General Government	890,918	930,649	-	-	890,918	930,649
Debt Service	747,278	743,123	-	-	747,278	743,123
Water System	-	-	1,253,842	1,390,408	1,253,842	1,390,408
Sewer System	-	-	1,748,680	1,853,223	1,748,680	1,853,223
Solid Waste	-	-	1,390,486	1,325,275	1,390,486	1,325,275
<b>Total Expenses</b>	<b>\$ 14,056,648</b>	<b>\$ 13,119,012</b>	<b>\$ 4,393,008</b>	<b>\$ 4,568,906</b>	<b>\$ 18,449,656</b>	<b>\$ 17,687,918</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, General Streets, Transportation Services
Culture and Recreation.....	Education & Culture, Leisure Time Opportunities
Community and Economic Development.....	Economic Development & Community 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 Plant/Collection System
Solid Waste System.....	Operation of Garbage and Recycling Collection and 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 \$2,907,703 and received \$197,003 in charges for services and grants, leaving a cost to the taxpayer of \$2,710,700 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 \$7,666,722. 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) Revenue	
	2021	2020
<b>Governmental Activities:</b>		
Public Safety	\$ (2,710,700)	\$ (2,694,697)
Public Works	(1,703,534)	(1,191,032)
Health & Social Services	(9,874)	(9,874)
Culture and Recreation	(1,107,357)	(1,319,875)
Community and Economic Development	(623,575)	(755,653)
General Government	(764,404)	(825,183)
Debt Service	(747,278)	(743,123)
Total Net (Expense) Governmental Activities	(7,666,722)	(7,539,437)
General Revenues	11,246,845	10,175,739
Excess of Revenues Over Expenses	3,580,123	2,636,302
Interfund Transfers	329,187	52,974
Change in Net Position	\$ 3,909,310	\$ 2,689,276

The cost of all Proprietary Activities this year was \$4,393,008. As shown in the Statement of Activities, the amount paid by users of the systems was \$5,399,183, and capital grants and contributions paid for \$5,498 resulting in a total Net Revenue increase for Business-Type Activities of \$1,011,673. The Net (Expense) Revenue by Business-type Activity is shown in the following table:

Business-Type Activities	Net (Expense) Revenue	
	2021	2020
Water System	\$ 323,403	\$ 125,053
Sewer System	372,435	90,801
Solid Waste System	315,835	265,404
Total Net (Expense) Business Type Activities	1,011,673	481,258
General Revenues	126,681	156,284
Excess of Revenues Over Expenditures	1,138,354	637,542
Interfund Transfers	(329,187)	(52,974)
Change in Net Position	\$ 809,167	\$ 584,568

### **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 \$11,766,471. The

combined Governmental Funds fund balance decreased \$4,151,275 mostly as a result of capital projects purchases and construction as well as the timing of the issuance of debt.

The General Fund is the primary operating fund of the City. During the year, revenues exceeded expenditures and other financing sources in the General Fund by \$876,621 due to unanticipated COVID funds being received as well as expenditures being lower than anticipated. The total unassigned fund balance of \$3,424,085 is 58% 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 2021 due to estimated debt payments having less principal and interest than originally anticipated. The 4<sup>th</sup> St. Project fund balance decreased significantly during the year due to the timing of construction as well as expenditures of bond proceeds that were sold in the prior fiscal year to fund the project. The Youth Ball Diamond capital project fund decreased due to the timing of construction and expenditure of funds that had been borrowed for the construction of the project.

**Budgetary Highlights**

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

Expenditures	Actual	Amended Budget	Variance
Public Safety	\$ 2,439,031	\$ 2,692,142	\$ 253,111
Public Works	1,816,946	1,861,486	44,540
Health & Social Services	9,874	9,874	-
Culture and Recreation	2,767,633	3,170,829	403,196
Community and Economic Development	827,224	850,989	23,765
General Government	770,681	1,010,989	240,308
Capital Projects	11,785,390	15,191,046	3,405,656
Debt Service	4,636,109	4,921,842	285,733
Business Type/Enterprise	4,287,354	4,335,720	48,366
Total Disbursements	\$ 29,340,242	\$ 34,044,917	\$ 4,704,675

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 \$34,744,107, including issuance of debt and transfers was amended to \$34,998,611 (an increase of \$254,504). The increase was mainly due to unanticipated grant revenue for COVID relief.
- The total original disbursement budget, including transfers of \$37,215,235 was amended to \$40,577,988 (an increase of \$3,362,753).
- 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 \$2,391,302. This change is the main reason for the large variance between actual and final budgeted amounts as well as a change in debt service of \$581,135 due again to the timing of

projects. Total actual expenditures came in below budget projections by \$3,405,656 in the Capital Projects function. 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 6 of the financial statements.

### **Debt Administration**

On June 30, 2021 the City had \$29,870,000 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 \$39,610,447 for the 2021 fiscal year. The outstanding General Obligation Debt applicable to this limit is \$29,915,240 for the City. More detailed information on debt administration is provided in Note 7 of the financial statements.

### **Economic Factors**

The City of Waverly reports an average of 30 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 2021 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.

The COVID-19 pandemic has created additional expenses and uncertainty for the upcoming years.

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, 2021

	Primary Government			Component Unit	
	Governmental Activities	Business-Type Activities	Total	Waverly Health Center	Waverly Utilities
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 11,697,295	\$ 2,292,175	\$ 13,989,470	\$ 7,811,070	\$ 11,806,091
Certificates of Deposit	493,386	400,000	893,386	-	-
Investments	1,757,928	449,353	2,207,281	3,137,961	-
Receivables (Net, where applicable, of allowance for uncollectibles)					
Accounts	19,977	466,592	486,569	7,006,751	2,295,765
Taxes	23,874	-	23,874	-	-
Subsequent Year Taxes	8,831,860	-	8,831,860	-	-
Accrued Interest	-	-	-	1,870	-
Other	-	-	-	239,701	-
Estimated Unbilled Usage	-	264,531	264,531	-	-
Special Assessments	53,926	91,178	145,104	-	-
Due from Other Governmental Agencies	744,812	-	744,812	-	-
Inventories	100,690	154,793	255,483	1,903,039	1,738,518
Prepaid Assets	-	-	-	671,122	148,234
Other	-	-	-	620,799	226,180
Restricted Assets:					
Cash and Cash Equivalents	-	443,630	443,630	35,765,694	1,873,159
Certificates of Deposit	-	250,000	250,000	-	-
Investment in Joint Venture	42,295	-	42,295	-	-
Land	16,333,760	117,723	16,451,483	2,206,302	351,624
Construction in Progress	13,332,974	1,615,716	14,948,690	21,555,705	36,290
Infrastructure, Property and Equipment, Net of Accumulated Depreciation	53,204,826	14,201,184	67,406,010	10,250,445	41,816,390
<b>Total Assets</b>	<b>106,637,603</b>	<b>20,746,875</b>	<b>127,384,478</b>	<b>91,170,459</b>	<b>60,292,251</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension Related Deferred Outflows	1,448,853	190,956	1,639,809	5,153,859	428,736
<b>Total Deferred Outflows of Resources</b>	<b>1,448,853</b>	<b>190,956</b>	<b>1,639,809</b>	<b>5,153,859</b>	<b>428,736</b>
<b>LIABILITIES</b>					
Accounts Payable	2,172,316	66,554	2,238,870	6,464,725	1,202,102
Accrued Wages	357,962	71,780	429,742	3,078,737	875,288
Cash Advance	-	-	-	738,684	-
Other Accrued Expenses	-	-	-	897,548	155,060
Estimated Third-Party Payor Settlements	-	-	-	350,000	-
Medicare Advance Payments	-	-	-	4,645,502	-
Accrued Claims	14,083	-	14,083	-	-
Unearned Revenue	-	-	-	-	155,435
Accrued Interest Payable	63,890	7,676	71,566	338,288	38,439
Noncurrent Liabilities:					
Due within one year:					
Revenue Bonds Payable	-	515,000	515,000	-	1,658,622
General Obligation Bonds	3,880,000	318,552	4,198,552	-	-
Notes Payable	46,946	753,237	800,183	694,129	-
Compensated Absences and Benefits	300,704	56,456	357,160	-	-
Due in more than one year:					
Revenue Bonds Payable	-	2,455,121	2,455,121	3,500,000	14,626,682
General Obligation Bonds	26,741,328	-	26,741,328	-	-
Revenue Bond Anticipation Note	-	-	-	27,063,000	-
Notes Payable	-	-	-	756,652	-
Total OPEB Liability	948,620	-	948,620	-	557,275
Net Pension Liability	5,307,240	807,907	6,115,147	21,544,116	2,249,287
Compensated Absences and Benefits	200,469	37,638	238,107	-	-
<b>Total Liabilities</b>	<b>40,033,558</b>	<b>5,089,921</b>	<b>45,123,479</b>	<b>70,071,381</b>	<b>21,518,190</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Subsequent Year Taxes	8,831,860	-	8,831,860	-	-
Pension Related Deferred Inflows	169,673	21,432	191,105	1,069,386	150,962
Regulator credits - Rate Stabilization	-	-	-	-	1,175,294
<b>Total Deferred Inflows of Resources</b>	<b>9,001,533</b>	<b>21,432</b>	<b>9,022,965</b>	<b>1,069,386</b>	<b>1,326,256</b>
<b>NET POSITION</b>					
Net Investment in Capital Assets	55,333,374	12,645,950	67,979,324	15,729,196	27,365,500
Restricted for:					
Debt Service	-	685,954	685,954	-	388,220
Tax Increment Financing	349,101	-	349,101	-	-
Employee Benefits	214,143	-	214,143	-	-
Road Purposes	953,336	-	953,336	-	-
Local Option Sales Tax	1,346,762	-	1,346,762	-	-
Airport Expansion	153,550	-	153,550	-	-
Library	1,215,116	-	1,215,116	-	-
FEMA Flood Projects	6,248	-	6,248	-	-
Cable TV	101,059	-	101,059	-	-
Capital Expansion	1,059,000	-	1,059,000	620,799	-
Nonexpendable:					
Permanent Fund	526,149	-	526,149	-	-
Unrestricted	(2,206,473)	2,494,574	288,101	8,833,556	10,122,821
<b>Total Net Position</b>	<b>\$ 59,051,365</b>	<b>\$ 15,826,478</b>	<b>\$ 74,877,843</b>	<b>\$ 25,183,551</b>	<b>\$ 37,876,541</b>

**CITY OF WAVERLY, IOWA**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2021**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
Governmental Activities:				
Public Safety	\$ 2,907,703	\$ 89,619	\$ 107,384	\$ -
Public Works	5,627,091	31,594	2,140,067	1,751,896
Health and Social Services	9,874	-	-	-
Culture and Recreation	3,039,296	889,390	902,770	139,779
Community and Economic Development	834,488	16,899	194,014	-
General Government	890,918	124,028	2,486	-
Debt Service	747,278	-	-	-
Total governmental activities	<u>14,056,648</u>	<u>1,151,530</u>	<u>3,346,721</u>	<u>1,891,675</u>
<b>Business-Type Activities:</b>				
Water System	1,253,842	1,575,486	-	1,759
Sewer System	1,748,680	2,121,115	-	-
Solid Waste System	1,390,486	1,702,582	-	3,739
Total Business-Type Activities:	<u>4,393,008</u>	<u>5,399,183</u>	<u>-</u>	<u>5,498</u>
Total Primary Government	<u>\$ 18,449,656</u>	<u>\$ 6,550,713</u>	<u>\$ 3,346,721</u>	<u>\$ 1,897,173</u>
<b>Component Unit:</b>				
Waverly Health Center	<u>\$ 65,367,778</u>	<u>\$ 61,700,516</u>	<u>\$ 8,314,054</u>	<u>\$ 914,032</u>
Waverly Utilities	<u>\$ 21,620,760</u>	<u>\$ 21,942,555</u>	<u>\$ -</u>	<u>\$ 188,117</u>

General Revenues:  
Property Taxes  
Local Option Sales Tax  
Hotel/Motel Taxes  
Interest  
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 (as restated)  
Net Position - ending

<b>Net (Expense) Revenue and Changes in Net Position</b>				
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Component Unit</b>	
			<b>Waverly Health Center</b>	<b>Waverly Utilities</b>
\$ (2,710,700)		\$ (2,710,700)		
(1,703,534)		(1,703,534)		
(9,874)		(9,874)		
(1,107,357)		(1,107,357)		
(623,575)		(623,575)		
(764,404)		(764,404)		
(747,278)		(747,278)		
<u>(7,666,722)</u>		<u>(7,666,722)</u>		
	\$ 323,403	323,403		
	372,435	372,435		
	<u>315,835</u>	<u>315,835</u>		
	<u>1,011,673</u>	<u>1,011,673</u>		
<u>(7,666,722)</u>	<u>1,011,673</u>	<u>(6,655,049)</u>		
			\$ 5,560,824	
				\$ 509,912
8,600,766	-	8,600,766	-	-
1,931,044	-	1,931,044	-	-
105,368	-	105,368	-	-
122,172	24,848	147,020	1,141,386	224,801
187,644	-	187,644	-	-
194,209	-	194,209	-	-
2,949	-	2,949	23,628	9,732
102,693	101,833	204,526	-	-
329,187	(329,187)	-	-	-
<u>11,576,032</u>	<u>(202,506)</u>	<u>11,373,526</u>	<u>1,165,014</u>	<u>234,533</u>
3,909,310	809,167	4,718,477	6,725,838	744,445
55,142,055	15,017,311	70,159,366	18,457,713	37,132,096
<u>\$ 59,051,365</u>	<u>\$ 15,826,478</u>	<u>\$ 74,877,843</u>	<u>\$ 25,183,551</u>	<u>\$ 37,876,541</u>

See Accompanying Notes to Financial Statements

**CITY OF WAVERLY, IOWA**  
**BALANCE SHEET**  
**Governmental Funds**  
**JUNE 30, 2021**

	General	Special Revenue	
		Tax Increment Financing	Employee Benefit
<b>Assets</b>			
Cash and Cash Equivalents	\$ 1,124,066	\$ 342,094	\$ 301,236
Certificates of Deposit	28,386	-	-
Investments	1,757,928	-	-
Receivables (Net, where applicable, of allowance for uncollectibles)			
Accounts	13,729	-	-
Taxes	8,537	7,007	2,951
Subsequent Year Taxes	3,694,140	1,304,643	1,492,314
Special Assessments	-	-	-
Due from Other Funds	2,012,806	-	-
Due from Other Governmental Agencies	105,425	-	-
Inventories	100,690	-	-
Total Assets	<u>8,845,707</u>	<u>1,653,744</u>	<u>1,796,501</u>
<b>Liabilities</b>			
Accounts Payable	159,349	-	-
Accrued Wages	231,558	-	90,044
Due to Other Funds	-	-	-
Total Liabilities	<u>390,907</u>	<u>-</u>	<u>90,044</u>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue - subsequent year taxes	3,694,140	1,304,643	1,492,314
Unavailable Revenue - special assessments	-	-	-
Total Deferred Inflows of Resources	<u>3,694,140</u>	<u>1,304,643</u>	<u>1,492,314</u>
<b>Fund Balances (Deficits)</b>			
Nonspendable:			
Inventory	100,690	-	-
Perpetual Care	-	-	-
Restricted for:			
Tax Increment Financing	-	349,101	-
Employee Benefits	-	-	214,143
Road Purposes	-	-	-
Local Option Sales Tax	-	-	-
Library	1,215,116	-	-
Capital Expenditures	-	-	-
Cable TV	-	-	-
Assigned for:			
Trees Forever	19,592	-	-
Municipal Band	1,177	-	-
Capital Improvement	-	-	-
Unassigned	3,424,085	-	-
Total Fund Balances (Deficits)	<u>4,760,660</u>	<u>349,101</u>	<u>214,143</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 8,845,707</u>	<u>\$ 1,653,744</u>	<u>\$ 1,796,501</u>

See Accompanying Notes to Financial Statements

Debt Service	Capital Projects		Other Governmental Funds	Total Governmental Funds
	4th St Project	Youth Ball Diamond		
\$ -	\$ 306,996	\$ -	\$ 8,969,524	\$ 11,043,916
-	-	-	465,000	493,386
-	-	-	-	1,757,928
-	-	-	4,422	18,151
5,379	-	-	-	23,874
2,340,763	-	-	-	8,831,860
-	23,960	-	29,966	53,926
-	-	-	-	2,012,806
-	-	-	639,387	744,812
-	-	-	-	100,690
<u>2,346,142</u>	<u>330,956</u>	<u>-</u>	<u>10,108,299</u>	<u>25,081,349</u>
-	24,000	501,916	1,384,766	2,070,031
-	-	-	36,360	357,962
14,799	-	858,277	1,139,730	2,012,806
<u>14,799</u>	<u>24,000</u>	<u>1,360,193</u>	<u>2,560,856</u>	<u>4,440,799</u>
2,340,763	-	-	-	8,831,860
-	19,168	-	23,051	42,219
<u>2,340,763</u>	<u>19,168</u>	<u>-</u>	<u>23,051</u>	<u>8,874,079</u>
-	-	-	-	100,690
-	-	-	526,149	526,149
-	-	-	-	349,101
-	-	-	-	214,143
-	-	-	953,336	953,336
-	-	-	1,346,762	1,346,762
-	-	-	-	1,215,116
-	287,788	-	4,392,112	4,679,900
-	-	-	101,059	101,059
-	-	-	-	19,592
-	-	-	-	1,177
-	-	-	1,728,213	1,728,213
(9,420)	-	(1,360,193)	(1,523,239)	531,233
<u>(9,420)</u>	<u>287,788</u>	<u>(1,360,193)</u>	<u>7,524,392</u>	<u>11,766,471</u>
\$ 2,346,142	\$ 330,956	\$ -	\$ 10,108,299	\$ 25,081,349

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, 2021**

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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)		\$11,766,471
Infrastructure, property, and equipment used in governmental activities are not financial resources and, therefore, are not reported in the funds.		82,871,560
The investment in joint venture recorded in the governmental activities is not a financial resource and, therefore, is not reported in the fund.		42,295
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.		(409,783)
Other long-term assets are not available to pay current period expenditures and, therefore, are deferred in the governmental funds.		42,219
Accrued interest expense from the balance sheet that require current financial resources from governmental activities.		(63,890)
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	\$ 1,448,853	
Deferred inflows of resources	<u>(169,673)</u>	1,279,180
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)	\$ (30,621,328)	
Notes Payable	(46,946)	
Net Pension Liability	(5,307,240)	
Compensated Absences	<u>(501,173)</u>	<u>(36,476,687)</u>
Total Net Position - Governmental Activities (page 21)		<u><u>\$59,051,365</u></u>

**CITY OF WAVERLY, IOWA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**Governmental Funds**  
**For the Year Ended June 30, 2021**

	<b>Special Revenue</b>		
	<b>General</b>	<b>Tax Increment Financing</b>	<b>Employee Benefit</b>
<b>Revenue:</b>			
Taxes	\$ 3,702,955	\$ 1,484,251	\$ 1,288,686
Special Assessments	-	-	-
Licenses and Permits	49,909	-	-
Intergovernmental Revenue	1,081,632	-	36,497
Charges for Services	810,735	-	-
Fines and Forfeits	29,590	-	-
Contributions	898,175	-	-
Revenue from Use of Property	58,106	-	-
Interest on Investments	101,718	3,427	-
Miscellaneous	81,096	-	-
Total Revenue	6,813,916	1,487,678	1,325,183
<b>Expenditures:</b>			
Current:			
Public Safety	1,767,384	-	637,399
Public Works	505,545	-	157,290
Health and Social Services	9,874	-	-
Culture and Recreation	2,299,544	-	475,841
Community and Economic Development	583,333	116,175	121,368
General Government	714,393	-	75,531
Capital Projects	-	-	-
Debt Service	-	-	-
Total Expenditures	5,880,073	116,175	1,467,429
Excess (deficiency) of revenues over expenditures	933,843	1,371,503	(142,246)
<b>Other financing sources (uses):</b>			
Issuance of Debt	-	-	-
Premium on Bonds Issued	-	-	-
Proceeds from Sale of Capital Assets	450	-	-
Transfers In	237,584	-	245,256
Transfers Out	(295,256)	(1,207,215)	-
Total other financing sources (uses)	(57,222)	(1,207,215)	245,256
Net Change in Fund Balance	876,621	164,288	103,010
Fund balances (deficits) - beginning of year (as restated)	3,884,039	184,813	111,133
Fund balances (deficits) - end of year	\$ 4,760,660	\$ 349,101	\$ 214,143

See Accompanying Notes to Financial Statements

		<b>Capital Projects</b>			
<b>Debt Service</b>		<b>4th St Project</b>	<b>Youth Ball Diamond</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 2,124,874	\$ -	\$ -	\$ -	\$ 1,931,044	\$ 10,531,810
-	37,392	-	-	42,331	79,723
-	-	-	-	47,635	97,544
53,039	845,500	-	-	2,705,060	4,721,728
-	-	-	-	-	810,735
-	-	-	-	-	29,590
-	-	-	-	6,661	904,836
-	-	-	-	43,800	101,906
4,477	-	-	-	12,550	122,172
-	-	-	-	40,927	122,023
<u>2,182,390</u>	<u>882,892</u>	<u>-</u>	<u>-</u>	<u>4,830,008</u>	<u>17,522,067</u>
-	-	-	-	-	2,404,783
-	-	-	-	1,184,132	1,846,967
-	-	-	-	-	9,874
-	-	-	-	32,077	2,807,462
-	-	-	-	-	820,876
-	-	-	-	-	789,924
-	3,392,366	1,815,997	7,305,752	12,514,115	
4,600,831	12,158	5,119	18,001	4,636,109	
<u>4,600,831</u>	<u>3,404,524</u>	<u>1,821,116</u>	<u>8,539,962</u>	<u>25,830,110</u>	
<u>(2,418,441)</u>	<u>(2,521,632)</u>	<u>(1,821,116)</u>	<u>(3,709,954)</u>	<u>(8,308,043)</u>	
-	-	-	2,530,000	2,530,000	
-	-	-	147,199	147,199	
-	-	-	2,896	3,346	
2,425,620	-	-	1,751,223	4,659,683	
-	-	-	(1,680,989)	(3,183,460)	
<u>2,425,620</u>	<u>-</u>	<u>-</u>	<u>2,750,329</u>	<u>4,156,768</u>	
7,179	(2,521,632)	(1,821,116)	(959,625)	(4,151,275)	
<u>(16,599)</u>	<u>2,809,420</u>	<u>460,923</u>	<u>8,484,017</u>	<u>15,917,746</u>	
<u>\$ (9,420)</u>	<u>\$ 287,788</u>	<u>\$ (1,360,193)</u>	<u>\$ 7,524,392</u>	<u>\$ 11,766,471</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, 2021**

Amounts reported for governmental activities in the statement of activities are different because:  
 Net change in fund balances - total governmental funds (page 28) \$ (4,151,275)

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 expense. Capital outlays exceeded depreciation expense in the current year as follows:

Expenditures for capital assets	\$10,777,805	
Depreciation expense	<u>(3,489,776)</u>	7,288,029

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. (86,047)

Gain on investment in joint venture not recorded at the fund level. 12,740

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. (196,463)

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. (85,094)

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. 8

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. (95)

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. 196,849

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 563,068

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. (888,788)

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 proceeds exceeded repayments in the current year is as follows:

Repayments of long-term debt	\$ 3,804,754	
Proceeds from Premium on issuance of long-term debt	(147,199)	
Proceeds from issuance of long-term debt	<u>(2,530,000)</u>	1,127,555

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. 128,823

Change in net position of governmental activities (page 23) \$ 3,909,310

**CITY OF WAVERLY, IOWA**  
**STATEMENT OF NET POSITION**  
**Proprietary Funds**  
**JUNE 30, 2021**

	<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	\$ 284,216	\$ 1,134,843	\$ 873,116	\$ 2,292,175	\$ 653,379
Certificates of Deposit	-	400,000	-	400,000	-
Investments	449,353	-	-	449,353	-
Receivables (Net, where applicable, of allowance for uncollectibles)					
Accounts	138,377	193,639	134,576	466,592	1,826
Estimated Unbilled Usage	118,094	146,437	-	264,531	-
Special Assessments	25,865	65,313	-	91,178	-
Inventories	73,456	81,337	-	154,793	-
Restricted Assets:					
Cash and Cash Equivalents	360,630	83,000	-	443,630	-
Certificates of Deposit	-	250,000	-	250,000	-
Total Current Assets	1,449,991	2,354,569	1,007,692	4,812,252	655,205
<b>Noncurrent Assets:</b>					
Land	-	117,723	-	117,723	-
Construction in Progress	9,849	1,605,867	-	1,615,716	-
Infrastructure, Property and Equipment, Net of Accumulated Depreciation	4,983,989	7,515,774	1,701,421	14,201,184	-
Total Noncurrent Assets	4,993,838	9,239,364	1,701,421	15,934,623	-
<b>Total Assets</b>	<b>6,443,829</b>	<b>11,593,933</b>	<b>2,709,113</b>	<b>20,746,875</b>	<b>655,205</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension Related Deferred Outflows	44,844	65,733	80,379	190,956	-
<b>Total Deferred Outflows of Resources</b>	<b>44,844</b>	<b>65,733</b>	<b>80,379</b>	<b>190,956</b>	<b>-</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Accounts Payable	16,261	18,631	31,662	66,554	102,285
Accrued Wages	17,520	24,165	30,095	71,780	-
Compensated Absences and Benefits	11,915	26,289	18,252	56,456	-
Accrued Interest Payable	4,632	3,044	-	7,676	-
Accrued Claims	-	-	-	-	14,083
Payables from Restricted Assets:					
Notes Payable	-	753,237	-	753,237	-
Revenue Bonds	330,000	185,000	-	515,000	-
General Obligation Bonds	131,815	186,737	-	318,552	-
Total Current Liabilities	512,143	1,197,103	80,009	1,789,255	116,368
<b>Noncurrent Liabilities:</b>					
Due in more than one year:					
Revenue Bonds	1,620,569	834,552	-	2,455,121	-
Total OPEB Liability	-	-	-	-	948,620
Net Pension Liability	194,256	285,927	327,724	807,907	-
Compensated Absences and Benefits	7,944	17,526	12,168	37,638	-
Total Noncurrent Liabilities	1,822,769	1,138,005	339,892	3,300,666	948,620
<b>Total Liabilities</b>	<b>2,334,912</b>	<b>2,335,108</b>	<b>419,901</b>	<b>5,089,921</b>	<b>1,064,988</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension Related Deferred Inflows	5,153	7,585	8,694	21,432	-
<b>Total Deferred Inflows of Resources</b>	<b>5,153</b>	<b>7,585</b>	<b>8,694</b>	<b>21,432</b>	<b>-</b>
<b>NET POSITION</b>					
Net Investment in Capital Assets	2,911,454	8,033,075	1,701,421	12,645,950	-
Restricted for:					
Debt Service	355,998	329,956	-	685,954	-
Unrestricted	881,156	953,942	659,476	2,494,574	(409,783)
<b>Total Net Position</b>	<b>\$ 4,148,608</b>	<b>\$ 9,316,973</b>	<b>\$ 2,360,897</b>	<b>\$ 15,826,478</b>	<b>\$ (409,783)</b>

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, 2021**

	<b>Business Type Activities</b>	
	<b>Water System</b>	<b>Sewer System</b>
<b>Operating Revenues:</b>		
Charges for Services	\$ 1,573,640	\$ 2,119,114
Miscellaneous	1,846	2,001
Reimbursement from Employees/Insurance	-	-
<b>Total Operating Revenues</b>	<u>1,575,486</u>	<u>2,121,115</u>
<b>Operating Expenses:</b>		
General Government	-	-
Employee Services	292,793	484,959
Contract Services	321,836	432,190
Supplies	69,980	86,789
Repairs and Maintenance	72,297	24,787
Utilities	109,701	133,898
Miscellaneous	3,391	2,733
Depreciation	321,653	547,793
<b>Total Operating Expenses</b>	<u>1,191,651</u>	<u>1,713,149</u>
<b>Operating Income (Loss)</b>	383,835	407,966
<b>Non-Operating Income (Expense):</b>		
Interest Income	4,364	14,576
Revenue from Use of Property	101,833	-
Gain (Loss) on Disposition of Equipment	-	-
Interest Expense	(62,191)	(35,531)
<b>Total Non-Operating Income (Expenses)</b>	<u>44,006</u>	<u>(20,955)</u>
<b>Income (Loss) before Contributions and Transfers</b>	427,841	387,011
Contributed Capital Revenue	1,759	1,147,036
Transfers (Out)	(50,000)	(1,126,223)
<b>Change in Net Position</b>	379,600	407,824
<b>Net Position - Beginning</b>	<u>3,769,008</u>	<u>8,909,149</u>
<b>Net Position - Ending</b>	<u>\$ 4,148,608</u>	<u>\$ 9,316,973</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>	
\$ 1,700,002	\$ 5,392,756	\$ -	
2,580	6,427	-	
-	-	1,408,814	
<u>1,702,582</u>	<u>5,399,183</u>	<u>1,408,814</u>	
-	-	1,211,965	
604,661	1,382,413	-	
506,663	1,260,689	-	
10,513	167,282	-	
123,483	220,567	-	
19,917	263,516	-	
-	6,124	-	
127,655	997,101	-	
<u>1,392,892</u>	<u>4,297,692</u>	<u>1,211,965</u>	
309,690	1,101,491	196,849	
5,908	24,848	-	
-	101,833	-	
2,406	2,406	-	
-	(97,722)	-	
<u>8,314</u>	<u>31,365</u>	<u>-</u>	
318,004	1,132,856	196,849	
3,739	1,152,534	-	
<u>(300,000)</u>	<u>(1,476,223)</u>	<u>-</u>	
21,743	809,167	196,849	
<u>2,339,154</u>	<u>15,017,311</u>	<u>(606,632)</u>	
<u>\$ 2,360,897</u>	<u>\$ 15,826,478</u>	<u>\$ (409,783)</u>	

See Accompanying Notes to Financial Statements

**CITY OF WAVERLY, IOWA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**Proprietary Funds**  
**For the Year Ended June 30, 2021**

	<b>Business Type Activities</b>	
	<b>Water System</b>	<b>Sewer System</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash Received from Customers	\$ 1,565,192	\$ 2,087,895
Cash Paid to Suppliers for Goods and Services	(571,691)	(703,023)
Cash Paid to Employees for Services	(313,482)	(442,202)
Other Nonoperating Revenue	101,833	-
Net Cash Provided by Operating Activities	<u>781,852</u>	<u>942,670</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Acquisition and Construction of Capital Assets	(17,328)	(91,758)
Proceeds from Grants	1,759	-
Proceeds from Sale of Assets	-	-
Proceeds from Debt Issuance	-	306,472
Principal Paid on Notes and Bonds	(448,275)	(356,725)
Interest Paid on Notes and Bonds	(67,559)	(46,145)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(531,403)</u>	<u>(188,156)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>		
Transfers from Other Funds	(50,000)	(1,126,223)
Net Cash (Used for) Non-Capital Financing Activities	<u>(50,000)</u>	<u>(1,126,223)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest and Dividends on Investments	4,287	14,576
Net Cash Provided by Investing Activities	<u>4,287</u>	<u>14,576</u>
Net Increase (Decrease) in Cash and Cash Equivalents	204,736	(357,133)
Cash and Cash Equivalents at Beginning of Year	<u>440,110</u>	<u>1,574,976</u>
Cash and Cash Equivalents at End of Year	<u>\$ 644,846</u>	<u>\$ 1,217,843</u>

See Accompanying Notes to Financial Statements

<u>Business Type Activities</u>		<u>Governmental</u>
<u>Solid</u>		<u>Activities</u>
<u>Waste</u>	<u>Total</u>	<u>Internal</u>
		<u>Service</u>
\$ 1,701,037	\$ 5,354,124	\$ 1,475,900
(658,898)	(1,933,612)	(1,209,791)
(570,268)	(1,325,952)	-
-	101,833	-
<u>471,871</u>	<u>2,196,393</u>	<u>266,109</u>
-	(109,086)	-
3,739	5,498	-
2,406	2,406	-
-	306,472	-
-	(805,000)	-
-	(113,704)	-
<u>6,145</u>	<u>(713,414)</u>	<u>-</u>
(300,000)	(1,476,223)	-
<u>(300,000)</u>	<u>(1,476,223)</u>	<u>-</u>
<u>5,908</u>	<u>24,771</u>	<u>-</u>
<u>5,908</u>	<u>24,771</u>	<u>-</u>
183,924	31,527	266,109
<u>689,192</u>	<u>2,704,278</u>	<u>387,270</u>
<u>\$ 873,116</u>	<u>\$ 2,735,805</u>	<u>\$ 653,379</u>

(Continued)

**CITY OF WAVERLY, IOWA**  
**COMBINING STATEMENT OF CASH FLOWS (Continued)**  
**Proprietary Funds**  
**For the Year Ended June 30, 2021**

	<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	\$ 383,835	\$ 407,966
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities:		
Other Nonoperating Income	101,833	-
Depreciation	321,653	547,793
(Increase) Decrease in Assets:		
Accounts Receivable	(1,480)	(17,174)
Special Assessments	4,008	-
Estimated Unbilled Usage	(13,110)	(16,429)
Due from Other Governments	288	383
Inventories	10,123	(17,820)
Deferred Outflows of Pension Related Costs	(4,134)	(6,365)
Increase (Decrease) in Liabilities		
Accounts Payable	(4,609)	(4,806)
Accrued Wages	1,726	1,292
Accrued Compensated Absences	(29,605)	25,930
Net Pension Liability	31,722	51,212
Deferred Inflows of Pension Related Costs	(20,398)	(29,312)
OPEB Liability	-	-
Claims Payable	-	-
Total Adjustments	398,017	534,704
Net Cash Provided by Operating Activities	<u>\$ 781,852</u>	<u>\$ 942,670</u>
<b>NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</b>		
Capital Contributions	<u>\$ -</u>	<u>\$ 1,147,036</u>
<b>Reconciliation of Cash and Cash Equivalents to the Balance Sheet:</b>		
Cash and Cash Equivalents	\$ 284,216	\$ 1,134,843
Restricted Cash and Cash Equivalents	360,630	83,000
	<u>\$ 644,846</u>	<u>\$ 1,217,843</u>

See Accompanying Notes to Financial Statements

<u>Business Type Activities</u>		<u>Governmental</u>
<u>Solid</u>		<u>Activities</u>
<u>Waste</u>	<u>Total</u>	<u>Internal</u>
		<u>Service</u>
<u>\$ 309,690</u>	<u>\$ 1,101,491</u>	<u>\$ 196,849</u>
-	101,833	-
127,655	997,101	-
(8,169)	(26,823)	67,086
-	4,008	-
-	(29,539)	-
6,624	7,295	-
-	(7,697)	-
(13,301)	(23,800)	-
1,678	(7,737)	5,821
3,353	6,371	-
10,096	6,421	-
66,600	149,534	-
(32,355)	(82,065)	-
-	-	18,485
-	-	(22,132)
<u>162,181</u>	<u>1,094,902</u>	<u>69,260</u>
<u>\$ 471,871</u>	<u>\$ 2,196,393</u>	<u>\$ 266,109</u>
<u>\$ -</u>	<u>\$ 1,147,036</u>	<u>\$ -</u>
\$ 873,116	\$ 2,292,175	\$ 653,379
-	443,630	-
<u>\$ 873,116</u>	<u>\$ 2,735,805</u>	<u>\$ 653,379</u>

See Accompanying Notes to Financial Statements

CITY OF WAVERLY, IOWA  
STATEMENT OF FIDUCIARY NET POSITION  
Fiduciary Funds  
JUNE 30, 2021

	<b>Custodial Fund</b>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 19,898
<b>Total Assets</b>	<u>19,898</u>
<b>Net Position</b>	
Restricted for Other Governments	19,898
<b>Total Net Position</b>	<u>\$ 19,898</u>

**CITY OF WAVERLY, IOWA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**Fiduciary Funds**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	<b>Custodial Fund</b>
Additions:	
Charges for Services	\$ 734,564
Total Additions	<u>734,564</u>
Deductions:	
Agency Remittances:	
To Other Governments	<u>728,078</u>
Total Deductions	<u>728,078</u>
Change in Net Position	6,486
Net Position, beginning of year, as restated	<u>13,412</u>
Net Position, end of year	<u><u>\$ 19,898</u></u>

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2021**

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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, 2021**

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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, 2021, Waverly Utilities transferred \$903,162 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, 2020.

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 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, 2021**

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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, 2021**

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

- 2) 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.
- 3) 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.
- 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 4<sup>th</sup> Street Project Fund is used to account for the use of financial resources to be used for the construction of the 4<sup>th</sup> Street improvement project.
- 6) Capital Project – The Youth Ball Diamond is used to account for the use of financial resources to be used for the construction of the Youth Ball Diamond 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 garbage disposal system.

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2021**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days after year end 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, 2021**

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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, 2021, disbursements did not exceed the amounts budgeted in any function.

**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 & Local Government Series	Fair Value Determined Based on Quoted Market Price
<u>Component Unit</u>		
	Nonnegotiable Certificates of Deposit	Amortized Cost
	U.S. Treasury Notes, State & Local Government Series	Fair Value Determined 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 Quoted Market Price

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2021**

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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, 2021 and unpaid taxes. The succeeding year property tax receivable represents taxes certified by the City to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the City is required to certify its budget to the County Auditor by March 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, 2019 assessed property valuations; is for the tax accrual period July 1, 2020 through June 30, 2021 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in March, 2020. Any county collections on the 2020-2021 tax levy remitted to the City within 60 days subsequent to June 30, 2021, 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, 2021, 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, 2021 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, 2021**

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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. Deferred Outflows of Resources**

Deferred outflows of resources represent a consumption of net position 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, contributions from the employer after the measurement date but before the end of the employer's reporting period, and the unamortized portion of the net difference between projected and actual earnings on pension plan investments.

**N. 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, 2021. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund and Road Use Tax Fund.

**O. 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.

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2021**

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

**P. 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.

**Q. 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.

**R. 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 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.

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2021**

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

**S. 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.

**T. Deferred Inflows of Resources**

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

Deferred inflows of resources in the Statement of Net Position consist of succeeding year property tax and tax increment financing receivable that will not be recognized as revenue until the year for which they are levied and unrecognized items not yet charged to pension expense.

**U. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Iowa Public Employees' Retirement System 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.

**V. 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.

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2021**

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

The City's deposits at June 30, 2021, were entirely covered by federal depository insurance or by the state sinking fund in accordance with Chapter 12C of the Code of Iowa. 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, 2021.

At June 30, 2021 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	\$ 133,259	1 year	Level 2
IPAIT	Not Rated	\$ 1,095,993	1 year	N/A
Community Foundation of NW Iowa	Not Rated	\$ 978,029	1 year	Level 3

<b>Component Unit Investments</b>	<b>Credit Risk</b>	<b>Fair Value</b>	<b>Maturity</b>	<b>Fair Value Hierarchy</b>
Money Market	AAA	\$ 121,875	1 year	Level 1
Fixed income securities	AA+	\$ 73,830	1 year	Level 2
Fixed income securities	A	\$ 39,813	1 year	Level 2
Fixed income securities	BBB+	\$ 33,558	1 year	Level 2
Fixed income securities	BBB	\$ 227,118	1 year	Level 2
Fixed income securities	BBB-	\$ 69,362	1 year	Level 2
Fixed income securities	N/A	\$ 766,769	1 year	Level 2
Fixed income securities	Not Rated	\$ 40,631	1 year	Level 2
Common Stocks	Not Rated	\$ 1,765,005	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.

In addition, the City had investments in the Iowa Public Agency Investment Trust (IPAIT) which are valued at an amortized cost of \$1,095,993. 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.

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

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2021**

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

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, 2021 are net of allowance for uncollectibles. The allowance for uncollectibles of the enterprise funds of the primary government was \$4,648 at June 30, 2021. The Waverly Health Center component unit had an allowance for uncollectibles of \$5,690,000 at June 30, 2021.

**Note 4 - DUE FROM OTHER GOVERNMENTS**

At June 30, 2021, amounts due from other governments were as follows:

Due from the Federal Aviation Administration Grant funding	\$ 255,615
Due from the State of Iowa for Hotel/Motel taxes	54,431
Due from Housing and Urban Development for CDBG funding	69,712
Due from the State of Iowa for Sales Tax Increment Revenue	79,747
Due from Waverly Utilities for Franchise Fees	15,245
Due from the State of Iowa for local option sales taxes	98,567
Due from the Iowa Department of Transportation for road use tax allocations	154,457
Due from other various sources	17,038
Total Due from Other Governments	<u>\$ 744,812</u>

**Note 5 - INTERFUND RECEIVABLES AND PAYABLES**

As of June 30, 2021, short-term interfund borrowings were as follows:

<u>Fund Due To</u>	<u>Fund Due From</u>	<u>Amount</u>
General Fund	Debt Service Fund	\$ 14,799
General Fund	Youth Ball Diamond	858,277
General Fund	Non-major Governmental Fund	1,139,730
		<u>\$ 2,012,806</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, 2021**

**Note 6 - CAPITAL ASSETS**

A summary of changes in capital assets is as follows:

**Primary Government**

	Balance July 1, 2020	Additions	Deletions	Transfers	Balance June 30, 2021
<b>Governmental Activities:</b>					
Capital assets not being depreciated:					
Land	\$ 16,333,760	\$ -	\$ -	\$ -	\$ 16,333,760
Construction in Progress	6,152,797	10,623,170	3,356,946	(86,047)	13,332,974
Total capital assets not being depreciated	<u>22,486,557</u>	<u>10,623,170</u>	<u>3,356,946</u>	<u>(86,047)</u>	<u>29,666,734</u>
Capital assets being depreciated:					
Buildings and Improvements	13,196,538	96,183	-	-	13,292,721
Equipment	8,080,880	163,588	41,274	-	8,203,194
Infrastructure	73,643,066	3,064,697	-	-	76,707,763
Total capital assets being depreciated	<u>94,920,484</u>	<u>3,324,468</u>	<u>41,274</u>	<u>-</u>	<u>98,203,678</u>
Less Accumulated Depreciation for:					
Buildings and Improvements	5,418,816	310,990	-	-	5,729,806
Equipment	5,052,792	514,355	31,924	-	5,535,223
Infrastructure	31,069,392	2,664,431	-	-	33,733,823
Total Accumulated Depreciation	<u>41,541,000</u>	<u>3,489,776</u>	<u>31,924</u>	<u>-</u>	<u>44,998,852</u>
Total capital assets being depreciated, net	<u>53,379,484</u>	<u>(165,308)</u>	<u>9,350</u>	<u>-</u>	<u>53,204,826</u>
Governmental activities capital assets, net	<u>\$ 75,866,041</u>	<u>\$ 10,457,862</u>	<u>\$ 3,366,296</u>	<u>\$ (86,047)</u>	<u>\$ 82,871,560</u>

Construction in progress at June 30, 2021, for the governmental activities consisted of costs associated with various street projects and airport improvements. \$196,066 of beginning construction in progress was expensed as the project was deemed not viable and wasn't going to move forward.

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2021**

**Note 6 - CAPITAL ASSETS (CONTINUED)**

	Balance July 1, 2020	Additions	Deletions	Transfers	Balance June 30, 2021
<b>Business-Type Activities:</b>					
Capital assets not being depreciated:					
Land	\$ 117,723	\$ -	\$ -	\$ -	\$ 117,723
Construction in Progress	583,990	1,060,988	115,309	86,047	1,615,716
Total capital assets not being depreciated	<u>701,713</u>	<u>1,060,988</u>	<u>115,309</u>	<u>86,047</u>	<u>1,733,439</u>
Capital assets being depreciated:					
Buildings and Improvements	11,147,391	-	-	-	11,147,391
Equipment	2,802,727	110,816	68,794	-	2,844,749
Lines and Structures	21,565,598	115,309	-	-	21,680,907
Total capital assets being depreciated	<u>35,515,716</u>	<u>226,125</u>	<u>68,794</u>	<u>-</u>	<u>35,673,047</u>
Less: Accumulated depreciation for:					
Buildings and Improvements	5,333,721	197,525	-	-	5,531,246
Equipment	1,480,036	177,741	67,065	-	1,590,712
Lines and Structures	13,728,070	621,835	-	-	14,349,905
Total Accumulated Depreciation	<u>20,541,827</u>	<u>997,101</u>	<u>67,065</u>	<u>-</u>	<u>21,471,863</u>
Total capital assets being depreciated, net	14,973,889	(770,976)	1,729	-	14,201,184
Business-type activities capital assets, net	<u>\$ 15,675,602</u>	<u>\$ 290,012</u>	<u>\$ 117,038</u>	<u>\$ 86,047</u>	<u>\$ 15,934,623</u>

Construction in progress at June 30, 2021 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	\$ 261,092
Public Works	2,871,571
Culture and Recreation	265,141
General Government	91,972
Total depreciation expense - governmental activities	<u>\$ 3,489,776</u>
<b>Business-Type Activities:</b>	
Water	\$ 321,653
Sewer	547,793
Solid Waste	127,655
Total depreciation expense - business-type activities	<u>\$ 997,101</u>

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2021**

**Note 6 - CAPITAL ASSETS (CONTINUED)**

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

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
<b>Waverly Health Center:</b>				
Capital assets not being depreciated:				
Land	\$ 2,206,302	\$ -	\$ -	\$ 2,206,302
Construction in Progress	7,677,276	13,878,429	-	21,555,705
Total capital assets not being depreciated	9,883,578	13,878,429	-	23,762,007
Capital assets being depreciated:				
Land Improvements	2,450,705	-	-	2,450,705
Buildings & Fixed Equipment	26,822,537	-	99,944	26,722,593
Major Movable Equipment	24,065,605	963,633	3,253,763	21,775,475
Total capital assets being depreciated	53,338,847	963,633	3,353,707	50,948,773
Less: Accumulated Depreciation	41,634,968	2,399,196	3,335,836	40,698,328
Total capital assets being depreciated, net	11,703,879	(1,435,563)	17,871	10,250,445
Component unit capital assets, net	\$ 21,587,457	\$ 12,442,866	\$ 17,871	\$ 34,012,452

Construction in progress at June 30, 2021 for the Waverly Health Center consists of costs related to building expansion and renovation.

	Balance January 1, 2020	Additions	Deletions	Balance December 31, 2020
<b>Waverly Utilities:</b>				
Capital assets not being depreciated:				
Land	\$ 351,624	\$ -	\$ -	\$ 351,624
Construction in Progress	245,147	1,784,891	1,993,748	36,290
Total capital assets not being depreciated	596,771	1,784,891	1,993,748	387,914
Capital assets being depreciated:				
Improvements	55,907,114	1,453,272	184,856	57,175,530
Buildings	5,582,055	278,970	11,532	5,849,493
Equipment	9,893,252	337,160	319,086	9,911,326
Louisa Plant	11,314,509	229,077	15,998	11,527,588
WS4 Plant	5,462,720	32,429	3,894	5,491,255
Total capital assets being depreciated	88,159,650	2,330,908	535,366	89,955,192
Less: Accumulated Depreciation	45,081,472	3,509,101	451,771	48,138,802
Total capital assets being depreciated, net	43,078,178	(1,178,193)	83,595	41,816,390
Component unit capital assets, net	\$ 43,674,949	\$ 606,698	\$ 2,077,343	\$ 42,204,304

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2021**

**Note 6 - CAPITAL ASSETS (CONTINUED)**

	Governmental Activities	Business-Type Activities	Component Units	
			Waverly Health Center	Waverly Utilities
Land	\$ 16,333,760	\$ 117,723	\$ 2,206,302	\$ 351,624
Construction in Progress	13,332,974	1,615,716	21,555,705	36,290
Capital Assets (net of accumulated depreciation)	53,204,826	14,201,184	10,250,445	41,816,390
Less: General Obligation Bonds	(30,621,328)	(318,552)	-	-
Revenue Bond Anticipation Note	-	-	(27,063,000)	-
Notes Payable	(46,946)	-	(1,450,781)	-
Revenue Bonds	-	(2,970,121)	(3,500,000)	(16,285,304)
Accounts Payable associated with CIP	(365,940)	-	(1,816,223)	-
Add: Unspent Bond Proceeds	3,496,028	-	-	-
Add: Reserve from Borrowing	-	-	15,546,748	1,446,500
Net Investment in Capital Assets	<u>\$ 55,333,374</u>	<u>\$ 12,645,950</u>	<u>\$ 15,729,196</u>	<u>\$ 27,365,500</u>

**Note 7 - LONG-TERM LIABILITIES**

The City's computed legal debt limit as of June 30, 2021, is \$39,610,447 of which \$29,915,240 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, 2021:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Primary Government:</b>					
<b>Governmental Activities:</b>					
Bonds Payable:					
General Obligation	\$ 30,785,000	\$ 2,530,000	\$ 3,760,000	\$ 29,555,000	\$ 3,880,000
Direct Borrowings:					
Notes Payable	91,700	-	44,754	46,946	46,946
Compensated Absences	501,078	300,742	300,647	501,173	300,704
Governmental Activity Long-Term Liabilities	<u>31,377,778</u>	<u>2,830,742</u>	<u>4,105,401</u>	<u>30,103,119</u>	<u>4,227,650</u>
<b>Business-Type Activities:</b>					
Bonds Payable:					
General Obligation	625,000	-	310,000	315,000	315,000
Revenue Bonds	3,410,000	-	495,000	2,915,000	515,000
Direct Borrowings:					
Notes Payable	446,765	306,472	-	753,237	753,237
Compensated Absences	87,673	59,024	52,603	94,094	56,456
Business-Type Activity Long-Term Liabilities	<u>\$ 4,569,438</u>	<u>\$ 365,496</u>	<u>\$ 857,603</u>	<u>\$ 4,077,331</u>	<u>\$ 1,639,693</u>

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2021**

**Note 7 - LONG-TERM LIABILITIES (CONTINUED)**

The City of Waverly's general obligation and revenue bonds are shown gross of the unamortized premium of \$1,066,328 for governmental activities and \$58,673 for business-type activities between the GO Bonds and Revenue Bonds on the Statement of Net Position.

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Component Units:</b>					
<b>Waverly Health Center:</b>					
Revenue Bond:					
Bond Anticipation Note	\$ 27,063,000	\$ -	\$ -	\$27,063,000	\$ -
Bond Payable	3,500,000	-	-	3,500,000	-
Direct Borrowing:					
Notes Payable	2,151,914	-	701,133	1,450,781	694,129
Waverly Health Center Long-Term Liabilities	<u>32,714,914</u>	<u>-</u>	<u>701,133</u>	<u>32,013,781</u>	<u>694,129</u>
<b>Waverly Utilities:</b>					
Bonds Payable:					
Revenue Bonds	17,815,222	-	1,614,793	16,200,429	1,658,622
Waverly Utilities Long-Term Liabilities	<u>\$ 17,815,222</u>	<u>\$ -</u>	<u>\$ 1,614,793</u>	<u>\$ 16,200,429</u>	<u>\$ 1,658,622</u>

The Waverly Utilities' debt is shown gross of unamortized premium of \$84,875.

**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.

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. This loan is expected to roll into the SRF Construction Loan when it is executed. 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, 2021, the remaining balance on the notes was \$1,450,781.

The Health Center had entered into a line of credit agreement with a bank for \$650,000 which expired October, 2020. The line was due on demand and required monthly payments of interest at 3.5%. The principal balance was zero at June 30, 2021.

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2021**

**Note 7 - LONG-TERM LIABILITIES (CONTINUED)**

During the year ended June 30, 2020 the Health Center was granted a \$5,553,304 loan under the Paycheck Protection Program (PPP) administered by a Small Business Administration (SBA) approved partner. During the year ended June 30, 2021, the Health Center was granted forgiveness of the loan, including accrued interest expense of \$63,709, by the SBA. The Health Center has recognized approximately \$5,617,000 as COVID-19 relief funding, included as nonoperating gains on the statement of revenues, expenses, and changes in net position.

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, 2021, the Health Center had reported \$738,684 of cash advances secured by outstanding patient receivables.

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	
	Governmental Direct Borrowings		Business-Type Direct Borrowings		Waverly Health Center	
	Golf Equipment		SRF Funds		Equipment	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 46,946	\$ 2,340	\$ 753,237	\$ -	\$ 694,129	\$ 3,374
2023	-	-	-	-	533,880	-
2024	-	-	-	-	222,772	-
	<u>\$ 46,946</u>	<u>\$ 2,340</u>	<u>\$ 753,237</u>	<u>\$ -</u>	<u>\$ 1,450,781</u>	<u>\$ 3,374</u>

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2021**

**Note 7 - LONG-TERM LIABILITIES (CONTINUED)**

**General Obligation**

General obligation bonds outstanding as of June 30, 2021 are as follows:

	Date of Issue	Interest Rates	Final Due Date	Annual Payments	Amount Originally Issued	Outstanding June 30, 2021
General Obligation:						
*2012C GO Bonds	2013	1-1.75%	2022	290,000-315,000	\$ 2,955,000	\$ 315,000
2014A GO Bonds	2014	2.0-3.0%	2029	205,000-725,000	7,380,000	4,105,000
2015B GO Bonds	2015	2.0-4.0%	2027	120,000-940,000	8,245,000	4,740,000
2017A GO Bonds	2017	2.00%	2026	155,000-185,000	1,500,000	865,000
2017B Go Bonds	2017	1.7-2.75%	2026	65,000-80,000	615,000	355,000
2018A GO Bonds	2018	3.00%	2029	970,000-1,190,000	11,000,000	8,615,000
2019 GO Bonds	2019	2.5-2.75%	2029	310,000- 390,000	3,500,000	2,850,000
2020A GO Bonds	2020	2.00%	2030	410,000- 580,000	5,270,000	4,860,000
2020B GO Bonds	2020	0.7-1.75%	2030	65,000- 75,000	700,000	635,000
2021 GO Bonds	2021	2.00%	2031	235,000-275,000	2,530,000	2,530,000
Total General Obligation					<u>\$ 43,695,000</u>	<u>\$ 29,870,000</u>

All General Obligation Debt except those marked with (\*) are to be retired through property tax levies. A portion of those (\*) bonds are paid with water and sewer revenues. 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, 2021**

**Note 7 - LONG-TERM LIABILITIES (CONTINUED)**

Revenue bonds outstanding as of June 30, 2021 are as follows:

	of Issue	Interest Rates	Due Date	Annual Payments	Originally Issued	June 30, 2021
<b>Revenue Bonds:</b>						
2014B - Water	2014	0.50-2.7%	2025	160,000-190,000	\$ 1,870,000	\$ 730,000
2015 - Sewer	2015	2.0-4.0%	2026	155,000-210,000	1,990,000	985,000
2018B- Water	2018	3.00%	2028	150,000- 190,000	1,655,000	1,200,000
Total Revenue Bonds					<u>5,515,000</u>	<u>2,915,000</u>
<b>Component Units:</b>						
<b>Waverly Health Center</b>						
2019 Hospital Revenue Bonds	2020	3.50%	2034	-	<u>3,500,000</u>	<u>3,500,000</u>
<b>Waverly Utilities</b>						
2007 Utility Rev. Bonds	2007	.70%	2022	188,421	2,826,316	376,842
2015 Utility Rev Bonds	2015	2-4%	2030	100,000-185,000	4,980,000	4,250,000
2013 Revenue Bond	2013	.4-.67%	2023	365,000-420,000	4,000,000	1,310,000
2015 Comm Utility Rev Bonds	2015	4.3%	2030	350,000-530,000	6,672,483	5,393,587
2016 Revenue Bonds	2016	2%	2029	135,000-170,000	2,860,000	2,265,000
2018 Revenue Bonds	2018	3-3.2%	2030	220,000-300,000	3,045,000	2,605,000
Total Revenue Bonds					<u>24,383,799</u>	<u>16,200,429</u>
Grand Total Revenue Bonds					<u>\$ 33,398,799</u>	<u>\$ 22,615,429</u>

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

Year Ending	General Obligation				Revenue Bond	
	Paid by Debt Service		Paid by Enterprise Fund		Principal	Interest
	Principal	Interest	Principal	Interest		
June 30,						
2022	\$ 3,880,000	\$ 794,476	\$315,000	\$ 5,513	\$ 515,000	\$ 86,605
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
2027-2031	9,895,000	547,913	-	-	375,000	16,950
	<u>\$29,555,000</u>	<u>\$3,427,739</u>	<u>\$315,000</u>	<u>\$5,513</u>	<u>\$2,915,000</u>	<u>\$291,195</u>

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2021**

**Note 7 - LONG-TERM LIABILITIES (CONTINUED)**

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

**Waverly Health Center**

Year Ending June 30,	Revenue Bond Anticipation Note	Interest	Revenue Bond	Interest
2022	\$ -	\$ 676,575	\$ -	\$ 122,500
2023	27,063,000	338,288	131,612	121,544
2024	-	-	270,224	113,586
2025	-	-	279,836	103,975
2026	-	-	289,788	94,022
2027-2031	-	-	1,611,075	307,977
2032-2034	-	-	917,465	42,062
	<u>\$ 27,063,000</u>	<u>\$ 1,014,863</u>	<u>\$ 3,500,000</u>	<u>\$ 905,666</u>

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, 2021, the remaining balance on the bonds was \$3,500,000.

Year Ending December 31,	Revenue Bond Principal	Interest	Total
2021	\$ 1,658,622	\$ 461,277	\$ 2,119,899
2022	1,707,687	420,787	2,128,474
2023	1,753,096	377,385	2,130,481
2024	1,561,926	328,120	1,890,046
2025	1,615,756	284,266	1,900,022
2026-2030	7,903,342	414,836	8,318,178
	<u>\$ 16,200,429</u>	<u>\$ 2,286,671</u>	<u>\$ 18,487,100</u>

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.

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
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**Note 8 – TRANSFERS**

The following is a summary of transfers between funds:

	<b>General</b>	<b>Employee Benefits</b>	<b>Debt Service</b>	<b>Nonmajor Governmental</b>	<b>Total Transfer Out</b>
<b>General Fund</b>	\$ -	\$ 245,256	\$ -	\$ 50,000	\$ 295,256
<b>Tax Increment Financing</b>	-	-	1,207,215	-	1,207,215
<b>Nonmajor Governmental</b>	237,584	-	1,218,405	225,000	1,680,989
<b>Water</b>	-	-	-	50,000	50,000
<b>Sewer</b>	-	-	-	1,126,223	1,126,223
<b>Solid Waste</b>	-	-	-	300,000	300,000
<b>Total Transfers In</b>	<u>\$ 237,584</u>	<u>\$ 245,256</u>	<u>\$ 2,425,620</u>	<u>\$ 1,751,223</u>	<u>\$ 4,659,683</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.

**Note 9 - PENSION PLAN**

*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.

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

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
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**Note 9 - PENSION PLAN (CONTINUED)**

- 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**  
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**Note 9 - PENSION PLAN (CONTINUED)**

From July 1, 2020 to June 30, 2021, 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 6.41 percent of covered payroll and the City contributed 9.61 percent of covered payroll for a total rate of 16.02 percent. From January 1, 2020 through December 31, 2020 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, 2021 were \$370,955 and total contributions for the component units for their respective year ends, were \$2,723,582.

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

At June 30, 2021, the City reported a liability of \$3,331,514 and the Waverly Health Center component unit reported a liability of \$21,544,116. As of December 31, 2020, Waverly Utilities reported a liability of \$2,249,287 for the proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City and its component unit's proportion of the net pension liability was based on their share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2020, the City's collective proportion was 0.0474255 percent, which was an increase of 0.000141 percent from its proportion measured as of June 30, 2019. The component unit's collective proportion was 0.338933 percent, which was a decrease of 0.013407 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the City and the Waverly Health Center component unit recognized pension expense of \$519,363 and \$3,394,482 respectively and Waverly Utilities recognized pension expense of \$160,401 as of December 31, 2020. At June 30, 2021 and December 31, 2020, the City and component units reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	City	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,870	\$ 78,956
Changes of assumption	171,523	29
Net difference between projected and actual earnings on pension plan investments	188,193	-
Changes in proportion and differences between City contributions and proportionate share of contributions	60,582	9,395
City contributions subsequent to the measurement date	370,955	-
<b>Total</b>	<b>\$ 795,123</b>	<b>\$ 88,380</b>

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
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**Note 9 - PENSION PLAN (CONTINUED)**

	<b>Component Units</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 37,272	\$ 563,429
Changes of assumption	1,251,310	1,654
Net difference between projected and actual earnings on pension plan investments	1,390,244	-
Changes in proportion and differences between Component Units contributions and proportionate share of contributions	294,295	655,265
Component Units contributions subsequent to the measurement date	2,609,474	-
<b>Total</b>	<b>\$ 5,582,595</b>	<b>\$ 1,220,348</b>

\$370,955 and \$2,609,474 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 in the year ending June 30, 2022 and December 31, 2021. 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 June 30,</b>	<b>City</b>	<b>Health Center</b>	<b>Year Ending December 31,</b>	<b>Waverly Utilities</b>
2022	\$ 57,554	\$ 271,664	2021	\$ 50,530
2023	83,955	409,242	2022	24,557
2024	75,075	362,576	2023	19,364
2025	116,185	623,717	2024	60,069
2026	3,019	(66,425)	2025	(2,521)
<b>Total</b>	<b>\$ 335,788</b>	<b>\$ 1,600,774</b>	<b>Total</b>	<b>\$ 151,999</b>

There were no non-employer contributing entities to IPERS.

*Actuarial assumptions* – The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
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**Note 9 - PENSION PLAN (CONTINUED)**

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

Mortality rates used in the 2020 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	5.15
Global smart beta equity	6.0	4.87
Core plus fixed equity	28.0	(0.29)
Public credit	4.0	2.29
Cash	1.0	(0.78)
Private equity	11.0	6.54
Private real assets	7.5	4.48
Private Credit	3.0	3.11
Total	100.0%	

Discount rate – The discount rate used to measure the total pension liability was 7 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that contributions from the City 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.

Sensitivity of the City and component unit's proportionate share of the net pension liability to changes in the discount rate. The following presents the City's and component unit's proportionate share of the net pension liability 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 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**  
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**Note 9 - PENSION PLAN (CONTINUED)**

	<b>1% Decrease 6%</b>	<b>Discount Rate 7%</b>	<b>1% Increase 8%</b>
City's proportionate share of the net pension liability	\$ 5,563,878	\$ 3,331,514	\$ 1,459,722
Component Unit's proportionate share of the net pension liability	\$ 40,187,174	\$ 23,793,403	\$ 10,048,142

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, 2021, the Waverly Health Center reported payables to the defined benefit pension plan of approximately \$498,000 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

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2021**

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**Note 9 - PENSION PLAN (CONTINUED)**

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 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, 2021.

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 25.31 percent for the year ended June 30, 2021.

The City's contributions to MFPRSI for the year ended June 30, 2021 was \$280,207.

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
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**Note 9 - PENSION PLAN (CONTINUED)**

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 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, (GASB 67).

There were no state appropriations to MFPRSI during the fiscal year ended June 30, 2021.

Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2021, the City reported a liability of \$2,783,633 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all MFPRSI participating employers. At June 30, 2020, the City's proportion was 0.349001 percent which was a decrease of 0.016488 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the City recognized pension expense of \$499,217. At June 30, 2021, 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 of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 76,535	\$ 15,121
Changes of assumption	68,954	3,321
Net difference between projected and actual earnings on pension plan investments	409,506	-
Changes in proportion and differences between City contributions and proportionate share of contributions	9,484	84,283
City contributions subsequent to the measurement date	280,207	-
Total	\$ 844,686	\$ 102,725

\$280,207 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**CITY OF WAVERLY, IOWA**  
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**Note 9 - PENSION PLAN (CONTINUED)**

Year Ending		City
June 30,		
2022	\$	102,885
2023		147,755
2024		130,655
2025		83,903
2026		(3,444)
Total	\$	461,754

Actuarial Assumptions The total pension liability in the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of Inflation	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, 2020 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 Real Rate of Return
Large Cap	5.5%
Small Cap	5.8%
International Large Cap	7.3%
Emerging Markets	9.0%
Emerging Market Debt	6.3%
Private Non-Core Real Estate	8.0%
Master Limited Partnerships	9.0%
Private Equity	9.0%
Core Plus Fixed Income	3.3%
Private Core Real Estate	6.0%
Tactical Asset Allocation	6.4%

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
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**Note 9 - PENSION PLAN (CONTINUED)**

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.

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% Decrease	Discount Rate	1% Increase
	6.5%	7.5%	8.5%
City's proportionate share of the net pension liability	\$4,269,551	\$2,783,633	\$1,552,820

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, 2021.

For the year ended June 30, 2021, the City recognized IPERS and MFPRSI pension expense of \$1,018,580. At June 30, 2021, the City reported a liability of \$6,115,147 for its proportionate share of the net pension liability. At June 30, 2021, the City reported deferred outflows of resources in the amount of \$1,639,809 and deferred inflows of resources in the amount of \$191,105 related to pension.

**Note 10 - DEFICIT FUND EQUITY**

The City has eleven funds with deficit equity balances at June 30, 2021. 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:

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
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**Note 10 - DEFICIT FUND EQUITY (CONTINUED)**

Debt Service .....	\$ 9,420
Capital Project – 2017 Airport Runway Ext.....	136,990
Capital Project – Storm Drainage Improvement .....	14,856
Capital Project – Youth Ball Diamond .....	1,360,193
Capital Project – WPC Improvements.....	847,061
Capital Project – Sidewalk Program.....	125,163
Capital Project – CDBG Housing Rehab .....	8,562
Capital Project – Eagle Ridge .....	114,941
Capital Project – 10 <sup>th</sup> St SW Improvements.....	242,601
Capital Project – Business Hwy 218 Improvement.....	33,065
Internal Service.....	409,783

**Note 11 - 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.

Claims payable at June 30, 2020	\$ 36,216
Claims paid	(1,360,099)
Claims incurred	1,337,966
Claims payable at June 30, 2021	\$ 14,083

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 12 - 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.

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**Notes to Financial Statements**  
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**Note 12 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

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

	Primary Government	Component Unit
Inactive employees/beneficiaries currently receiving benefit payments	4	1
Active employees	71	31
Total	75	32

Total OPEB Liability – The total OPEB liability of the City was \$948,620 and the component unit was \$557,275 measured as of June 30, 2021 and December 31, 2020 respectively and was determined by an actuarial valuation as of June 30, 2020 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, 2020 and January 1, 2020, 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 (effective June 30, 2020)	Component Unit (effective January 1, 2020)
Rate of inflation	3.00% per annum	3.00% per year
Rates of salary increase	3.00% per annum including inflation.	2.75% per year
Discount rate	2.21% compounded annually, including inflation	2.74% per year
Healthcare cost trend rate	5% for all years	6.00% decreasing .25% per year until 5.00%

Discount Rate – The discount rate used to measure the total OPEB liability for the City and component unit was 2.21% 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 2016 United States Life Tables.

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2021**

**Note 12 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**Changes in the Total OPEB Liability**

	Component	
	City	Unit
Total OPEB liability beginning of year	\$930,135	\$ 676,332
Changes for the year:		
Service cost	56,513	36,193
Interest	21,151	14,862
Differences between expected and actual experiences	-	(181,348)
Changes in assumptions	-	25,694
Benefit payments	(59,179)	(14,458)
Net changes	18,485	(119,057)
Total OPEB liability end of year	<u>\$948,620</u>	<u>\$ 557,275</u>

Changes of assumptions reflect a change in the discount rate from 3.44% in calendar year 2019 to 2.74% in calendar year 2020 for the component unit and no change for the City.

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.

<u>City's Total OPEB Liability</u>			<u>Component Unit's Total OPEB Liability</u>		
1% Decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)	1% Decrease (1.74%)	Discount Rate (2.74%)	1% Increase (3.74%)
\$ 999,974	\$ 948,620	\$ 886,115	\$ 590,954	\$ 557,275	\$ 522,343

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 OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2021**

**Note 12 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

City's Total OPEB Liability			Component Unit's Total OPEB Liability		
Healthcare			Healthcare		
1%	Cost Trend	1%	1%	Cost Trend	1%
Decrease	Rate	Increase	Decrease	Rate	Increase
(4.00%)	(5.00%)	(6.00%)	(5.00% Decreasing to 4.00%)	(6.00% Decreasing to 5.00%)	(7.00% Decreasing to 6.00%)
\$ 834,657	\$ 948,620	\$ 1,084,983	\$ 519,060	\$ 557,275	\$ 601,462

For the year ended June 30, 2021 and December 31, 2020, the City and its component unit recognized OPEB expense of \$77,664 and (\$104,599) respectively.

**Note 13 - COMMITMENTS**

During the year ended June 30, 2021, and in previous years the City had entered into several construction contracts totaling \$32,380,206 of which \$15,274,872 has been expended to date. The remaining balance will be paid as work progresses.

The Waverly Health Center has entered into a number of lease agreements for clinic space, equipment and software with lease terms ranging from 1 to 25 years. The total remaining commitment for clinic space and equipment and software is \$4,031,127 and \$4,221,919 respectively.

**Note 14 - 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, 2021, the City estimates that no material liabilities will result from such audits.

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2021**

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**Note 15 - 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, 2020. 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.

**Note 16 - 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 32% 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 17 - 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, 2021, Industrial Development Revenue Bonds had an original issue amount of \$1,000,000. The outstanding balance at June 30, 2021 was \$631,808.

**Note 18 – 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 \$487,389.

During the year ended June 30, 2021, the City rebated \$116,174 of incremental property tax to developers. The total cumulative principal amount rebated on the agreements is \$460,682. The outstanding balance on the agreements at June 30, 2021 was \$26,707.

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.

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2021**

**Note 19 - TAX ABATEMENTS**

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

City Tax Abatements

The City provides tax abatements for urban renewal and economic development projects with tax increment financing as provided for in Chapters 15A and 403 of the Code of Iowa. For these types of projects, the City enters into agreements with developers which require the City, after developers meet the terms of the agreements, to rebate a portion of the property tax paid by the developers, to pay the developers an economic development grant or to pay the developers a predetermined dollar amount. No other commitments were made by the City as part of these agreements.

For the year ended June 30, 2021, \$48,187 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, 2021 under agreements entered into by the following entities:

<b>Entity</b>	<b>Tax Abatement Program</b>	<b>Amount of Tax Abated</b>
Bremer County	Urban renewal and economic development projects	\$ 55,372

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, 2021 the City abated \$46,362 of Hotel/Motel Sales tax under said agreement.

**Note 20- COVID-19**

In March 2020, the COVID-19 outbreak was declared a global pandemic. The disruption to businesses across a range of industries in the United States continues to evolve. The full impact to local, regional and national economies, including that of the City of Waverly, remains uncertain. To date, the outbreak has not created a material disruption to the operations of the City of Waverly. However, the extent of the financial impact of COVID-19 will depend on future developments, including the spread of the virus, duration and timing of the economic recovery. Due to these uncertainties, management cannot reasonably estimate the potential impact to the City of Waverly.

During the years ended June 30, 2021, the Waverly Health Center recognized approximately \$3,175,000 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.

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2021**

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**Note 21- RECLASSIFICATION ADJUSTMENT**

Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities, was implemented during fiscal year 2021. The new requirements change the definition of fiduciary activity and establish new financial reporting requirements for state and local governments which report fiduciary activity. Beginning net position/fund balance for the General fund, Governmental Activities and Fiduciary Activities was restated to retroactively report the change in net position, as follows:

	General Fund	Governmental Activities	Fiduciary Activities
Net Position/Fund Balance June 30, 2020, as previously reported	\$ 3,884,393	\$ 55,142,409	\$ -
Change to implement GASBS No. 84	(354)	(354)	13,412
Net Position/Fund Balance July 1, 2020, as restated	\$ 3,884,039	\$ 55,142,055	\$ 13,412

**Note 22- PROSPECTIVE ACCOUNTING CHANGE**

Governmental Accounting Standards Board has issued Statement No. 87, Leases. This statement will be implemented for the fiscal year ending June 30, 2022. The revised requirements of this statement will require reporting of certain potentially significant lease liabilities 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, 2021**

	Governmental Funds Actual	Proprietary Funds Actual	Total Actual
<b>Receipts:</b>			
Taxes	\$ 10,668,942	\$ -	\$ 10,668,942
Special Assessments	73,322	-	73,322
Licenses and Permits	120,684	-	120,684
Intergovernmental Revenue	4,907,557	5,498	4,913,055
Charges for Services	810,087	5,354,124	6,164,211
Fines and Forfeits	30,550	-	30,550
Contributions	904,836	-	904,836
Revenue from Use of Property	101,906	101,833	203,739
Interest on Investments	122,172	24,848	147,020
Miscellaneous	119,417	-	119,417
<b>Total Receipts</b>	<u>17,859,473</u>	<u>5,486,303</u>	<u>23,345,776</u>
<b>Disbursements:</b>			
<b>Current:</b>			
Public Safety	2,439,031	-	2,439,031
Public Works	1,816,946	-	1,816,946
Health and Social Services	9,874	-	9,874
Culture and Recreation	2,767,633	-	2,767,633
Community and Economic Development	827,224	-	827,224
General Government	770,681	-	770,681
Capital Projects	11,785,390	-	11,785,390
Debt Service	4,636,109	-	4,636,109
Business Type/Enterprises	-	4,287,354	4,287,354
<b>Total Disbursements</b>	<u>25,052,888</u>	<u>4,287,354</u>	<u>29,340,242</u>
Excess (deficiency) of revenues over expenditures	<u>(7,193,415)</u>	<u>1,198,949</u>	<u>(5,994,466)</u>
<b>Other financing sources (uses):</b>			
Issuance of Debt	2,530,000	306,472	2,836,472
Premium on Bonds Issued	147,199	-	147,199
Proceeds from Sale of Capital Assets	3,346	2,406	5,752
Transfers In	4,659,683	-	4,659,683
Transfers Out	(3,183,460)	(1,476,223)	(4,659,683)
<b>Total other financing sources (uses)</b>	<u>4,156,768</u>	<u>(1,167,345)</u>	<u>2,989,423</u>
Net Change in Fund Balance	(3,036,647)	31,604	(3,005,043)
Balances - beginning of year	<u>16,331,877</u>	<u>3,803,554</u>	<u>20,135,431</u>
Balances - end of year	<u>\$ 13,295,230</u>	<u>\$ 3,835,158</u>	<u>\$ 17,130,388</u>
<b>Reconciliation of Ending Fund Balance - Cash Basis:</b>			
Cash and Cash Equivalents	\$ 11,043,916	\$ 2,292,175	\$ 13,336,091
Certificates of Deposit	493,386	400,000	893,386
Investments	1,757,928	449,353	2,207,281
Restricted Cash and Cash Equivalents	-	443,630	443,630
Restricted Certificates of Deposit	-	250,000	250,000
	<u>\$ 13,295,230</u>	<u>\$ 3,835,158</u>	<u>\$ 17,130,388</u>

<b>Budgeted Amounts</b>		<b>Final to Actual Variance</b>
<b>Original</b>	<b>Final</b>	
\$ 10,348,237	\$ 10,348,237	\$ 320,705
35,000	35,000	38,322
29,920	29,920	90,764
4,056,715	4,291,168	621,887
5,442,652	5,442,652	721,559
-	-	30,550
-	-	904,836
379,520	379,520	(175,781)
-	-	147,020
248,992	269,043	(149,626)
<u>20,541,036</u>	<u>20,795,540</u>	<u>2,550,236</u>
2,621,666	2,692,142	253,111
1,753,585	1,861,486	44,540
9,874	9,874	-
3,039,395	3,170,829	403,196
850,989	850,989	23,765
995,661	1,010,989	240,308
12,799,744	15,191,046	3,405,656
4,340,707	4,921,842	285,733
4,270,543	4,335,720	48,366
<u>30,682,164</u>	<u>34,044,917</u>	<u>4,704,675</u>
<u>(10,141,128)</u>	<u>(13,249,377)</u>	<u>7,254,911</u>
7,670,000	7,670,000	(4,833,528)
-	-	147,199
-	-	5,752
6,533,071	6,533,071	(1,873,388)
<u>(6,533,071)</u>	<u>(6,533,071)</u>	<u>1,873,388</u>
<u>7,670,000</u>	<u>7,670,000</u>	<u>(4,680,577)</u>
<u>(2,471,128)</u>	<u>(5,579,377)</u>	<u>2,574,334</u>
16,039,258	13,821,669	-
<u>\$ 13,568,130</u>	<u>\$ 8,242,292</u>	<u>\$ 2,574,334</u>

**CITY OF WAVERLY, IOWA**  
**BUDGET TO GAAP RECONCILIATION**  
**REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY REPORTING**  
**For the Year Ended June 30, 2021**

	<b>Cash Basis</b>	<b>Accrual Adjustments</b>	<b>Accrual/ Modified Accrual Basis</b>
<b>Revenue:</b>			
Taxes	\$ 10,668,942	\$ (137,132)	\$ 10,531,810
Special Assessments	73,322	6,401	79,723
Licenses and Permits	120,684	(23,140)	97,544
Intergovernmental Revenue	4,913,055	(191,327)	4,721,728
Charges for Services	6,164,211	39,280	6,203,491
Fines and Forfeits	30,550	(960)	29,590
Contributions	904,836	-	904,836
Revenue from Use of Property	203,739	-	203,739
Interest on Investments	147,020	-	147,020
Miscellaneous	119,417	9,033	128,450
Total Revenue	<u>23,345,776</u>	<u>(297,845)</u>	<u>23,047,931</u>
<b>Expenditures/Expenses:</b>			
<b>Current:</b>			
Public Safety	2,439,031	(34,248)	2,404,783
Public Works	1,816,946	30,021	1,846,967
Health and Social Services	9,874	-	9,874
Culture and Recreation	2,767,633	39,829	2,807,462
Community and Economic Development	827,224	(6,348)	820,876
General Government	770,681	19,243	789,924
Capital Projects	11,785,390	728,725	12,514,115
Debt Service	4,636,109	-	4,636,109
Business Type/Enterprises	4,287,354	105,654	4,393,008
Total Expenditures/Expenses	<u>29,340,242</u>	<u>882,876</u>	<u>30,223,118</u>
Excess (Deficiency) of Revenues Over Expenditures/Expenses	<u>(5,994,466)</u>	<u>(1,180,721)</u>	<u>(7,175,187)</u>
<b>Other financing sources (uses):</b>			
Issuance of Debt	2,836,472	(306,472)	2,530,000
Premium on Bonds Issued	147,199	-	147,199
Contributed Capital Revenue	-	1,152,534	1,152,534
Proceeds from Sale of Capital Assets	5,752	(2,406)	3,346
Transfers In	4,659,683	-	4,659,683
Transfers Out	(4,659,683)	-	(4,659,683)
Total other financing sources (uses)	<u>2,989,423</u>	<u>843,656</u>	<u>3,833,079</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures/Expenses and Other (Uses)	<u>(3,005,043)</u>	<u>(337,065)</u>	<u>(3,342,108)</u>
Fund Balance/Retained Earnings - beginning of year	<u>20,135,431</u>	<u>10,799,626</u>	<u>30,935,057</u>
Fund Balance/Retained Earnings - end of year	<u>\$ 17,130,388</u>	<u>\$ 10,462,561</u>	<u>\$ 27,592,949</u>

**CITY OF WAVERLY**  
**Required Supplementary Information – Budgetary Reporting**  
**June 30, 2021**

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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 \$3,362,753. The budget amendment is reflected in the final budgeted amounts.

During the year ended June 30, 2021, disbursements did not exceed the amounts budgeted in any function.

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, 2021**  
**Required Supplementary Information**

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

**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, 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, 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**  
**IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM LAST FISCAL SEVEN YEARS\***  
**(IN THOUSANDS)**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	<b>2021</b>	<b>City 2020</b>	<b>2019</b>	<b>2018</b>
Proportion of the net pension liability	0.474255%	0.472840%	0.469910%	0.456470%
Proportionate share of the net pension liability	\$ 3,331	\$ 2,738	\$ 2,974	\$ 3,041
Covered payroll	\$ 3,778	\$ 3,617	\$ 3,550	\$ 3,427
Proportionate share of the net pension liability as a percentage of its covered payroll	88.17%	75.70%	83.77%	88.74%
Plan fiduciary position as a percentage of the total pension liability	82.90%	85.45%	83.62%	82.21%
	<b>2017</b>	<b>2016</b>	<b>2015</b>	
Proportion of the net pension liability	0.461740%	0.470060%	0.486610%	
Proportionate share of the net pension liability	\$ 2,906	\$ 2,337	\$ 1,930	
Covered payroll	\$ 3,312	\$ 3,236	\$ 3,180	
Proportionate share of the net pension liability as a percentage of its covered payroll	87.74%	72.22%	60.69%	
Plan fiduciary position as a percentage of the total pension liability	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**  
**IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM LAST FISCAL SEVEN YEARS\***  
**(IN THOUSANDS)**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	<b>Component Unit</b>			
	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Proportion of the net pension liability	0.338933%	0.352341%	0.349185%	0.312792%
Proportionate share of the net pension liability	\$ 23,793	\$ 20,415	\$ 22,097	\$ 22,919
Covered payroll	\$ 31,279	\$ 27,972	\$ 29,151	\$ 25,330
Proportionate share of the net pension liability as a percentage of its covered payroll	76.07%	72.98%	75.80%	90.48%
Plan fiduciary position as a percentage of the total pension liability	82.90%	85.45%	83.62%	82.21%
	<b>2017</b>	<b>2016</b>	<b>2015</b>	
Proportion of the net pension liability	0.341800%	0.334315%	0.313143%	
Proportionate share of the net pension liability	\$ 21,492	\$ 16,521	\$ 12,419	
Covered payroll	\$ 24,244	\$ 23,902	\$ 23,310	
Proportionate share of the net pension liability as a percentage of its covered payroll	88.65%	69.12%	53.28%	
Plan fiduciary position as a percentage of the total pension liability	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 SEVEN YEARS \* (IN THOUSANDS)  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2021**

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

<b>City</b>	<b>2021</b>		<b>2020</b>		<b>2019</b>		<b>2018</b>		<b>2017</b>	
Statutorily required contribution	\$	371	\$	357	\$	342	\$	317	\$	306
Contributions in relation to the statutorily required contribution		(371)		(357)		(342)		(317)		(306)
Contribution deficiency (excess)	\$	-	\$	-	\$	-	\$	-	\$	-
City's covered payroll	\$	3,929	\$	3,778	\$	3,617	\$	3,550	\$	3,427
Contributions as a percentage of covered payroll		9.44%		9.45%		9.44%		8.93%		8.93%
<b>City</b>	<b>2016</b>		<b>2015</b>		<b>2014</b>		<b>2013</b>		<b>2012</b>	
Statutorily required contribution	\$	297	\$	289	\$	284	\$	266	\$	273
Contributions in relation to the statutorily required contribution		(297)		(289)		(284)		(266)		(273)
Contribution deficiency (excess)	\$	-	\$	-	\$	-	\$	-	\$	-
City's covered payroll	\$	3,312	\$	3,236	\$	3,180	\$	3,068	\$	3,383
Contributions as a percentage of covered payroll		8.93%		8.93%		8.93%		8.67%		8.07%
<b>Component Unit</b>	<b>2021</b>		<b>2020</b>		<b>2019</b>		<b>2018</b>		<b>2017</b>	
Statutorily required contribution	\$	2,724	\$	2,631	\$	2,518	\$	2,432	\$	2,262
Contributions in relation to the statutorily required contribution		(2,724)		(2,631)		(2,518)		(2,432)		(2,262)
Contribution deficiency (excess)	\$	-	\$	-	\$	-	\$	-	\$	-
Component Unit's covered payroll	\$	31,279	\$	29,737	\$	27,972	\$	29,151	\$	25,330
Contributions as a percentage of covered payroll		8.71%		8.85%		9.00%		8.34%		8.93%
<b>Component Unit</b>	<b>2016</b>		<b>2015</b>		<b>2014</b>		<b>2013</b>		<b>2012</b>	
Statutorily required contribution	\$	2,165	\$	1,981	\$	1,929	\$	1,835	\$	1,674
Contributions in relation to the statutorily required contribution		(2,165)		(1,981)		(1,929)		(1,835)		(1,674)
Contribution deficiency (excess)	\$	-	\$	-	\$	-	\$	-	\$	-
Component Unit's covered payroll	\$	25,330	\$	23,902	\$	23,310	\$	22,829	\$	22,475
Contributions as a percentage of covered payroll		8.93%		8.30%		8.30%		8.00%		7.50%

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, 2021**

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	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Statutorily required contribution	\$ 280	\$ 271	\$ 288	\$ 274	\$ 267
Contributions in relation to the statutorily required contribution	(280)	(271)	(288)	(274)	(267)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 1,107	\$ 1,109	\$ 1,106	\$ 1,053	\$ 1,030
Contributions as a percentage of covered payroll	25.29%	24.44%	26.04%	26.02%	25.92%
	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Statutorily required contribution	\$ 275	\$ 287	\$ 280	\$ 232	\$ 215
Contributions in relation to the statutorily required contribution	(275)	(287)	(280)	(232)	(215)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 991	\$ 945	\$ 930	\$ 888	\$ 868
Contributions as a percentage of covered payroll	27.77%	30.41%	30.12%	26.12%	24.77%

See accompanying independent auditors' report

**CITY OF WAVERLY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION –  
PENSION LIABILITY  
FOR THE YEAR ENDED JUNE 30, 2021**

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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  
FOR THE YEAR ENDED JUNE 30, 2021**

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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.

**OTHER SUPPLEMENTARY INFORMATION**

**CITY OF WAVERLY, IOWA  
 COMBINING BALANCE SHEET  
 Governmental Nonmajor Funds  
 JUNE 30, 2021**

	<b>Special Revenue Funds</b>		
	<b>Road Use Tax</b>	<b>Local Option Sales Tax</b>	<b>Sales Tax Increment Fund</b>
<b>Assets</b>			
Cash and Cash Equivalents	\$ 914,431	\$ 719,299	\$ 449,152
Certificates of Deposit	-	-	-
Receivables (Net, where applicable, of allowance for uncollectibles)			
Accounts	-	-	-
Special Assessments	-	-	-
Due from Other Governmental Agencies	154,457	98,567	79,744
<b>Total Assets</b>	<b>1,068,888</b>	<b>817,866</b>	<b>528,896</b>
<b>Liabilities</b>			
Accounts Payable	79,192	-	-
Accrued Wages	36,360	-	-
Due to Other Funds	-	-	-
<b>Total Liabilities</b>	<b>115,552</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	953,336	-	-
Local Option Sales Tax	-	817,866	528,896
Capital Expenditures	-	-	-
Cable TV	-	-	-
Assigned for:			
Capital Improvement	-	-	-
Unassigned	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b>953,336</b>	<b>817,866</b>	<b>528,896</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>	<b>\$ 1,068,888</b>	<b>\$ 817,866</b>	<b>\$ 528,896</b>

Special Revenue	Capital Project Funds				
	2017 Airport Runway Ext	Sidewalk Program	Fair/Ball Diamond Project	2017 Bituminous Seal Coat	Capital Improvement Fund
Cable TV					
\$ 89,015	\$ -	\$ -	\$ 42,065	\$ 57,404	\$ 148,168
-	-	-	-	-	-
4,422	-	-	-	-	-
-	-	4,494	-	-	-
7,622	229,285	-	-	-	-
101,059	229,285	4,494	42,065	57,404	148,168
-	-	-	-	-	-
-	-	-	-	-	-
-	366,275	127,156	-	-	-
-	366,275	127,156	-	-	-
-	-	2,501	-	-	-
-	-	2,501	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
101,059	-	-	-	-	-
-	-	-	42,065	57,404	148,168
-	(136,990)	(125,163)	-	-	-
101,059	(136,990)	(125,163)	42,065	57,404	148,168
\$ 101,059	\$ 229,285	\$ 4,494	\$ 42,065	\$ 57,404	\$ 148,168

**CITY OF WAVERLY, IOWA  
COMBINING BALANCE SHEET  
Governmental Nonmajor Funds  
JUNE 30, 2021**

	<b>Capital Project Funds</b>		
	<b>Eagle Ridge</b>	<b>Trail Projects</b>	<b>WPC Improvements</b>
<b>Assets</b>			
Cash and Pooled Investments	\$ -	\$ 3,468	\$ -
Certificates of Deposit	-	-	-
Receivables (Net, where applicable, of allowance for uncollectibles)			
Accounts	-	-	-
Special Assessments	-	-	-
Due from Other Governmental Agencies	-	-	-
<b>Total Assets</b>	<b>-</b>	<b>3,468</b>	<b>-</b>
<b>Liabilities</b>			
Accounts Payable	110,305	-	568,810
Accrued Wages	-	-	-
Due to Other Funds	4,636	-	278,251
<b>Total Liabilities</b>	<b>114,941</b>	<b>-</b>	<b>847,061</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	-	3,468	-
Unassigned	(114,941)	-	(847,061)
<b>Total Fund Balances (Deficits)</b>	<b>(114,941)</b>	<b>3,468</b>	<b>(847,061)</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>	<b>\$ -</b>	<b>\$ 3,468</b>	<b>\$ -</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	
\$ 45,436	\$ -	\$ 1,038,893	\$ 42	\$ 117,913	\$ -	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	19,656	-	-	5,816	
-	-	-	-	-	-	
45,436	-	1,058,549	42	117,913	5,816	
-	-	2,835	-	-	6,000	
-	-	-	-	-	-	
-	14,856	-	-	-	237,625	
-	14,856	2,835	-	-	243,625	
-	-	15,758	-	-	4,792	
-	-	15,758	-	-	4,792	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	1,039,956	-	-	-	
-	-	-	-	-	-	
45,436	-	-	42	117,913	-	
-	(14,856)	-	-	-	(242,601)	
45,436	(14,856)	1,039,956	42	117,913	(242,601)	
\$ 45,436	\$ -	\$ 1,058,549	\$ 42	\$ 117,913	\$ 5,816	

**CITY OF WAVERLY, IOWA  
COMBINING BALANCE SHEET  
Governmental Nonmajor Funds  
JUNE 30, 2021**

	<b>Capital Project Funds</b>		
	<b>Various Projects 2019 Bonds</b>	<b>S Riverside PK 2019</b>	<b>Business Hwy 218 Improvement</b>
<b>Assets</b>			
Cash and Pooled Investments	\$ 129,458	\$ 491,998	\$ -
Certificates of Deposit	-	-	-
Receivables (Net, where applicable, of allowance for uncollectibles)			
Accounts	-	-	-
Special Assessments	-	-	-
Due from Other Governmental Agencies	-	-	-
<b>Total Assets</b>	<b>129,458</b>	<b>491,998</b>	<b>-</b>
<b>Liabilities</b>			
Accounts Payable	20,615	158,495	-
Accrued Wages	-	-	-
Due to Other Funds	-	-	33,065
<b>Total Liabilities</b>	<b>20,615</b>	<b>158,495</b>	<b>33,065</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	108,843	333,503	-
Cable TV	-	-	-
Assigned for:			
Capital Improvement	-	-	-
Unassigned	-	-	(33,065)
<b>Total Fund Balances (Deficits)</b>	<b>108,843</b>	<b>333,503</b>	<b>(33,065)</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>	<b>\$ 129,458</b>	<b>\$ 491,998</b>	<b>\$ -</b>

Capital Project Funds						
20th St NW RR X-Road	Public Services Facility	South Industrial Park	FEMA Flood Projects	3rd Street Bridge Project	Airport Land Acquisition	
\$ 174,414	\$ 689,903	\$ 713,766	\$ 6,248	\$ 920,560	\$ 153,550	
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
174,414	689,903	713,766	6,248	920,560	153,550	
-	220,777	-	-	10,121	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	220,777	-	-	10,121	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
174,414	-	-	6,248	910,439	153,550	-
-	-	-	-	-	-	-
-	469,126	713,766	-	-	-	-
-	-	-	-	-	-	-
174,414	469,126	713,766	6,248	910,439	153,550	
\$ 174,414	\$ 689,903	\$ 713,766	\$ 6,248	\$ 920,560	\$ 153,550	

**CITY OF WAVERLY, IOWA  
COMBINING BALANCE SHEET  
Governmental Nonmajor Funds  
JUNE 30, 2021**

	<b>Capital Project Funds</b>		
	<b>Alley</b>	<b>Cedar Lane</b>	
	<b>Reconstruction Project</b>	<b>2nd Ave NE</b>	<b>CDBG Housing Rehab</b>
<b>Assets</b>			
Cash and Pooled Investments	\$ 62,180	\$ 693,817	\$ -
Certificates of Deposit	-	-	-
Receivables (Net, where applicable, of allowance for uncollectibles)			
Accounts	-	-	-
Special Assessments	-	-	-
Due from Other Governmental Agencies	-	-	69,712
<b>Total Assets</b>	<b>62,180</b>	<b>693,817</b>	<b>69,712</b>
<b>Liabilities</b>			
Accounts Payable	-	46,198	408
Accrued Wages	-	-	-
Due to Other Funds	-	-	77,866
<b>Total Liabilities</b>	<b>-</b>	<b>46,198</b>	<b>78,274</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	-	647,619	-
Cable TV	-	-	-
Assigned for:			
Capital Improvement	62,180	-	-
Unassigned	-	-	(8,562)
<b>Total Fund Balances (Deficits)</b>	<b>62,180</b>	<b>647,619</b>	<b>(8,562)</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>	<b>\$ 62,180</b>	<b>\$ 693,817</b>	<b>\$ 69,712</b>

Capital Project Funds					
2020	2017		Airport		
20th St NW Improvement	Cedar River Parkway	1st Street NW Reconstruction	Obstruction Removal	10th Ave SW Trail Extension	
\$ 14,603	\$ 48,626	\$ 1,066,875	\$ 20,019	\$ 97,072	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
14,603	48,626	1,066,875	20,019	97,072	
-	-	154,987	-	6,023	
-	-	-	-	-	
-	-	-	-	-	
-	-	154,987	-	6,023	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
14,603	-	911,888	-	91,049	
-	-	-	-	-	
-	48,626	-	20,019	-	
-	-	-	-	-	
14,603	48,626	911,888	20,019	91,049	
\$ 14,603	\$ 48,626	\$ 1,066,875	\$ 20,019	\$ 97,072	

**CITY OF WAVERLY, IOWA  
COMBINING BALANCE SHEET  
Governmental Nonmajor Funds  
JUNE 30, 2021**

	Permanent	
	Perpetual Care	Governmental Nonmajor Funds
<b>Assets</b>		
Cash and Pooled Investments	\$ 61,149	\$ 8,969,524
Certificates of Deposit	465,000	465,000
Receivables (Net, where applicable, of allowance for uncollectibles)		
Accounts	-	4,422
Special Assessments	-	29,966
Due from Other Governmental Agencies	-	639,387
<b>Total Assets</b>	<u>526,149</u>	<u>10,108,299</u>
<b>Liabilities</b>		
Accounts Payable	-	1,384,766
Accrued Wages	-	36,360
Due to Other Funds	-	1,139,730
<b>Total Liabilities</b>	<u>-</u>	<u>2,560,856</u>
<b>Deferred Inflows of Resources</b>		
Unavailable Revenue - special assessments	-	23,051
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>23,051</u>
<b>Fund Balances (Deficits)</b>		
Nonspendable:		
Perpetual Care	526,149	526,149
Restricted for:		
Road Purposes	-	953,336
Local Option Sales Tax	-	1,346,762
Capital Expenditures	-	4,392,112
Cable TV	-	101,059
Assigned for:		
Capital Improvement	-	1,728,213
Unassigned	-	(1,523,239)
<b>Total Fund Balances (Deficits)</b>	<u>526,149</u>	<u>7,524,392</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>	<u>\$ 526,149</u>	<u>\$ 10,108,299</u>

**CITY OF WAVERLY, IOWA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**Governmental Nonmajor Funds**  
**For the Year Ended June 30, 2021**

	<b>Special Revenue Funds</b>		
	<b>Road Use Tax</b>	<b>Local Option Sales Tax</b>	<b>Sales Tax Increment Fund</b>
Revenue:			
Taxes	\$ -	\$ 1,348,484	\$ 582,560
Special Assessments	-	-	-
Licenses and Permits	-	-	-
Intergovernmental Revenue	1,479,412	-	-
Contributions	-	-	-
Rental Income	-	-	-
Interest	-	5,474	3,783
Miscellaneous	4,527	-	-
Total Revenue	<u>1,483,939</u>	<u>1,353,958</u>	<u>586,343</u>
Expenditures:			
Current:			
Public Works	1,184,132	-	-
Culture and Recreation	-	-	-
Capital Projects	-	-	-
Debt Service	-	-	-
Total Expenditures	<u>1,184,132</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>299,807</u>	<u>1,353,958</u>	<u>586,343</u>
Other financing sources (uses):			
Issuance of Debt	-	-	-
Premium on Bond Issuance	-	-	-
Proceeds from Sale of Capital Assets	2,896	-	-
Transfers In	-	-	-
Transfers Out	(75,000)	(902,503)	(583,486)
Total other financing sources (uses)	<u>(72,104)</u>	<u>(902,503)</u>	<u>(583,486)</u>
Net Change in Fund Balance	227,703	451,455	2,857
Fund balances (deficits) - beginning of year	<u>725,633</u>	<u>366,411</u>	<u>526,039</u>
Fund balances (deficits) - end of year	<u>\$ 953,336</u>	<u>\$ 817,866</u>	<u>\$ 528,896</u>

Special Revenue	Capital Project Funds				
	2017 Airport Runway Ext	Sidewalk Program	Fair/Ball Diamond Project	2017 Bituminous Seal Coat	Capital Improvement Fund
Cable TV					
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	2,743	-	-	-
47,635	-	-	-	-	-
-	512,897	-	-	-	270,030
-	-	-	-	-	-
-	-	-	34,800	-	-
-	-	-	-	-	1,154
-	-	-	-	-	-
47,635	512,897	2,743	34,800	-	271,184
-	-	-	-	-	-
32,077	-	-	-	-	-
-	371,936	3,300	-	205,746	190,756
-	-	-	-	-	-
32,077	371,936	3,300	-	205,746	190,756
15,558	140,961	(557)	34,800	(205,746)	80,428
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	200,000	50,000
-	-	-	-	-	(120,000)
-	-	-	-	200,000	(70,000)
15,558	140,961	(557)	34,800	(5,746)	10,428
85,501	(277,951)	(124,606)	7,265	63,150	137,740
\$ 101,059	\$ (136,990)	\$ (125,163)	\$ 42,065	\$ 57,404	\$ 148,168

**CITY OF WAVERLY, IOWA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**Governmental Nonmajor Funds**  
**For the Year Ended June 30, 2021**

	<b>Capital Project Funds</b>		
	<b>Eagle Ridge</b>	<b>Trail Projects</b>	<b>WPC Improvements</b>
Revenue:			
Taxes	\$ -	\$ -	\$ -
Special Assessments	-	-	-
Licenses and Permits	-	-	-
Intergovernmental Revenue	-	-	-
Contributions	-	-	-
Rental Income	-	-	-
Interest	-	-	-
Miscellaneous	-	-	-
Total Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:			
Current:			
Public Works	-	-	-
Culture and Recreation	-	-	-
Capital Projects	114,941	-	1,060,989
Debt Service	-	-	-
Total Expenditures	<u>114,941</u>	<u>-</u>	<u>1,060,989</u>
Excess (deficiency) of revenues over expenditures	<u>(114,941)</u>	<u>-</u>	<u>(1,060,989)</u>
Other financing sources (uses):			
Issuance of Debt	-	-	-
Premium on Bond Issuance	-	-	-
Proceeds from Sale of Capital Assets	-	-	-
Transfers In	-	-	306,472
Transfers Out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>306,472</u>
Net Change in Fund Balance	(114,941)	-	(754,517)
Fund balances (deficits) - beginning of year	<u>-</u>	<u>3,468</u>	<u>(92,544)</u>
Fund balances (deficits) - end of year	<u>\$ (114,941)</u>	<u>\$ 3,468</u>	<u>\$ (847,061)</u>

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	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	6,423	-	-	33,165	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	6,423	-	-	33,165	-
-	-	-	-	-	-	-
-	-	772,863	54	76,519	919,779	-
-	-	4,533	-	-	-	-
-	-	777,396	54	76,519	919,779	-
-	-	(770,973)	(54)	(76,519)	(886,614)	-
-	-	665,917	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
45,436	25,000	-	-	200,000	74,315	-
-	-	-	-	-	-	-
45,436	25,000	665,917	-	200,000	74,315	-
45,436	25,000	(105,056)	(54)	123,481	(812,299)	-
-	(39,856)	1,145,012	96	(5,568)	569,698	-
\$ 45,436	\$ (14,856)	\$ 1,039,956	\$ 42	\$ 117,913	\$ (242,601)	

**CITY OF WAVERLY, IOWA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**Governmental Nonmajor Funds**  
**For the Year Ended June 30, 2021**

	<b>Capital Project Funds</b>		
	<b>Various Projects 2019 Bonds</b>	<b>S Riverside PK 2019</b>	<b>Business Hwy 218 Improvement</b>
<b>Revenue:</b>			
Taxes	\$ -	\$ -	\$ -
Special Assessments	-	-	-
Licenses and Permits	-	-	-
Intergovernmental Revenue	-	-	360,000
Contributions	-	-	-
Rental Income	-	-	-
Interest	-	-	-
Miscellaneous	25,000	-	-
Total Revenue	<u>25,000</u>	<u>-</u>	<u>360,000</u>
<b>Expenditures:</b>			
<b>Current:</b>			
Public Works	-	-	-
Culture and Recreation	-	-	-
Capital Projects	199,335	197,452	803,117
Debt Service	-	-	-
Total Expenditures	<u>199,335</u>	<u>197,452</u>	<u>803,117</u>
Excess (deficiency) of revenues over expenditures	<u>(174,335)</u>	<u>(197,452)</u>	<u>(443,117)</u>
<b>Other financing sources (uses):</b>			
Issuance of Debt	-	-	-
Premium on Bond Issuance	-	-	-
Proceeds from Sale of Capital Assets	-	-	-
Transfers In	-	-	-
Transfers Out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(174,335)	(197,452)	(443,117)
Fund balances (deficits) - beginning of year	<u>283,178</u>	<u>530,955</u>	<u>410,052</u>
Fund balances (deficits) - end of year	<u>\$ 108,843</u>	<u>\$ 333,503</u>	<u>\$ (33,065)</u>

Capital Project Funds						
20th St NW RR X-Road	Public Services Facility	South Industrial Park	FEMA Flood Projects	3rd Street Bridge Project	Airport Land Acquisition	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	146
-	-	-	-	-	-	-
-	-	-	-	9,000	-	-
-	-	2,139	-	-	-	-
-	-	11,400	-	-	-	-
-	-	13,539	-	9,000	-	146
-	-	-	-	-	-	-
-	-	-	-	-	-	-
102,633	1,032,781	36,241	-	28,315	-	627
-	-	-	-	-	-	-
102,633	1,032,781	36,241	-	28,315	-	627
(102,633)	(1,032,781)	(22,702)	-	(19,315)	-	(481)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	850,000	-	-	-	-	-
-	-	-	-	-	-	-
-	850,000	-	-	-	-	-
(102,633)	(182,781)	(22,702)	-	(19,315)	-	(481)
277,047	651,907	736,468	6,248	929,754	-	154,031
\$ 174,414	\$ 469,126	\$ 713,766	\$ 6,248	\$ 910,439	\$ -	\$ 153,550

**CITY OF WAVERLY, IOWA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**Governmental Nonmajor Funds**  
**For the Year Ended June 30, 2021**

	<b>Capital Project Funds</b>		
	<b>Alley Reconstruction Project</b>	<b>Cedar Lane 2nd Ave NE</b>	<b>CDBG Housing Rehab</b>
Revenue:			
Taxes	\$ -	\$ -	\$ -
Special Assessments	-	-	-
Licenses and Permits	-	-	-
Intergovernmental Revenue	-	-	82,575
Contributions	-	-	-
Rental Income	-	-	-
Interest	-	-	-
Miscellaneous	-	-	-
Total Revenue	<u>-</u>	<u>-</u>	<u>82,575</u>
Expenditures:			
Current:			
Public Works	-	-	-
Culture and Recreation	-	-	-
Capital Projects	25	151,092	89,665
Debt Service	-	-	-
Total Expenditures	<u>25</u>	<u>151,092</u>	<u>89,665</u>
Excess (deficiency) of revenues over expenditures	<u>(25)</u>	<u>(151,092)</u>	<u>(7,090)</u>
Other financing sources (uses):			
Issuance of Debt	-	759,000	-
Premium on Bond Issuance	-	-	-
Proceeds from Sale of Capital Assets	-	-	-
Transfers In	-	-	-
Transfers Out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>759,000</u>	<u>-</u>
Net Change in Fund Balance	(25)	607,908	(7,090)
Fund balances (deficits) - beginning of year	<u>62,205</u>	<u>39,711</u>	<u>(1,472)</u>
Fund balances (deficits) - end of year	<u>\$ 62,180</u>	<u>\$ 647,619</u>	<u>\$ (8,562)</u>



**CITY OF WAVERLY, IOWA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**Governmental Nonmajor Funds**  
**For the Year Ended June 30, 2021**

	Permanent	
	Perpetual Care	Governmental Nonmajor Funds
Revenue:		
Taxes	\$ -	\$ 1,931,044
Special Assessments	-	42,331
Licenses and Permits	-	47,635
Intergovernmental Revenue	-	2,705,060
Contributions	6,661	6,661
Rental Income	-	43,800
Interest	-	12,550
Miscellaneous	-	40,927
Total Revenue	6,661	4,830,008
Expenditures:		
Current:		
Public Works	-	1,184,132
Culture and Recreation	-	32,077
Capital Projects	-	7,305,752
Debt Service	-	18,001
Total Expenditures	-	8,539,962
Excess (deficiency) of revenues over expenditures	6,661	(3,709,954)
Other financing sources (uses):		
Issuance of Debt	-	2,530,000
Premium on Bond Issuance	-	147,199
Proceeds from Sale of Capital Assets	-	2,896
Transfers In	-	1,751,223
Transfers Out	-	(1,680,989)
Total other financing sources (uses)	-	2,750,329
Net Change in Fund Balance	6,661	(959,625)
Fund balances (deficits) - beginning of year	519,488	8,484,017
Fund balances (deficits) - end of year	\$ 526,149	\$ 7,524,392

## **CITY OF WAVERLY STATISTICAL SECTION**

This part of the City of Waverly's comprehensive annual 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	107 – 117
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	118 – 121
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	
Debt Capacity	122 – 130
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	131 - 132
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	133 - 137
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 comprehensive annual 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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Governmental Activities</b>				
Net Investment in Capital Assets	\$42,386,586	\$43,321,391	\$45,860,962	\$44,889,601
Restricted	2,369,707	2,699,291	2,509,661	2,043,840
Unrestricted	3,004,997	2,503,546	976,180	149,599
<b>Total Governmental Activities Net Position</b>	<u>\$47,761,290</u>	<u>\$48,524,228</u>	<u>\$49,346,803</u>	<u>\$47,083,040</u>
<b>Business-type Activities</b>				
Net Investment in Capital Assets	\$11,902,943	\$10,591,981	\$10,274,538	\$ 8,167,297
Restricted	89,088	89,468	88,279	-
Unrestricted	1,253,202	2,366,784	2,509,368	4,581,247
<b>Total Business-type Activities Net Position</b>	<u>\$13,245,233</u>	<u>\$13,048,233</u>	<u>\$12,872,185</u>	<u>\$12,748,544</u>
<b>Primary Government</b>				
Net Investment in Capital Assets	\$54,289,529	\$53,913,372	\$56,135,500	\$53,056,894
Restricted	2,458,795	2,788,759	2,597,940	2,043,840
Unrestricted	4,258,199	4,870,330	3,485,548	4,730,846
<b>Total Primary Government Activities Net Position</b>	<u>\$61,006,523</u>	<u>\$61,572,461</u>	<u>\$62,218,988</u>	<u>\$59,831,580</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>					
<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>
\$45,139,066	\$46,400,267	\$48,702,502	\$47,543,076	\$51,146,367	\$55,333,374
2,706,371	3,236,491	2,893,954	3,064,822	3,009,120	5,924,464
1,638,015	(113,581)	(2,095,449)	1,877,510	986,922	(2,206,473)
<u>\$49,483,452</u>	<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>
\$10,659,431	\$11,615,461	\$12,439,840	\$10,833,717	\$11,567,403	\$12,645,950
22,734	103,401	94,493	675,094	684,498	685,954
2,892,703	3,178,122	3,326,174	2,923,932	2,765,410	2,494,574
<u>\$13,574,868</u>	<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>
\$55,798,497	\$58,015,728	\$61,142,342	\$58,376,793	\$62,713,770	\$67,979,324
2,729,105	3,339,892	2,988,447	3,739,916	3,693,618	6,610,418
4,530,718	3,064,541	1,230,725	4,801,442	3,752,332	288,101
<u>\$63,058,320</u>	<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>

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

	Fiscal Year				
	2012	2013	2014	2015	2016
<b>Expenses</b>					
Governmental Activities:					
General Government	\$ 819,187	\$ 854,130	\$ 819,124	\$ 964,181	\$ 812,686
Public Safety	2,176,921	2,313,898	2,344,143	2,187,109	2,247,521
Public Works	3,423,797	3,455,969	4,007,339	4,063,154	5,275,053
Health and Social Services	183,493	159,562	161,194	184,325	64,184
Community & Economic Development	1,063,706	1,122,593	1,151,508	1,557,169	515,249
Culture and Recreation	2,364,603	2,308,768	2,362,684	2,364,058	2,574,145
Debt Service	374,287	306,030	194,220	477,628	536,149
<b>Total Governmental Activities Expenses</b>	<b>10,405,994</b>	<b>10,520,950</b>	<b>11,040,212</b>	<b>11,797,624</b>	<b>12,024,987</b>
Business-type Activities					
Water	1,045,903	1,239,221	1,357,585	1,129,752	1,125,154
Sewer	1,391,096	1,793,911	1,700,847	1,524,393	1,700,848
Solid waste	1,056,793	1,069,970	1,197,667	1,206,111	1,048,675
<b>Total Business-type Activities Expenses</b>	<b>3,493,792</b>	<b>4,103,102</b>	<b>4,256,099</b>	<b>3,860,256</b>	<b>3,874,677</b>
<b>Total Primary Government Expenses</b>	<b>13,899,786</b>	<b>14,624,052</b>	<b>15,296,311</b>	<b>15,657,880</b>	<b>15,899,664</b>
<b>Program Revenues (2)</b>					
Governmental Activities:					
Charges for Services					
General Government	234,040	224,984	241,614	268,368	241,010
Public Safety	72,235	60,096	53,708	41,530	42,533
Public Works	54,485	82,504	25,914	27,995	44,526
Health and Social Services					
Community & Economic Development	9,941	12,347	12,338	20,266	23,303
Culture and Recreation	628,104	614,045	676,297	667,345	638,946
Operating Grants and Contributions	1,594,594	1,556,417	1,922,408	1,803,342	2,159,919
Capital Grants and Contributions	3,862,415	945,531	414,555	1,507,147	2,007,771
<b>Total Governmental Activities Program Revenues</b>	<b>6,455,814</b>	<b>3,495,924</b>	<b>3,346,834</b>	<b>4,335,993</b>	<b>5,158,008</b>
Business-type Activities:					
Charges for services:					
Water	1,169,370	1,195,417	1,228,012	1,236,098	1,246,479
Sewer	1,562,986	1,573,000	1,640,186	1,643,939	1,792,574
Solid waste	1,076,238	1,073,959	1,153,726	1,271,353	1,340,891
Capital Grants and Contributions	12,293	-	-	169,235	269,205
<b>Total Business-Type Activities Program Revenues</b>	<b>3,820,887</b>	<b>3,842,376</b>	<b>4,021,924</b>	<b>4,320,625</b>	<b>4,649,149</b>
<b>Total Primary Government Program Revenues</b>	<b>\$10,276,701</b>	<b>\$ 7,338,300</b>	<b>\$ 7,368,758</b>	<b>\$ 8,656,618</b>	<b>\$ 9,807,157</b>

**Fiscal Year**

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 1,149,474	\$ 1,149,385	\$ 669,502	\$ 930,649	\$ 890,918
2,478,198	2,701,599	2,643,357	2,980,681	2,907,703
4,374,264	5,104,045	4,724,799	4,609,339	5,627,091
9,874	9,874	9,874	9,874	9,874
1,292,607	729,567	774,466	973,361	834,488
2,505,856	2,605,857	2,776,818	2,871,985	3,039,296
437,831	445,257	761,646	743,123	747,278
<u>12,248,104</u>	<u>12,745,584</u>	<u>12,360,462</u>	<u>13,119,012</u>	<u>14,056,648</u>
1,225,589	1,211,683	1,502,936	1,390,408	1,253,842
1,780,570	1,698,567	1,764,687	1,853,223	1,748,680
1,218,735	1,219,573	1,373,526	1,325,275	1,390,486
<u>4,224,894</u>	<u>4,129,823</u>	<u>4,641,149</u>	<u>4,568,906</u>	<u>4,393,008</u>
<u>16,472,998</u>	<u>16,875,407</u>	<u>17,001,611</u>	<u>17,687,918</u>	<u>18,449,656</u>
271,525	251,725	127,635	104,466	124,028
51,089	47,839	53,175	40,244	89,619
57,264	87,868	105,935	130,957	31,594
22,734	9,334	19,612	24,998	16,899
625,840	592,286	630,601	587,973	889,390
2,217,432	2,157,667	2,443,545	3,296,788	3,346,721
330,201	681,523	69,412	1,394,149	1,891,675
<u>3,576,085</u>	<u>3,828,242</u>	<u>3,449,915</u>	<u>5,579,575</u>	<u>6,389,926</u>
1,308,725	1,335,896	1,496,978	1,515,461	1,575,486
1,666,757	1,695,866	1,837,309	1,944,024	2,121,115
1,424,910	1,458,395	1,462,918	1,590,679	1,702,582
2,348	359,703	109,913	-	5,498
<u>4,402,740</u>	<u>4,849,860</u>	<u>4,907,118</u>	<u>5,050,164</u>	<u>5,404,681</u>
<u>\$ 7,978,825</u>	<u>\$ 8,678,102</u>	<u>\$ 8,357,033</u>	<u>\$10,629,739</u>	<u>\$11,794,607</u>

(continued on next page)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Net (Expense)/Revenue <sup>1</sup>					
Governmental Activities:	\$ (3,950,180)	\$(7,025,026)	\$(7,693,378)	\$(7,461,631)	\$(6,866,979)
Business-type Activities	327,095	(260,726)	(234,175)	460,369	774,472
Total Primary Government Net Expense	<u>(3,623,085)</u>	<u>(7,285,752)</u>	<u>(7,927,553)</u>	<u>(7,001,262)</u>	<u>(6,092,507)</u>
<b>General Revenues</b>					
Governmental Activities:					
Property Taxes	6,318,501	6,745,028	7,133,869	7,000,472	7,086,413
Local Option Sales Tax	882,114	871,022	896,970	996,545	1,128,998
Hotel/Motel Taxes	153,154	150,172	163,599	154,137	175,269
Interest	31,481	43,479	44,973	34,653	46,697
General Intergovernmental Revenues	168,924	153,540	173,778	148,034	191,934
Commercial/Industrial Tax replacement	-	-	-	113,678	233,203
Gain on Sale of Capital Assets	21,192	11,186	-	4,500	-
Miscellaneous	98,233	40,697	77,764	22,198	96,217
Transfers	180,530	-	25,000	57,166	60,474
Total Governmental Activities	<u>7,854,129</u>	<u>8,015,124</u>	<u>8,515,953</u>	<u>8,531,383</u>	<u>9,019,205</u>
Business-type Activities:					
Investment Earnings	4,855	5,031	7,606	12,624	19,508
Gain on Sale of Capital Assets	-	-	-	-	-
Miscellaneous	73,076	76,040	75,521	91,809	92,824
Transfers	(180,530)	-	(25,000)	(57,166)	(60,474)
Total Business-type Activities	<u>(102,599)</u>	<u>81,071</u>	<u>58,127</u>	<u>47,267</u>	<u>51,858</u>
Total Primary Government	<u>7,751,530</u>	<u>8,096,195</u>	<u>8,574,080</u>	<u>8,578,650</u>	<u>9,071,063</u>
<b>Change in Net Position</b>					
Governmental Activities	3,903,949	990,098	822,575	1,069,752	2,152,226
Business-type Activities	224,496	(179,655)	(176,048)	507,636	826,330
Total Primary Government	<u>\$ 4,128,445</u>	<u>\$ 810,443</u>	<u>\$ 646,527</u>	<u>\$ 1,577,388</u>	<u>\$ 2,978,556</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.

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$(8,672,019)	\$(8,917,342)	\$(8,910,547)	\$ (7,539,437)	\$ (7,666,722)
177,846	720,037	265,969	481,258	1,011,673
<u>(8,494,173)</u>	<u>(8,197,305)</u>	<u>(8,644,578)</u>	<u>(7,058,179)</u>	<u>(6,655,049)</u>
7,504,828	7,287,523	7,487,736	7,613,429	8,600,766
1,502,733	1,222,010	1,560,866	1,714,891	1,931,044
232,582	188,106	179,842	151,341	105,368
50,928	45,347	103,701	113,639	122,172
192,114	197,245	191,646	190,890	187,644
208,008	202,647	193,412	185,738	194,209
30,735	-	12,230	4,302	2,949
8,280	224,921	129,650	201,509	102,693
<u>(1,018,464)</u>	<u>(108,102)</u>	<u>1,837,271</u>	<u>52,974</u>	<u>329,187</u>
<u>8,711,744</u>	<u>9,259,697</u>	<u>11,696,354</u>	<u>10,228,713</u>	<u>11,576,032</u>
17,637	35,407	45,229	52,278	24,848
10,726	1,500	-	-	-
97,443	98,477	98,309	104,006	101,833
<u>1,018,464</u>	<u>108,102</u>	<u>(1,837,271)</u>	<u>(52,974)</u>	<u>(329,187)</u>
<u>1,144,270</u>	<u>243,486</u>	<u>(1,693,733)</u>	<u>103,310</u>	<u>(202,506)</u>
<u>9,856,014</u>	<u>9,503,183</u>	<u>10,002,621</u>	<u>10,332,023</u>	<u>11,373,526</u>
39,725	342,355	2,785,807	2,689,276	3,909,310
1,322,116	963,523	(1,427,764)	584,568	809,167
<u>\$ 1,361,841</u>	<u>\$ 1,305,878</u>	<u>\$ 1,358,043</u>	<u>\$ 3,273,844</u>	<u>\$ 4,718,477</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>
2012	\$ 4,667,731	\$ 881,166	\$ 1,649,930	\$ 51,360	\$ 150,148	\$ 7,400,335
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

Percentage  
Change  
In Dollars Over  
10 Years

53.25%	128.82%	-9.12%	88.06%	-6.03%	47.38%
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**City of Waverly, Iowa**  
**Fund Balances of Governments Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	<b>Fiscal Year</b>			
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund				
Nonspendable	\$ 55,817	\$ 58,623	\$ 74,062	\$ 75,689
Restricted	367,798	-	-	-
Assigned	22,206	26,025	11,416	20,874
Unassigned	1,562,142	1,590,215	2,125,165	2,271,397
Total General Fund	<u>\$ 2,007,963</u>	<u>\$ 1,674,863</u>	<u>\$ 2,210,643</u>	<u>\$ 2,367,960</u>
All Other Governmental Funds				
Nonspendable	\$ 478,808	\$ 485,084	\$ 490,621	\$ 496,551
Restricted	4,879,176	2,228,356	2,034,196	1,564,753
Assigned	1,559,378	1,529,851	1,263,823	9,011,683
Unassigned	(660,019)	(748,823)	(2,263,027)	(230,217)
Total All Other Governmental Funds	<u>\$ 6,257,343</u>	<u>\$ 3,494,468</u>	<u>\$ 1,525,613</u>	<u>\$ 10,842,770</u>
Total Governmental Funds				
Nonspendable	\$ 534,625	\$ 543,707	\$ 564,683	\$ 572,240
Restricted	5,246,974	2,228,356	2,034,196	1,564,753
Assigned	1,581,584	1,555,876	1,275,239	9,032,557
Unassigned	902,123	841,392	(137,862)	2,041,180
Total Governmental Funds	<u>\$ 8,265,306</u>	<u>\$ 5,169,331</u>	<u>\$ 3,736,256</u>	<u>\$ 13,210,730</u>

Notes:

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

Fiscal Year					
<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 74,377	\$ 88,789	\$ 87,795	\$ 233,783	\$ 92,658	\$ 100,690
-	-	-	-	-	1,215,116
24,627	22,810	23,549	26,506	25,523	20,769
<u>2,657,093</u>	<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>\$ 2,756,097</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>
\$ 767,461	\$ 507,588	\$ 513,603	\$ 516,978	\$ 519,488	\$ 526,149
1,714,074	2,727,209	2,420,088	2,609,603	10,336,821	7,644,301
3,079,501	1,242,751	1,755,210	7,439,541	1,735,994	1,728,213
(706,489)	(743,199)	(2,983,470)	(780,849)	(558,596)	(2,892,852)
<u>\$ 4,854,547</u>	<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>
\$ 841,838	\$ 596,377	\$ 601,398	\$ 750,761	\$ 612,146	\$ 626,839
2,203,990	2,727,209	2,420,088	2,609,603	10,336,821	8,859,417
2,614,212	1,265,561	1,778,759	7,466,047	1,761,517	1,748,982
<u>1,950,604</u>	<u>1,961,056</u>	<u>143,293</u>	<u>2,092,214</u>	<u>3,207,616</u>	<u>531,233</u>
<u>\$ 7,610,644</u>	<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>

**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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Revenues</b>				
Taxes	\$ 7,351,217	\$ 7,766,222	\$ 8,192,294	\$ 8,151,154
Special Assessments	9,619	6,215	20,944	4,600
Licenses and Permits	76,835	77,482	91,315	83,939
Intergovernmental	5,343,456	2,592,220	2,262,054	3,377,252
Charges for Services	782,155	775,303	859,319	842,155
Fines and Forfeits	82,890	70,244	64,414	52,559
Investment Earnings	31,481	42,180	43,948	32,623
Rental Income	56,924	70,947	75,058	120,581
Contributions	42,529	43,424	145,064	110,751
Refunds/Reimbursements	240,984	21,505	-	-
Miscellaneous	98,079	40,697	65,295	22,198
<b>Total Revenues</b>	<u>\$ 14,116,169</u>	<u>\$ 11,506,439</u>	<u>\$ 11,819,705</u>	<u>\$ 12,797,812</u>
<b>Expenditures</b>				
Current:				
Public Safety	2,062,017	2,390,307	1,968,180	2,096,232
Public Works	2,030,615	1,596,015	1,824,051	1,495,735
Health and Social Services	158,493	159,562	161,194	184,325
Culture and Recreation	2,208,790	2,104,902	2,254,536	2,355,850
Community and Economic Development	1,059,750	1,115,555	1,130,112	1,657,349
General Government	753,230	795,178	815,808	871,927
Debt Service:				
Principal	1,879,524	1,796,882	1,895,000	2,085,000
Interest	413,974	304,063	191,920	490,171
Capital Projects	5,866,802	2,930,055	3,202,963	9,269,704
<b>Total Expenditures</b>	<u>\$ 16,433,195</u>	<u>\$ 13,192,519</u>	<u>\$ 13,443,764</u>	<u>\$ 20,506,293</u>
Excess (Deficiency) of Revenues over (under) Expenditures	(2,317,026)	(1,686,080)	(1,624,059)	(7,708,481)
<b>Other Financing Sources (Uses)</b>				
Issuance of Bonds, Notes, and Leases	4,690,000	700,000	83,226	15,804,500
Premiums on Bonds Issued	1,079	-	-	767,487
Transfers In	3,850,901	4,753,789	3,677,611	5,137,112
Transfers Out	(3,670,371)	(4,753,789)	(3,574,023)	(5,079,946)
Sale of Capital Assets	48,788	25,105	4,170	4,500
<b>Total Other Financing Sources (Uses)</b>	<u>\$ 4,275,397</u>	<u>\$ (1,409,895)</u>	<u>\$ 190,984</u>	<u>\$ 16,633,653</u>
Net change in fund balances	<u>\$ 1,958,371</u>	<u>\$ (3,095,975)</u>	<u>\$ (1,433,075)</u>	<u>\$ 8,925,172</u>
Debt service as a percentage of non-capital expenditures	21.71%	20.47%	20.38%	22.92%

Fiscal Year					
<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 8,215,412	\$ 9,007,561	\$ 8,510,566	\$ 9,048,602	\$ 9,226,758	\$ 10,531,810
11,304	40,566	-	13,167	13,458	79,723
87,653	113,545	78,885	142,033	139,460	97,544
4,558,349	3,000,504	3,119,322	2,960,743	4,299,111	4,721,728
814,866	822,666	793,572	587,526	623,064	810,735
54,191	57,489	54,876	43,750	41,041	29,590
44,609	49,191	45,347	103,701	113,639	122,172
67,106	65,945	96,742	105,662	89,737	101,906
84,473	53,203	37,681	109,620	897,947	904,836
-	-	-	-	-	-
184,174	21,980	247,841	143,709	216,119	122,023
<u>\$ 14,122,137</u>	<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>
2,329,272	2,101,970	2,253,573	2,594,111	2,800,963	2,404,783
1,436,058	1,769,481	1,855,470	1,841,712	1,858,532	1,846,967
64,184	9,874	9,874	9,874	9,874	9,874
2,462,074	2,528,258	2,414,847	2,642,004	2,831,586	2,807,462
489,769	1,310,800	721,972	774,460	865,910	820,876
837,847	935,697	1,023,626	632,951	777,081	789,924
2,235,000	2,210,000	2,710,000	2,985,000	3,509,000	3,804,784
585,738	546,634	684,914	864,294	793,441	831,325
9,591,741	3,123,039	5,185,465	9,835,274	6,532,560	12,514,115
<u>\$ 20,031,683</u>	<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>
(5,909,546)	(1,303,103)	(3,874,909)	(8,921,167)	(4,318,613)	(8,308,043)
-	111,927	2,115,000	14,500,000	6,245,700	2,530,000
-	-	31,141	348,159	275,616	147,199
4,044,527	3,858,815	3,164,804	5,953,992	5,502,000	4,659,683
(3,984,053)	(3,758,815)	(3,056,704)	(4,116,721)	(4,677,255)	(3,183,460)
800	30,735	-	12,230	4,302	3,346
<u>\$ 61,274</u>	<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>\$ (5,848,272)</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>
24.01%	24.24%	27.52%	31.59%	31.73%	30.80%

**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		
2012	\$ 600,246,807	\$ 359,088,087	\$ 9,218,277	\$ 5,874,314	\$ 609,465,084	\$ 364,962,401	14.604	59.88%
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%

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 2021 budget this percentage is 55.0743% 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**

Fiscal Year	City of Waverly				Overlapping Rates				Total Direct and Overlapping
	General	Special Revenue	Debt Service	Total Direct	Waverly - Shell Rock School	Bremer County	Hawkeye Community College	Total Overlapping	
2012	\$ 8.583	\$ 3.734	\$ 2.286	\$ 14.603	\$ 14.451	\$ 5.698	\$ 0.961	\$ 21.110	\$ 35.713
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

Source: Bremer County Iowa: County Auditor-Accounting Department

**City of Waverly, Iowa**  
**Principal Taxpayers and Their Assessed Valuations**  
**June 30, 2021 and 2012**

<u>Taxpayer</u>	<u>2021</u>			<u>2012</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>	\$ 8,308,710	1	1.91%	\$ 8,374,850	2	2.29%
<b>CUNA Mutual Life Insurance</b>	8,028,000	2	1.84%	10,619,710	1	2.91%
<b>Pinnacle Apartments SPE, LLC</b>	5,245,593	3	1.20%	7,989,520	3	2.19%
<b>Birdworks LLC</b>	4,600,868	4	1.06%	-	-	0.00%
<b>First National Bank of Waverly</b>	4,447,683	5	1.02%	7,319,110	4	2.01%
<b>Neste Beverage Company</b>	4,374,378	6	1.00%	3,327,570	8	0.91%
<b>GMT LLC</b>	4,273,781	7	0.98%	4,637,870	5	1.27%
<b>Casey's Marketing Company</b>	3,840,255	8	0.88%	-	-	0.00%
<b>M &amp; H Properties, LC</b>	3,721,856	9	0.85%	-	-	0.00%
<b>Graening-Knights II, LC</b>	3,621,213	10	0.83%	-	-	0.00%
<b>Village Sq Plaza Ltd Ptnrs</b>	-	-	0.00%	3,341,700	7	0.92%
<b>MDM Partnership</b>	-	-	0.00%	3,607,630	6	0.99%
<b>Terex Cranes Inc - Waverly</b>	-	-	0.00%	3,080,190	9	0.84%
<b>State Bank &amp; Trust Co</b>	-	-	0.00%	2,987,610	10	0.82%
Total Principal Taxpayers	<u>50,462,337</u>		<u>11.57%</u>	<u>55,285,760</u>		<u>15.15%</u>
All Other Taxpayers	<u>385,575,952</u>		<u>88.43%</u>	<u>309,676,641</u>		<u>84.85%</u>
Total Assessed Valuation	<u>\$436,038,289</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>
2012	\$ 4,657,939	\$ 4,667,731	100.21%	N/A	\$ 4,667,731	100.21%
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%

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	Notes Payable	General Obligation Bonds	Revenue Bonds	Note Payable			
2012	\$ 13,229,978	\$ 46,268	\$ 648,238	\$ 294,260	\$ -	\$ 14,218,744	5.84%	\$ 1,440
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

Notes:

- 1 Population data used was the estimated census from the year 2021 of 10,308.
- 2 See the Schedule of Demographic and Economic Statistics on page 131 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>
2012	\$ 13,878,216	\$ 2,168,236	\$ 11,709,980	3.35%	\$ 1,192
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%	\$ 3,002

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 2021 of 10,308.

**City of Waverly, Iowa**  
**Computation of Direct and Overlapping Debt <sup>3</sup>**  
**June 30, 2021**

Name of Governmental Unit	GO Debt Outstanding	Percentage <sup>4</sup> Applicable to City	Amount Applicable to City
Direct:			
City of Waverly	\$ 30,621,328	100%	\$ 30,621,328
Overlapping:			
Bremer County <sup>1</sup>	419,326	18%	75,479
Waverly-Shell Rock School District <sup>2</sup>	<u>3,237,000</u>	44%	<u>1,424,280</u>
Total Overlapping Debt	<u>3,656,326</u>		<u>1,499,759</u>
Total Direct and Overlapping Debt	<u>\$ 34,277,654</u>		<u>\$ 32,121,087</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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt Limit	\$ 30,473,254	\$ 31,542,084	\$ 31,968,258	\$ 32,971,505
Total Net Debt Applicable to Limit	<u>11,802,800</u>	<u>12,759,413</u>	<u>10,793,655</u>	<u>23,955,208</u>
Legal Debt Margin	\$ 18,071,675	\$ 18,670,454	\$ 18,782,671	\$ 21,174,603
Total Net Debt Applicable to the Limit as a percentage of debt limit	38.73%	40.45%	33.76%	72.65%

**Legal Debt Margin Calculation for Fiscal Year 2021**

<u>Assessed Value</u>		
Real and Personal Property Within the City		<u>\$ 792,208,934</u>
DEBT LIMIT - 5% of ESTIMATED VALUATION		39,610,447
<u>Amount of Debt Applicable to Limit</u>		
Total Debt and Long-Term Notes Payable	34,710,184	
Less:		
Revenue Bonds:		
Sewer Revenue Bonds	985,000	
Sewer Revenue Bonds Premium	36,634	
Water Revenue Bonds	1,930,000	
Water Revenue Bonds Premium	22,039	
Governmental Activities GO Bond Premium	1,066,328	
Sewer Notes	753,237	
Golf Course Notes	46,946	
Add:		
Urban Renewal Development Agreements	<u>45,240</u>	
Debt Applicable to Debt Limit		<u>29,915,240</u>
Legal Debt Margin		<u>\$ 9,695,207</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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 33,601,567	\$ 35,847,307	\$ 36,810,958	\$ 37,339,744	\$ 38,040,656	\$ 39,610,447
<u>21,435,000</u>	<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>
\$ 9,016,297	\$ 12,166,567	\$ 16,057,383	\$ 8,263,081	\$ 6,484,101	\$ 9,695,208
63.79%	55.21%	52.17%	77.87%	82.95%	75.52%

**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>
2012	\$ 1,169,370	\$ 1,015,071	\$ 263,293	\$ 154,299	\$ 280,000
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

Notes

<sup>1</sup> GAAP Basis

<b>Payments For Interest</b>	<b>Total Debt Service Payments</b>	<b>Coverage</b>	<b>Net Revenue Available For Debt Service Plus Depreciation</b>	<b>Coverage Without Depreciation</b>
\$ 30,832	\$ 310,832	0.50	\$ 417,592	1.34
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

**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>
2012	\$ 1,562,986	\$ 1,369,322	\$ 452,542	\$ 193,664	\$ 275,000	\$ 21,774
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

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>
\$	296,774	0.65	\$	646,206	2.18
	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

**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%
2021	10,308 (3)	\$ 326,536,824	\$ 31,678 (4)	36.9 (5)	4,082 (6)	2,119 (7)	3.19% (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 2021 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 20-21
8. Waverly Economic Development

**City of Waverly, Iowa  
Principal Employers  
Current Year <sup>1</sup>**

<b>Employer</b>	<b>2021</b>		<b>Percentage of Total City Employment</b>
	<b>Employees</b>	<b>Rank</b>	
CUNA Mutual Life Insurance	545	1	4.01%
Wartburg College	500	2	3.68%
Waverly Health Center	479	3	3.52%
Waverly Shell Rock Schools	434	4	3.19%
GMT Corporation	317	5	2.33%
Bartels Lutheran Retirement Comm	220	6	1.62%
Nestle USA	194	7	1.43%
Walmart	191	8	1.40%
Life Line Emergency Vehicles	178	9	1.31%
Bremer County	175	10	1.29%
Total Employees of Principal Employers	3,233		23.78%
Other Employees	10,367		76.22%
Adjusted Labor Force <sup>2</sup>	13,600		100.00%

Source:  
Waverly Economic Development

Note:

1 Comparative data is not currently available.

2 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>2012</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>
General Government	13.5	13.5	13.5	13	13	13	15.5	13	14.35	14.6
Library	10.5	10.5	10.5	11	11	11.3	11.3	11.3	11.2	11.2
Public Safety										
Police										
Officers	16	16	16	16	16	16	16	16	16	16
Secretaries	1	1	1	1	1	1	1	1	1	1
Fire										
Firefighters and Officers	8	8	8	8	8	9	9	9	9	9
Volunteers	29	29	29	29	29	28	28	28	28	28
Highways and Streets										
Public Works Admin/Engineering	6	6	6	6	6	6	6	5.5	5.2	5.2
Zoning/Economic	3	3	4	5	5	5	5	5	4	4
Equipment Maintenance	2	2	2	2	2	2	2	2	2	2
Street Maintenance	7	7	7	7	7	7	6.75	8	7.78	7.78
Sanitation	8.5	8.5	8.5	8.5	8.5	8.5	8.7	9	9	9
Culture and Recreation	18	18	18	18	18	18	18	19	18	21.3
Water	3.5	3.5	3.5	3.5	3.5	3.75	3.75	3.25	3.25	3.5
Sewer	5.5	5.5	5.5	3.5	3.5	5.75	5.75	5.25	5.25	6.5
	<u>131.5</u>	<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>

Source: City of Waverly Accounting Department

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

Function	Fiscal Year			
	2012	2013	2014	2015
<b>Police</b>				
Physical Arrests	324	299	340	504
Parking Violations	570	599	728	528
Traffic Violations	1,175	950	847	818
<b>Fire</b>				
Number of Calls Answered	110	111	76	112
<b>Highways and Streets</b>				
Street Maintenance (Blocks)	92	97	95	88
Street Reconstruction (Blocks)	-	36	10	10
<b>Building Permits</b>				
Number	432	423	388	422
Value	\$ 20,192,166	\$ 19,816,016	\$ 15,692,981	\$ 35,672,014
Permit Fees	\$ 94,305	\$ 111,018	\$ 139,127	\$ 139,265
<b>Sanitation</b>				
Solid Waste Collected (tons)	3,910	3,653	3,910	3,995
Recyclables Collected (pounds)	1,911,020	1,956,116	1,840,308	1,397,998
<b>Water</b>				
Water Pumped (in thousands of gallons)	329,465	328,942	327,477	375,445
Water Billed (in thousands of gallons)	259,173	266,859	270,427	260,622
Percent Accountable	79%	81%	83%	69%

Source: Annual reports from each department.

Fiscal Year						
2016	2017	2018	2019	2020	2021	
623	465	451	400	291	407	
548	579	602	514	399	532	
754	649	706	646	526	536	
106	110	123	111	117	145	
78	100	125	60	90	110	
6	-	36	40	15	-	
440	428	370	396	349	364	
\$ 27,773,351	\$ 23,430,006	\$ 21,702,076	\$ 25,493,654	\$ 45,975,454	\$ 16,481,831	
\$ 126,235	\$ 123,002	\$ 111,581	\$ 120,598	\$ 158,347	\$ 91,996	
4,239	4,464	4,472	4,635	4,663	4,663	
2,276,000	2,064,840	2,766,960	2,393,008	2,051,650	2,060,000	
352,702	356,489	358,615	341,884	349,624	384,774	
254,403	247,064	250,852	243,332	250,099	268,223	
72%	69%	70%	71%	72%	70%	

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

Function	Fiscal Year			
	2012	2013	2014	2015
<b>Police:</b>				
Stations	1	1	1	1
Patrol Units	8	8	8	8
Fire Stations	1	1	1	1
<b>Sanitation</b>				
Collection Trucks	4	4	4	4
Recycling Trucks	1	1	1	1
<b>Highways and Streets</b>				
Streets City Maintained (miles)	67	67	67	67
State Highway (miles)	7	7	7	7
<b>Culture and Recreation</b>				
Parks Acreage	140	140	140	140
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
<b>Cemetery</b>				
Cemetery (acres)	47	47	47	47
<b>Water</b>				
Water Mains (miles)	73	73	74	71
Number of Service Connections	3,539	3,591	3,664	3,674
Daily Ave. Consumption in Gallons	932,625	996,948	1,059,384	1,028,616
Fire Hydrants	679	679	690	690
Maximum Daily Capacity (thousands of gallons)	7,000,000	7,000,000	7,000,000	7,000,000
<b>Sewer</b>				
Sanitary Sewers (miles)	62	62	63	61
Number of Treatment Plants	1	1	1	1
Number of Service Connections	3,477	3,527	3,595	3,620
Daily Ave. Treatments in Gallons	942,167	1,240,333	1,202,904	1,102,000
Maximum Daily Capacity (thousands of gallons)	2,330,000	2,330,000	2,330,000	2,330,000

		Fiscal Year					
2016	2017	2018	2019	2020	2021		
1	1	1	1	1	1	1	
8	8	8	8	8	8	8	
1	1	1	1	1	1	1	
4	4	4	4	4	4	4	
1	1	1	1	1	1	1	
67	69	69.6	69.6	69.6	69.6	69.6	
7	7	7	7	7	7	7	
146	175	175	175	175	175	175	
25	25	25	25	25	25	25	
15	15	15	15	15	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	1	1	1	1	1	
2	2	2	2	2	2	2	
1	1	1	1	1	1	1	
1	1	1	1	1	1	1	
47	47	47	47	47	47	47	
74	76	74	74	74	76	76	
3,966	4,059	4,099	4,231	4,333	4,380	4,380	
966,307	976,682	976,583	936,583	955,333	1,053,075	1,053,075	
692	693	639	639	709	727	727	
7,000,000	7,000,000	7,000,000	7,000,000	7,632,000	7,632,000	7,632,000	
63	60	60	60	61.4	62.8	62.8	
1	1	1	1	1	1	1	
3,675	3,688	3,745	3,760	4,000	4,000	4,000	
1,020,000	1,588,904	1,154,000	2,064,000	1,404,000	1,054,400	1,054,400	
2,330,000	2,330,000	2,330,000	2,330,000	2,330,000	2,330,000	2,330,000	

**CITY OF WAVERLY, IOWA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CASH BASIS)**  
**For the Year Ended June 30, 2021**

Federal Grantor Pass-Through Grantor/Program Title	Assistance Listing Number	Grant Number	Federal Expenditures
<b>Direct:</b>			
U.S. Department of Transportation:			
Airport Improvement Program	20.106	3-19-0096-010-2019	\$ 598,312
Airport Improvement Program	20.106	3-19-0096-012-2020	146
COVID-19 Airport Improvement Program	20.106	3-19-0096-013-2020	7,840
COVID-19 Airport Improvement Program	20.106	3-19-0096-014-2021	9,000
COVID-19 Airport Improvement Program	20.106	3-19-0096-015-2021	17,333
			\$ 632,631
<b>Indirect:</b>			
U.S. Department of Housing and Urban Development:			
Passed through the Iowa Department of Economic Development			
Community Development Block Grant	14.228	19-HSG-023	82,575
U.S. Department of Treasury:			
Passed through the Iowa Department of Revenue			
COVID-19, Coronavirus Relief Fund	21.019	N/A	242,371
U.S. Department of Homeland Security:			
Passed through the Iowa Department of Homeland Security and Emergency Management			
COVID-19 - Disaster Grants - Public Assistance	97.036	DR-4483	3,274
		Total expenditures of federal awards	\$ 960,851

**Note 1 - Basis of Presentation** - The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Waverly, Iowa under programs of the federal government for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Waverly, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Waverly.

**Note 2 - Summary of Significant Accounting Policies** - Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City of Waverly has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.



21 1<sup>st</sup> Avenue NW  
P.O. Box 1010  
Le Mars, IA 51031  
Phone (712) 546-7801  
Fax (712) 546-6543  
www.williamscpas.com

**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 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, 2021 and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 28, 2021. 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.

**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 have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a material weakness.

### **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*.

### **City of Waverly's Response to Findings**

The City of Waverly's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City of Waverly's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

This 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.

*William D. & Company P.C.*

Certified Public Accountants

Le Mars, Iowa  
December 28, 2021



21 1<sup>st</sup> Avenue NW  
P.O. Box 1010  
Le Mars, IA 51031  
Phone (712) 546-7801  
Fax (712) 546-6543  
www.williamscpas.com

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Honorable Members of the City Council  
Waverly, Iowa

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

We have audited the City of Waverly, Iowa's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City of Waverly, Iowa's major federal program for the year ended June 30, 2021. The City of Waverly, Iowa's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. The City of Waverly's basic financial statements include the operations of Waverly Utilities and Waverly Health Center which received no federal awards. Our audit, described below, did not include the operations of Waverly Utilities and Waverly Health Center because these financial statements were audited by other auditors.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for the City of Waverly, Iowa's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Waverly, Iowa's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City of Waverly, Iowa's compliance.

***Opinion on the Major Federal Program***

In our opinion, the City of Waverly, Iowa, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2021.

## Report on Internal Control over Compliance

Management of the City of Waverly, Iowa, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Waverly, Iowa's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Waverly, Iowa's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

*Wellens) & Company P.C.*

Certified Public Accountants

Le Mars, Iowa

December 28, 2021

**CITY OF WAVERLY, IOWA**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2021**

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

- (a) Unmodified opinions were issued on the financial statements.
- (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.
- (d) An unmodified opinion was issued on compliance with requirements applicable to each major program.
- (e) The audit disclosed no audit findings which were required to be reported in accordance with the Uniform Guidance Section 200.516.
- (f) The major program was as follows:  
20.106 Airport Improvement Program
- (g) The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- (h) The City of Waverly did not qualify as a low-risk auditee.

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

**Instances of Non-Compliance:**

No matters were noted.

There were no prior year audit findings.

**Material Weakness:**

2021-001 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 and Questioned Costs**  
**For the Year Ended June 30, 2021**

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**Part III: Findings Related to Federal Awards**

**Instances of Non-Compliance:**

No matters were noted.

**Material Weakness:**

No matters were noted.

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

IV-A-21 - Certified Budget – Disbursements during the year ended June 30, 2021 did not exceed the amounts budgeted.

IV-B-21 - 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-21 - Travel Expense - No expenditures of City money for travel expenses of spouses of City officials or employees were noted.

IV-D-21 - 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	\$17,795
Cedar River Construction, Employee’s Spouse	Construction	\$20,112

These transactions may represent a conflict of interest and the City should contact legal counsel for determination.

IV-E-21 - 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-21 - 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-21 - Council Minutes - We noted no transactions requiring approval which had not been approved by the Council.

IV-H-21 - 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-21 - Revenue Bonds - No violations of revenue bond resolutions were noted.

IV-J-21 - Urban Renewal Annual Report – The urban renewal annual report was property approved and certified to the Iowa Department of Management on or before December 1 and no exceptions were noted.



200 First Street NE - PO Box 616 - Waverly IA 50677  
Main Office 319 352 4252 – Fax 319 352 5772 Web Site: [www.waverlyia.com](http://www.waverlyia.com)

**CITY OF WAVERLY, IOWA**  
**Schedule of Prior Findings and Questioned Costs**  
**For the Year Ended June 30, 2021**

**Part V: Prior Year Audit Findings – Year Ended June 30, 2020**

2020-001 - **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 and 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.

Current Status – The recommendation is still in process. The City continues to look at its processes in order to make sure all amounts and adjustments are properly recorded.