

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT  
OF THE  
CITY OF WAVERLY, IOWA  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2024**

Prepared by the  
Finance Department  
Valorie Northrup, Finance Director

**CITY OF WAVERLY, IOWA  
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FOR THE YEAR ENDED JUNE 30, 2024  
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December 27, 2024

Honorable Mayor, City Council, and Citizens  
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, 2024. 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 requires 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 10,394 residents in 2020 which is a growth of 4.40% over the last ten years.

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, approving the Mayor's appointments of 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 the 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%. There remains the steady sale of building permits, which is a good sign for Waverly. The total number of building permits decreased approximately 18% from FY23, however, the total value of permits increased to \$21,252,347 from FY23 when there were more building permits issued, but the value was \$19,636,677. Fiscal year 2024 was strong in economic development with numerous projects being constructed as well as significant remodels and expansions. Some of the more significant commercial developments included Starbucks, a dental office and a cold storage building for Waverly Utilities. There were expansions at Titan Machinery, Inc., and Wal-Mart as well as remodels at TruStage, RJR Financial Inc., Decorah High Point, LLC, Wal-Mart, and the City's parks building. Additionally, Stone Meadows Addition is bringing the development of 40 new homes which are anticipated to be completed August 2026, and the Waverly Housing Commission purchased the former West Cedar Elementary School for future redevelopment of low-income senior housing. Fiscal year 2024 also brought new industry to Waverly with the addition of Van Am Defense Systems. At times, it is more important to add to the culture and livability in a community which spurred the development of the Cedar River Ball Park which opened for usage in FY24, 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 as well as Waverly being considered a safe place to live. 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 Wartburg College with 544 employees, Waverly Health Center with 470 employees, Waverly Shell-Rock Schools with 397 employees, Walmart with 245 employees, and Bartels Lutheran Retirement Comm. with 224 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 \$1,377,139 in fiscal year 2024. 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 2024 average unemployment rate of 2.30% compares favorably to the State's fiscal year 2024 average rate of 2.8 % 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. Additionally, with the passing of House File 718, the City will be faced with additional restrictions beginning in FY25 including, but not only limited to the consolidation of levies to being a combined levy of \$8.10 in future years, homestead and military exemptions, annual single date for bond elections, etc.

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

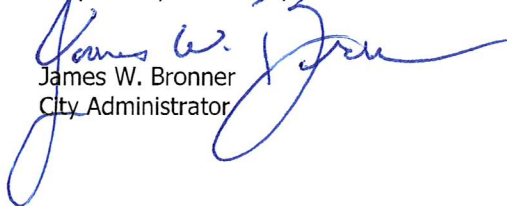
It is the policy of the City to invest public funds in a manner which will provide the maximum security, meet daily cash flow demands, and provide the highest investment return while conforming to all state and local statutes governing the investment of public funds.

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

**Awards and Acknowledgments.** The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Waverly for its annual comprehensive financial report (ACFR) for the year ended June 30, 2023. To receive this award, the city must publish an easily readable and efficiently organized ACFR. The report must also satisfy both generally accepted accounting principles and applicable legal requirements. The award is valid for one year only. The City is submitting the 2024 annual financial report to GFOA for review to determine its eligibility for an award.

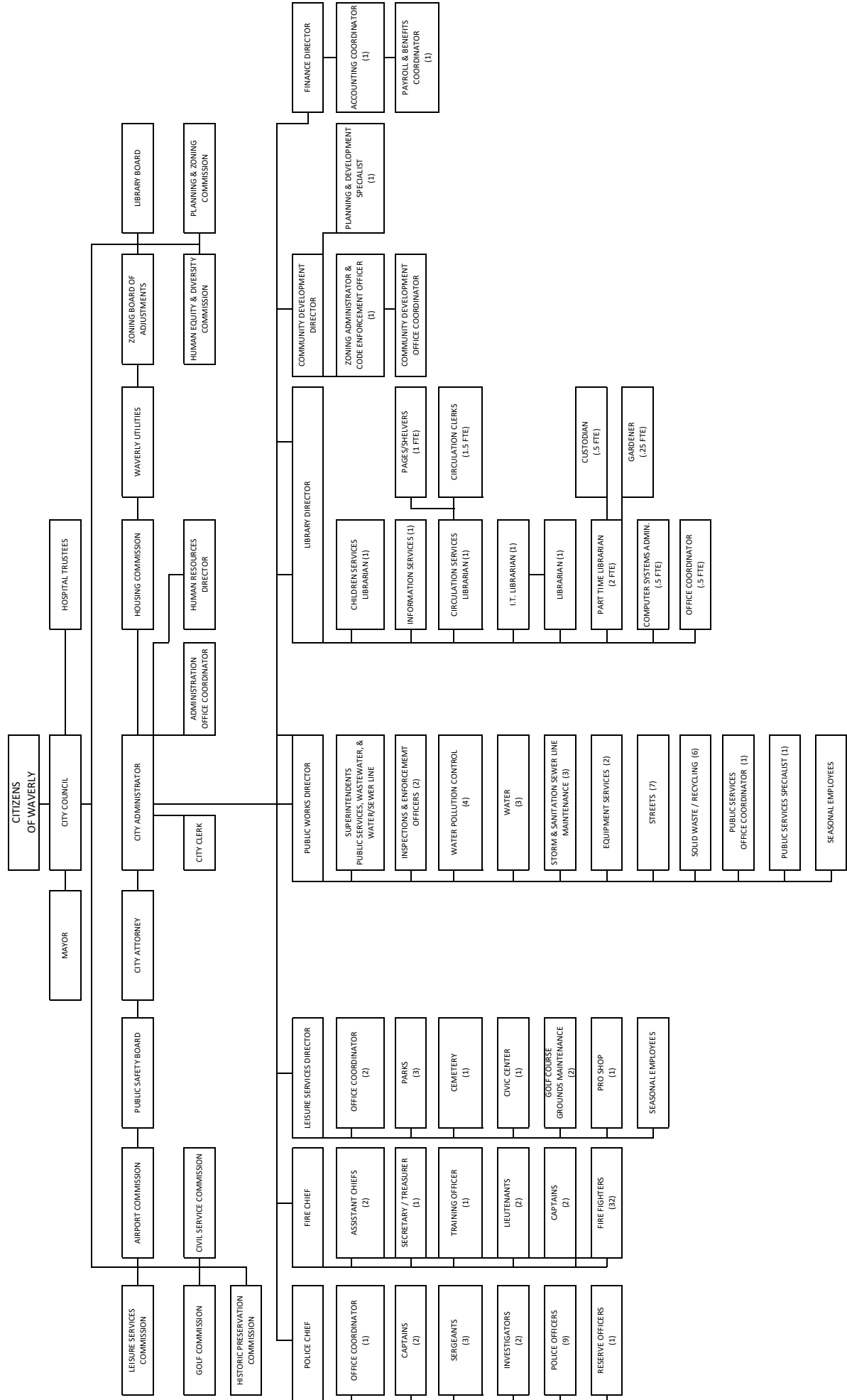
The preparation of this report could not have been accomplished without the support and dedication of the entire staff of the finance and administrative departments. Appreciation is also expressed to the Mayor and City Council for their support and interest in the financial operations of the City in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

Respectfully submitted,

  
James W. Bronner  
City Administrator

  
Valorie Northrup  
Finance Director

CITY OF WAVERLY, IOWA ORGANIZATIONAL FLOW CHART



**CITY OF WAVERLY, IOWA**

**List of Principal Officials  
June 30, 2024**

**ELECTED OFFICIALS**

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Mayor ..... Mark Anderson  
Council Member – Ward 1 ..... Brian Birgen  
Council Member – Ward 2 ..... Jennifer Wolff  
Council Member – Ward 3 ..... Rodney Drenkow  
Council Member – Ward 4 ..... Brent Jones  
Council Member – Ward 5 ..... Tim Kangas  
Council Member – At Large ..... Ann Rathe  
Council Member – At Large ..... Julie Meyers

**APPOINTED OFFICIALS**

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City Administrator ..... James W. Bronner  
City Clerk ..... Carla Guyer  
Community Development Director/City Attorney ..... William D. Werger\*  
Finance Director ..... Valorie Northrup  
Police Chief ..... Richard Pursell  
Leisure Services Director ..... Garret Riordan  
Fire Chief ..... Bryce McKenzie  
Library Director ..... Sarah C.C. Meyer  
Director of Public Works ..... Justin McGlaun

\*Retired as of June 28, 2024





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Waverly  
Iowa**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*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, 2023. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

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



## INDEPENDENT AUDITORS' REPORT

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

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Waverly, Iowa, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Waverly, Iowa's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the 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, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Waverly Health Center and Waverly Utilities (discretely presented component units), which represent 100%, of the assets, net position, and revenues of the Waverly Health Center and Waverly Utilities as of June 30, 2024 and December 31, 2023, respectively. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Waverly Health Center and Waverly Utilities, is based solely on the report of the other auditors.

#### ***Basis for Opinions***

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

### **Correction of Error**

As described in Note 21 to the financial statements, the City had a correction of error related to receivables. Our opinion is not modified with respect to this matter.

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

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

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

### **Auditors' Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards* we:

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

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

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information, the Schedule of Changes in the City's Total OPEB Liability, Related Ratios and Notes, Schedule of the City's Proportionate Share of Net Pension Liability (Asset), and Schedule of the City's Contributions on pages 12 through 20 and 84 through 96 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements 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.

## **Other Information**

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2024, 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.

*Williamson + Company) P.C.*

Certified Public Accountants  
Onawa, Iowa  
December 27, 2024

## Management's Discussion and Analysis

The discussion and analysis of the City of Waverly's financial statements for the year ended June 30, 2024 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, 2024, by \$89,329,372.
- The City's net position increased by \$4,627,754 during the year. Of this amount the net position of our Governmental Activities increased by \$3,356,949 and the net position of our Business Activities increased \$1,270,805.
- The City's long-term debt decreased \$1,680,719. The debt limit is \$43.9M. Outstanding general obligation debt totals \$23,910,000 and other note payables total \$11,616,394, revenue bonds total \$2,675,000, lease agreements total \$62,597, and IT subscription agreements total \$55,132.
- The unassigned fund balance for the general fund, at the end of the current fiscal year was \$1,071,288.

### Overview of the Financial Statements

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

### Reporting the City as a Whole

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

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in the net position are reported as soon as the underlying event occurs, giving rise to the change regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only

result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

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

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

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

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

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

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

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

The City of Waverly maintains 36 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 39-83 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, 2024 and 2023.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023 (Restated)	2024	2023 (Restated)
<b>Assets</b>						
Current & Other Assets	\$ 25,302,435	\$ 25,320,442	\$ 6,893,132	\$ 6,013,982	\$ 32,195,567	\$ 31,334,424
Capital Assets	85,247,249	83,777,222	28,587,153	27,050,693	113,834,402	110,827,915
Total Assets	110,549,684	109,097,664	35,480,285	33,064,675	146,029,969	142,162,339
<b>Deferred Outflows</b>	1,475,305	1,055,332	229,411	164,542	1,704,716	1,219,874
<b>Liabilities</b>						
Other Liabilities	2,179,365	2,161,697	172,436	141,474	2,351,801	2,303,171
Noncurrent Liabilities	31,762,819	33,766,651	13,547,868	12,584,298	45,310,687	46,350,949
Total Liabilities	33,942,184	35,928,348	13,720,304	12,725,772	47,662,488	48,654,120
<b>Deferred Inflows</b>	10,194,141	9,692,933	548,684	333,542	10,742,825	10,026,475
<b>Net Position</b>						
Net Investment in Capital Assets	61,849,136	58,137,839	15,622,595	15,113,107	77,471,731	73,250,946
Restricted	6,453,243	6,264,026	589,414	590,788	7,042,657	6,854,814
Unrestricted	(413,715)	129,850	5,228,699	4,466,008	4,814,984	4,595,858
Total Net Position	\$ 67,888,664	\$ 64,531,715	\$ 21,440,708	\$ 20,169,903	\$ 89,329,372	\$ 84,701,618

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, \$7,042,657, represents resources that are subject to external restriction on how they may be used. Restricted net position include the amounts restricted for library of \$1,113,231, cemetery perpetual care of \$542,457, Local Option Sales Tax allowable purposes of \$1,552,385, Road Purposes of \$1,919,585, Debt Service of \$664,469, other specific revenue restrictions of \$939,068, and capital expansion restrictions of \$311,462. The remaining balance of unrestricted net position is \$4,814,984.

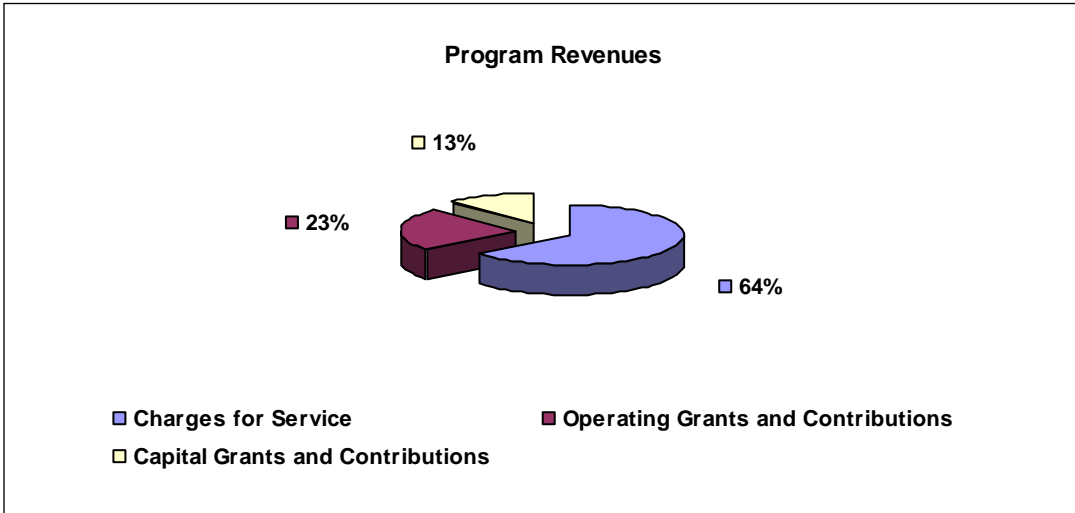
At the end of the current fiscal year, the City of Waverly is able to report positive balances in the categories of all net positions except for unrestricted in Governmental Activities.

Total revenue reported in Fiscal year 2024 was \$24,746,020. The following table breaks down revenues and expenses for Governmental Activities and Business-Type Activities for Fiscal Year 2024 and 2023.

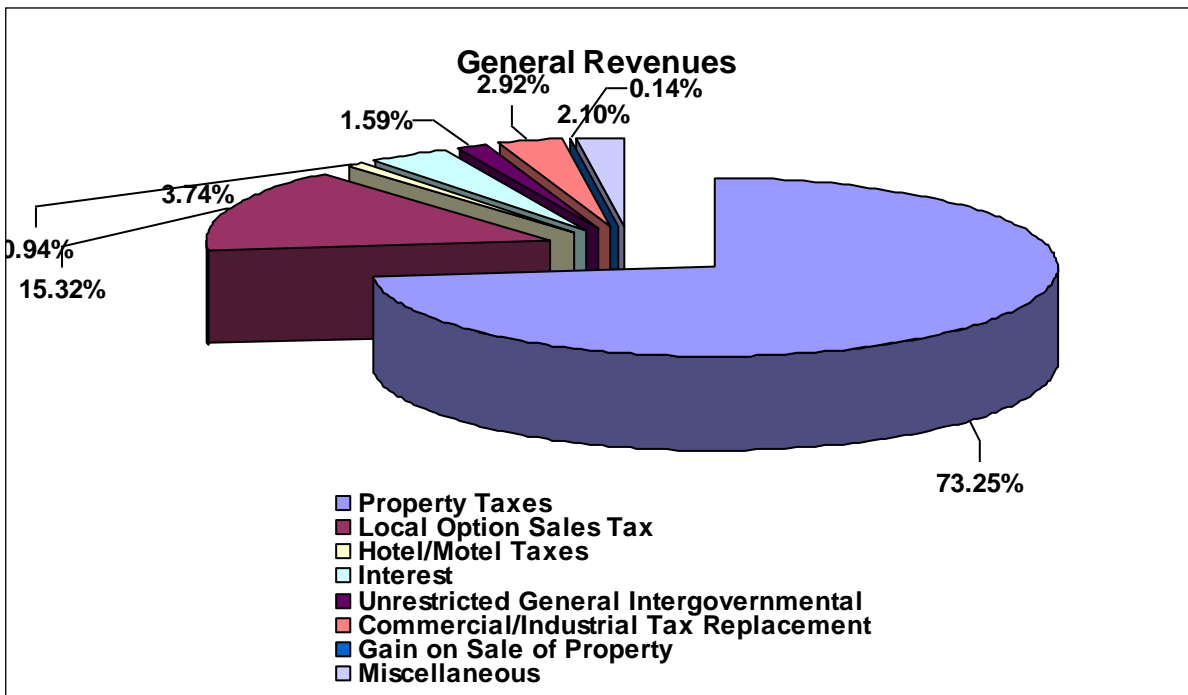
	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
<b>Program Revenues:</b>						
Charges for services	\$ 1,325,534	\$ 1,181,967	\$ 6,276,259	\$ 5,987,490	\$ 7,601,793	\$ 7,169,457
Operating grants & contributions	2,756,116	2,937,691	-	-	2,756,116	2,937,691
Capital grants & contributions	1,471,183	2,402,171	3,713	5,819	1,474,896	2,407,990
<b>Total Program Revenues</b>	<b>5,552,833</b>	<b>6,521,829</b>	<b>6,279,972</b>	<b>5,993,309</b>	<b>11,832,805</b>	<b>12,515,138</b>
<b>General Revenues and Transfers:</b>						
Property Taxes	9,459,550	9,222,058	-	-	9,459,550	9,222,058
Local Option Sales Tax	1,978,099	1,889,907	-	-	1,978,099	1,889,907
Hotel/Motel Tax	121,896	267,302	-	-	121,896	267,302
Interest	325,882	118,089	156,648	77,304	482,530	195,393
Unrestricted General						
Intergovernmental Revenues	205,487	167,766	-	-	205,487	167,766
Property Tax Replacement	376,452	178,080	-	-	376,452	178,080
Gain on Sale of Property	-	8,468	-	-	-	8,468
Miscellaneous	191,001	112,903	98,200	93,878	289,201	206,781
<b>Total General Revenues</b>	<b>12,658,367</b>	<b>11,964,573</b>	<b>254,848</b>	<b>171,182</b>	<b>12,913,215</b>	<b>12,135,755</b>
<b>Total Revenues</b>	<b>18,211,200</b>	<b>18,486,402</b>	<b>6,534,820</b>	<b>6,164,491</b>	<b>24,746,020</b>	<b>24,650,893</b>
<b>Expenses</b>						
Public Safety	3,123,040	2,610,591	-	-	3,123,040	2,610,591
Public Works	5,021,580	5,802,767	-	-	5,021,580	5,802,767
Health & Social Services	10,394	10,394	-	-	10,394	10,394
Culture and Recreation	4,161,825	3,595,732	-	-	4,161,825	3,595,732
Community and						
Economic Development	473,697	507,089	-	-	473,697	507,089
General Government	1,464,102	1,170,807	-	-	1,464,102	1,170,807
Debt Service	660,025	715,407	-	-	660,025	715,407
Water System	-	-	1,534,036	1,485,039	1,534,036	1,485,039
Sewer System	-	-	2,227,350	2,227,752	2,227,350	2,227,752
Solid Waste	-	-	1,442,217	1,468,415	1,442,217	1,468,415
<b>Total Expenses</b>	<b>14,914,663</b>	<b>14,412,787</b>	<b>5,203,603</b>	<b>5,176,206</b>	<b>20,118,266</b>	<b>19,588,993</b>
Change in Net Position Before Transfers	3,296,537	4,073,615	1,331,217	988,285	4,627,754	5,061,900
Interfund Transfers	60,412	(1,658,286)	(60,412)	1,658,286	-	-
Change in Net Position After Transfers	3,356,949	2,415,329	1,270,805	2,646,571	4,627,754	5,061,900
Net Position - Beginning of Year, as restated	64,531,715	62,116,386	20,169,903	17,523,332	84,701,618	79,639,718
Net Position - Ending of Year	\$ 67,888,664	\$ 64,531,715	\$ 21,440,708	\$ 20,169,903	\$ 89,329,372	\$ 84,701,618

Program revenues totaled \$11,832,805 for fiscal year 2024. Governmental Activities provided \$5,552,833 and Business-Type Activities provided \$6,279,972.

The city continues to develop projects to move the city forward. Property tax revenue was up slightly in fiscal year 2024. The following chart breaks down program revenues by source:



General Revenues for fiscal year 2024 totaled \$12,913,215. Governmental Activities provided \$12,658,367 and Business-Type Activities provided \$254,848. Property Tax Revenues for fiscal year 2024 totaled \$9,459,550, accounting for 73.25% of General Revenues. The following chart breaks down General Revenues by source:



Expenses for fiscal year 2024 totaled \$20,118,266. Expenses for General Governmental Activities totaled \$14,914,663 accounting for 74.13% of the total expenses. Business-Type Activity expenses totaled \$5,203,603 for 25.87% of the total. This is an increase of \$529,273, or 2.70% from the prior year.

For the most part, expenses closely paralleled inflation and the constant demand for services. Water, Sewer, and Solid Waste 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 \$3,123,040 and received \$176,224 in charges for services and grants, leaving a cost to the taxpayer of \$2,946,816 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
Community and Economic Development....	Fees, Donations, State and Local Grants

The net cost of governmental activities this year was \$9,361,830. 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	
	2023	2024
<b>Governmental Activities:</b>		
Public Safety	\$ (2,946,816)	\$ (2,539,912)
Public Works	(2,124,915)	(2,139,032)
Health and Social Services	(10,394)	(10,394)
Culture and Recreation	(2,469,976)	(956,487)
Community and Economic Development	247,771	(420,548)
General Government	(1,397,475)	(1,109,178)
Debt Service	(660,025)	(715,407)
Total Net (Expense) Governmental Activities	(9,361,830)	(7,890,958)
General Revenues	12,658,367	11,964,573
Excess of Revenues Over Expenses	3,296,537	4,073,615
Interfund Transfers	60,412	(1,658,286)
Change in Net Position	\$ 3,356,949	\$ 2,415,329

The cost of all Proprietary Activities this year was \$5,203,603. As shown in the Statement of Activities, the amount paid by users of the systems was \$6,276,259, and capital grants and contributions paid for \$3,713 resulting in a total Net Revenue increase for Business-Type Activities of \$1,076,369. The Net (Expense) Revenue by Business-type Activity is shown in the following table:

Business-Type Activities	Net (Expense) Revenue	
	2023	2024
Water System	\$ 118,701	\$ 122,492
Sewer System	508,971	306,568
Solid Waste System	448,697	388,043
Total Net (Expense) Business Type Activities	1,076,369	817,103
General Revenues	254,848	171,182
Excess of Revenues Over Expenditures	1,331,217	988,285
Interfund Transfers	(60,412)	1,658,286
Change in Net Position	\$ 1,270,805	\$ 2,646,571

### **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 \$12,473,620. The combined Governmental Funds fund balance decreased \$594,105 mostly as a result of increased expenses in capital projects.

The General Fund is the primary operating fund of the City. During the year, expenditures exceeded revenues and other financing uses in the General Fund by \$978,674 due to increase in public safety and culture and recreation expenses. The total unassigned fund balance of \$1,071,288 is 13% of expenditures. The Employee Benefit fund balance increased due to renewal rates being better than expected along with an increase in property taxes. The Debt Service fund increased in fiscal year 2024 due to estimated debt payments having less principal and interest than originally anticipated.

## **Budgetary Highlights**

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

<u>Expenditures</u>	<u>Actual</u>	<u>Amended Budget</u>	<u>Variance</u>
Public Safety	\$ 3,042,076	\$ 3,374,381	\$ 332,305
Public Works	2,073,189	2,329,602	256,413
Health & Social Services	10,394	10,394	-
Culture and Recreation	3,963,729	4,024,740	61,011
Community and Economic Development	460,916	626,206	165,290
General Government	1,353,661	1,565,098	211,437
Capital Projects	6,420,144	12,051,857	5,631,713
Debt Service	5,283,582	5,088,996	(194,586)
Business Type/Enterprise	5,860,128	6,569,612	709,484
Total Disbursements	<u>\$ 28,467,819</u>	<u>\$ 35,640,886</u>	<u>\$ 7,173,067</u>

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 \$36,307,134, including issuance of debt and transfers was amended to \$36,165,439 (a decrease of \$141,695). The decrease was mainly due to an decrease in issuance of debt. This was due to less SRF funding.
- The total original disbursement budget, including transfers of \$38,256,245 was amended to \$41,684,866 (an increase of \$3,428,621).
- The above amendments to budgets were mainly related to the timing of capital projects. The largest change came with the approval of the increase in budget related to the Capital Projects function in the amount of \$2,506,059. This change is the main reason for the large variance between actual and final budgeted amounts. Total actual expenditures came in below budget projections by \$7,173,067. The City did very well this year controlling disbursements based on original budget projections.

## **Capital Assets**

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

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

## **Debt Administration**

On June 30, 2024 the City had \$23,910,000 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 \$43,857,364 for the 2024

fiscal year. The outstanding General Obligation Debt applicable to this limit is \$23,774,274 for the City. More detailed information on debt administration is provided in Note 9 of the financial statements.

### **Economic Factors**

The City of Waverly reports an average of 22.8 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 2024 the City had 19 new single-family house permits. New commercial building permits have averaged 4.2 per year over the past five years. Property tax is a major source of revenue and Waverly is fortunate it has seen small, but consistent increases in assessed and taxable valuation.

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

**CITY OF WAVERLY, IOWA**  
**STATEMENT OF NET POSITION**  
**June 30, 2024**

	Primary Government			Component Unit	
	Governmental Activities	Business-Type Activities	Total	Waverly Health Center	Waverly Utilities
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 12,166,910	\$ 3,673,494	\$ 15,840,404	\$ 1,194,218	\$ 15,539,294
Certificates of Deposit	465,000	400,000	865,000	-	-
Investments	1,530,036	489,834	2,019,870	2,975,952	-
Receivables (Net, where applicable, of allowance for uncollectibles)					
Accounts	97,710	564,155	661,865	10,620,010	2,569,768
Taxes	63,070	-	63,070	-	-
Subsequent Year Taxes	9,841,125	-	9,841,125	-	-
Accrued Interest	14,331	26,385	40,716	7,422	10,161
Lease Receivable	31,188	42,356	73,544	-	-
Other	-	-	-	255,139	-
Estimated third-party payor settlements	-	-	-	4,688,919	-
Estimated Unbilled Usage	-	266,426	266,426	-	-
Special Assessments	10,420	18,840	29,260	-	-
Due from Other Governmental Agencies	605,111	-	605,111	-	-
Inventories	120,650	208,271	328,921	1,577,838	2,248,263
Prepaid Assets	-	-	-	909,301	221,100
Other	-	-	-	151,767	226,180
Restricted Assets:					
Cash and Cash Equivalents	204,550	443,630	648,180	19,167,503	1,705,408
Certificates of Deposit	-	250,000	250,000	-	-
Noncurrent Assets:					
Lease Receivable	101,521	509,741	611,262	-	-
Investment in Joint Venture	50,813	-	50,813	-	-
Land	15,102,462	117,723	15,220,185	2,206,302	901,565
Construction in Progress	9,304,189	14,841,225	24,145,414	39,582	1,164,029
Capital Assets, Net of Accumulated Depreciation/Amortization	60,840,598	13,628,205	74,468,803	39,713,679	41,273,391
<b>Total Assets</b>	<b>110,549,684</b>	<b>35,480,285</b>	<b>146,029,969</b>	<b>83,507,632</b>	<b>65,859,159</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension Related Deferred Outflows	1,475,305	229,411	1,704,716	6,577,683	384,864
<b>Total Deferred Outflows of Resources</b>	<b>1,475,305</b>	<b>229,411</b>	<b>1,704,716</b>	<b>6,577,683</b>	<b>384,864</b>
<b>LIABILITIES</b>					
Accounts Payable	1,936,543	117,681	2,054,224	4,855,881	1,321,889
Accrued Wages	153,107	33,539	186,646	2,988,041	962,971
Cash Advance	-	-	-	893,273	-
Other Accrued Expenses	-	-	-	547,492	142,818
Accrued Claims	29,044	-	29,044	-	-
Unearned Revenue	-	-	-	-	258,254
Accrued Interest Payable	60,671	21,216	81,887	23,501	41,219
Noncurrent Liabilities:					
Due within one year:					
Notes Payable	-	559,446	559,446	336,564	-
Revenue Bonds Payable	150,000	565,000	715,000	637,004	1,821,926
General Obligation Bonds	4,425,000	-	4,425,000	-	-
Lease Agreements	18,237	-	18,237	669,047	6,487
IT Subscriptions	23,606	-	23,606	72,796	9,795
Total OPEB Liability	117,149	-	117,149	-	61,163
Compensated Absences and Benefits	246,162	40,244	286,406	-	-
Due in more than one year:					
Notes Payable	-	11,056,948	11,056,948	1,538,100	-
Revenue Bonds Payable	1,200,000	783,164	1,983,164	28,928,231	13,966,990
General Obligation Bonds	20,442,549	-	20,442,549	-	-
Lease Agreements	44,360	-	44,360	1,197,057	343,082
IT Subscriptions	31,526	-	31,526	157,379	41,837
Total OPEB Liability	1,025,564	-	1,025,564	-	641,764
Net Pension Liability	3,874,558	516,236	4,390,794	14,898,005	1,417,424
Compensated Absences and Benefits	164,108	26,830	190,938	-	-
<b>Total Liabilities</b>	<b>33,942,184</b>	<b>13,720,304</b>	<b>47,662,488</b>	<b>57,742,371</b>	<b>21,037,619</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Subsequent Year Taxes	9,841,125	-	9,841,125	-	-
Pension Related Deferred Inflows	221,593	17,853	239,446	345,382	73,355
Lease Related Deferred Inflows	131,423	530,831	662,254	-	-
Regulator credits - Rate Stabilization	-	-	-	-	1,175,294
<b>Total Deferred Inflows of Resources</b>	<b>10,194,141</b>	<b>548,684</b>	<b>10,742,825</b>	<b>345,382</b>	<b>1,248,649</b>
<b>NET POSITION</b>					
Net Investment in Capital Assets	61,849,136	15,622,595	77,471,731	8,649,886	30,110,849
Restricted for:					
Debt Service	75,055	589,414	664,469	-	412,258
Employee Benefits	817,957	-	817,957	-	-
Road Purposes	1,919,585	-	1,919,585	-	-
Local Option Sales Tax	1,552,385	-	1,552,385	-	-
Library	1,113,231	-	1,113,231	-	-
Cable TV	121,111	-	121,111	-	-
Capital Expansion	311,462	-	311,462	151,767	-
Nonexpendable:					
Permanent Fund	542,457	-	542,457	-	-
Unrestricted	(413,715)	5,228,699	4,814,984	23,195,909	13,434,648
<b>Total Net Position</b>	<b>\$ 67,888,664</b>	<b>\$ 21,440,708</b>	<b>\$ 89,329,372</b>	<b>\$ 31,997,562</b>	<b>\$ 43,957,755</b>

See Accompanying Notes to Financial Statements



**CITY OF WAVERLY, IOWA**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2024**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
Governmental Activities:				
Public Safety	\$ 3,123,040	\$ 41,132	\$ 135,092	\$ -
Public Works	5,021,580	101,406	2,044,257	751,002
Health and Social Services	10,394	-	-	-
Culture and Recreation	4,161,825	1,096,669	475,348	119,832
Community and Economic Development	473,697	19,700	101,419	600,349
General Government	1,464,102	66,627	-	-
Debt Service	660,025	-	-	-
Total governmental activities	<u>14,914,663</u>	<u>1,325,534</u>	<u>2,756,116</u>	<u>1,471,183</u>
<b>Business-Type Activities:</b>				
Water System	1,534,036	1,652,737	-	-
Sewer System	2,227,350	2,736,321	-	-
Solid Waste System	1,442,217	1,887,201	-	3,713
Total Business-Type Activities:	<u>5,203,603</u>	<u>6,276,259</u>	<u>-</u>	<u>3,713</u>
Total Primary Government	<u>\$ 20,118,266</u>	<u>\$ 7,601,793</u>	<u>\$ 2,756,116</u>	<u>\$ 1,474,896</u>
<b>Component Unit:</b>				
Waverly Health Center	<u>\$ 80,497,846</u>	<u>\$ 85,066,170</u>	<u>\$ 65,267</u>	<u>\$ 55,780</u>
Waverly Utilities	<u>\$ 22,012,596</u>	<u>\$ 24,097,984</u>	<u>\$ -</u>	<u>\$ 689,930</u>

General Revenues:  
Property Taxes  
Local Option Sales Tax  
Hotel/Motel Taxes  
Interest on Investments  
Unrestricted General Intergovernmental Revenues  
Property Tax replacement  
Gain on Sale of Property  
Miscellaneous  
Interfund Transfers  
Total general revenues and transfers  
Change in net position  
Net Position - beginning  
Correction of Error  
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>
\$ (2,946,816)		\$ (2,946,816)		
(2,124,915)		(2,124,915)		
(10,394)		(10,394)		
(2,469,976)		(2,469,976)		
247,771		247,771		
(1,397,475)		(1,397,475)		
(660,025)		(660,025)		
<u>(9,361,830)</u>		<u>(9,361,830)</u>		
	\$ 118,701	118,701		
	508,971	508,971		
	<u>448,697</u>	<u>448,697</u>		
	<u>1,076,369</u>	<u>1,076,369</u>		
<u>(9,361,830)</u>	<u>1,076,369</u>	<u>(8,285,461)</u>		
			\$ 4,689,371	
				\$ 2,775,318
9,459,550	-	9,459,550	-	-
1,978,099	-	1,978,099	-	-
121,896	-	121,896	-	-
325,882	156,648	482,530	633,651	247,526
205,487	-	205,487	-	-
376,452	-	376,452	-	-
-	-	-	-	4,835
191,001	98,200	289,201	-	-
60,412	(60,412)	-	-	-
<u>12,718,779</u>	<u>194,436</u>	<u>12,913,215</u>	<u>633,651</u>	<u>252,361</u>
3,356,949	1,270,805	4,627,754	5,323,022	3,027,679
64,531,715	20,235,216	84,766,931	26,674,540	40,930,076
-	(65,313)	(65,313)	-	-
<u>64,531,715</u>	<u>20,169,903</u>	<u>84,701,618</u>	<u>26,674,540</u>	<u>40,930,076</u>
<u>\$ 67,888,664</u>	<u>\$ 21,440,708</u>	<u>\$ 89,329,372</u>	<u>\$ 31,997,562</u>	<u>\$ 43,957,755</u>

See Accompanying Notes to Financial Statements

**CITY OF WAVERLY, IOWA**  
**BALANCE SHEET**  
**Governmental Funds**  
**June 30, 2024**

	<u>Special Revenue</u>		
	General	Employee Benefit	Debt Service
<b>Assets</b>			
Cash and Cash Equivalents	\$ 675,196	\$ 849,195	\$ 128,063
Certificates of Deposit	-	-	-
Investments	1,530,036	-	-
Receivables (Net, where applicable, of allowance for uncollectibles)			
Accounts	19,153	-	-
Taxes	7,000	3,119	10,663
Subsequent Year Taxes	4,238,161	1,823,008	2,500,556
Accrued Interest	14,331	-	-
Lease Receivable	132,709	-	-
Special Assessments	560	-	-
Due from Other Funds	237,081	-	-
Due from Other Governmental Agencies	55,048	-	-
Restricted Assets:			
Cash and Cash Equivalents	-	-	-
Inventories	120,650	-	-
Total Assets	<u>7,029,925</u>	<u>2,675,322</u>	<u>2,639,282</u>
<b>Liabilities</b>			
Accounts Payable	226,354	-	3,000
Accrued Wages	106,147	34,357	-
Due to Other Funds	-	-	-
Total Liabilities	<u>332,501</u>	<u>34,357</u>	<u>3,000</u>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue - subsequent year taxes	4,238,161	1,823,008	2,500,556
Unavailable Revenue - special assessments	420	-	-
Lease Related Deferred Inflows	131,423	-	-
Total Deferred Inflows of Resources	<u>4,370,004</u>	<u>1,823,008</u>	<u>2,500,556</u>
<b>Fund Balances (Deficits)</b>			
Nonspendable:			
Inventory	120,650	-	-
Perpetual Care	-	-	-
Restricted for:			
Debt Service	-	-	135,726
Employee Benefits	-	817,957	-
Road Purposes	-	-	-
Local Option Sales Tax	-	-	-
Library	1,113,231	-	-
Capital Expenditures	-	-	-
Cable TV	-	-	-
Assigned for:			
Trees Forever	21,183	-	-
Municipal Band	1,068	-	-
Capital Improvement	-	-	-
Unassigned	1,071,288	-	-
Total Fund Balances (Deficits)	<u>2,327,420</u>	<u>817,957</u>	<u>135,726</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 7,029,925</u>	<u>\$ 2,675,322</u>	<u>\$ 2,639,282</u>

See Accompanying Notes to Financial Statements

<u>Special Revenue</u>		<u>Capital</u>			
<u>Tax</u>	<u>Projects</u>				
<u>Increment</u>	<u>WPC</u>	<u>Other</u>	<u>Governmental</u>	<u>Total</u>	<u>Governmental</u>
<u>(Formerly Major)</u>	<u>(Formerly Major)</u>	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>
\$ -	\$ -	\$ 9,788,020	\$ -	\$ 11,440,474	
-	-	465,000	-	465,000	
-	-	-	-	1,530,036	
-	-	78,557	-	97,710	
-	-	42,288	-	63,070	
-	-	1,279,400	-	9,841,125	
-	-	-	-	14,331	
-	-	-	-	132,709	
-	-	9,860	-	10,420	
-	-	-	-	237,081	
-	-	550,063	-	605,111	
-	-	204,550	-	204,550	
-	-	-	-	120,650	
-	-	12,417,738	-	24,762,267	
-	-	1,688,714	-	1,918,068	
-	-	12,603	-	153,107	
-	-	237,081	-	237,081	
-	-	1,938,398	-	2,308,256	
-	-	1,279,400	-	9,841,125	
-	-	7,423	-	7,843	
-	-	-	-	131,423	
-	-	1,286,823	-	9,980,391	
-	-	-	-	120,650	
-	-	542,457	-	542,457	
-	-	-	-	135,726	
-	-	-	-	817,957	
-	-	1,919,585	-	1,919,585	
-	-	1,552,385	-	1,552,385	
-	-	-	-	1,113,231	
-	-	4,651,938	-	4,651,938	
-	-	121,111	-	121,111	
-	-	-	-	21,183	
-	-	-	-	1,068	
-	-	1,470,740	-	1,470,740	
-	-	(1,065,699)	-	5,589	
-	-	9,192,517	-	12,473,620	
\$ -	\$ -	\$ 12,417,738	\$ -	\$ 24,762,267	

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, 2024**

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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)		\$	12,473,620
Infrastructure, property, and equipment used in governmental activities are not financial resources and, therefore, are not reported in the funds.			85,247,249
The investment in joint venture recorded in the governmental activities is not a financial resource and, therefore, is not reported in the fund.			50,813
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.			(463,796)
Other long-term assets are not available to pay current period expenditures and, therefore, are deferred in the governmental funds.			7,843
Accrued interest expense from the balance sheet that require current financial resources from governmental activities.			(60,671)
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	\$	1,475,305	
Deferred inflows of resources		<u>(221,593)</u>	1,253,712
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)	\$	(24,867,549)	
Revenue Bonds Payable		(1,350,000)	
Lease Agreements		(62,597)	
IT Subscriptions		(55,132)	
Net Pension Liability		(3,874,558)	
Compensated Absences		<u>(410,270)</u>	<u>(30,620,106)</u>
Total Net Position - Governmental Activities (page 21)		\$	<u>67,888,664</u>

**CITY OF WAVERLY, IOWA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**Governmental Funds**  
**For the Year Ended June 30, 2024**

	<u>Special Revenue</u>		
	General	Employee Benefit	Debt Service
Revenue:			
Taxes	\$ 4,074,056	\$ 1,836,899	\$ 2,383,648
Special Assessments	175	-	-
Licenses and Permits	87,656	-	-
Intergovernmental Revenue	1,224,927	85,653	101,230
Charges for Services	893,639	-	-
Fines and Forfeits	41,870	-	-
Contributions	318,696	-	-
Refunds/Reimbursements	107	207	-
Revenue from Use of Property	98,458	-	-
Interest on Investments	254,293	-	8,682
Miscellaneous	278,193	-	-
Total Revenue	7,272,070	1,922,759	2,493,560
Expenditures:			
Current:			
Public Safety	2,469,215	618,110	-
Public Works	546,782	155,455	-
Health and Social Services	10,394	-	-
Culture and Recreation	3,522,897	514,680	-
Community and Economic Development	373,725	90,883	-
General Government	1,214,377	163,253	-
Capital Projects	-	-	-
Debt Service	103,941	-	5,085,797
Total Expenditures	8,241,331	1,542,381	5,085,797
Excess (deficiency) of revenues over expenditures	(969,261)	380,378	(2,592,237)
Other financing sources (uses):			
Issuance of Debt	47,325	-	-
Premium on Bonds Issued	-	-	-
Transfers In	487,804	-	2,621,475
Transfers Out	(544,542)	-	-
Total other financing sources (uses)	(9,413)	-	2,621,475
Net Change in Fund Balance	(978,674)	380,378	29,238
Fund balances (deficits) - beginning of year	3,306,094	437,579	106,488
Adjustment - changes from major fund to nonmajor fund	-	-	-
Fund balance (deficits) - beginning of year, as adjusted	3,306,094	437,579	106,488
Fund balances (deficits) - end of year	\$ 2,327,420	\$ 817,957	\$ 135,726

See Accompanying Notes to Financial Statements

<u>Special Revenue</u>							
Tax	<u>Capital</u>						
Increment	Projects						
Financing	WPC		Other	Total			
(Formerly Major)	Improvements	(Formerly Major)	Governmental	Governmental			
			Funds	Funds			
\$	-	\$	-	\$	3,143,046	\$	11,437,649
	-		-		3,748		3,923
	-		-		42,933		130,589
	-		-		3,110,181		4,521,991
	-		-		-		893,639
	-		-		-		41,870
	-		-		97,889		416,585
	-		-		24,805		25,119
	-		-		20,000		118,458
	-		-		62,907		325,882
	-		-		20,521		298,714
	-		-		6,526,030		18,214,419
	-		-		-		3,087,325
	-		-		1,348,117		2,050,354
	-		-		-		10,394
	-		-		32,623		4,070,200
	-		-		-		464,608
	-		-		-		1,377,630
	-		-		6,511,609		6,511,609
	-		-		68,194		5,257,932
	-		-		7,960,543		22,830,052
	-		-		(1,434,513)		(4,615,633)
	-		-		1,765,000		1,812,325
	-		-		54,911		54,911
	-		-		3,051,123		6,160,402
	-		-		(3,461,568)		(4,006,110)
	-		-		1,409,466		4,021,528
	-		-		(25,047)		(594,105)
	613,876		(952,906)		9,556,594		13,067,725
	(613,876)		952,906		(339,030)		-
	-		-		9,217,564		13,067,725
\$	-	\$	-	\$	9,192,517	\$	12,473,620

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, 2024**

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

Net change in fund balances - total governmental funds (page 28)		\$ (594,105)
Governmental funds report capital outlays, including infrastructure, as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. Capital Outlays exceeded Depreciation/Amortization expense in the current year as follows:		
Expenditures for capital assets	\$ 5,652,670	
Depreciation/Amortization expense	<u>(4,159,103)</u>	1,493,567
Gain on investment in joint venture not recorded at the fund level.		(3,759)
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.		(23,540)
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.		(3,220)
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.		22,981
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.		122,366
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.		(497,817)
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		671,590
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.		(538,805)
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	\$ 4,410,578	
Proceeds from Premium on issuance of long-term debt	(54,911)	
Proceeds from issuance of long-term debt	<u>(1,812,325)</u>	2,543,342
The governmental funds report the effect of premiums, discounts, and deferred charges on refunding's when new debt is issued, whereas, these amounts are deferred and amortized in the Statement of Activities.		164,349
Change in net position of governmental activities (page 23)		<u>\$ 3,356,949</u>



**CITY OF WAVERLY, IOWA**  
**STATEMENT OF NET POSITION**  
**Proprietary Funds**  
**June 30, 2024**

	<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	\$ 437,638	\$ 1,975,832	\$ 1,260,024	\$ 3,673,494	\$ 726,436
Certificates of Deposit	-	400,000	-	400,000	-
Investments	489,834	-	-	489,834	-
Receivables (Net, where applicable, of allowance for uncollectibles)					
Accounts	145,831	253,748	164,576	564,155	-
Accrued Interest	2,628	23,757	-	26,385	-
Lease Receivable	42,356	-	-	42,356	-
Estimated Unbilled Usage	105,449	160,977	-	266,426	-
Special Assessments	17,440	1,400	-	18,840	-
Inventories	91,458	116,813	-	208,271	-
Restricted Assets:					
Cash and Cash Equivalents	360,630	83,000	-	443,630	-
Certificates of Deposit	-	250,000	-	250,000	-
<b>Total Current Assets</b>	<b>1,693,264</b>	<b>3,265,527</b>	<b>1,424,600</b>	<b>6,383,391</b>	<b>726,436</b>
<b>Noncurrent Assets:</b>					
Lease Receivable	509,741	-	-	509,741	-
Land	-	117,723	-	117,723	-
Construction in Progress	19,489	14,821,736	-	14,841,225	-
Capital Assets, Net of Accumulated Depreciation	4,936,148	6,648,350	2,043,707	13,628,205	-
<b>Total Noncurrent Assets</b>	<b>5,465,378</b>	<b>21,587,809</b>	<b>2,043,707</b>	<b>29,096,894</b>	<b>-</b>
<b>Total Assets</b>	<b>7,158,642</b>	<b>24,853,336</b>	<b>3,468,307</b>	<b>35,480,285</b>	<b>726,436</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension Related Deferred Outflows	51,396	90,931	87,084	229,411	-
<b>Total Deferred Outflows of Resources</b>	<b>51,396</b>	<b>90,931</b>	<b>87,084</b>	<b>229,411</b>	<b>-</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Accounts Payable	40,235	45,497	31,949	117,681	18,475
Accrued Wages	6,305	14,948	12,286	33,539	-
Compensated Absences and Benefits	4,139	19,643	16,462	40,244	-
Accrued Interest Payable	2,228	18,988	-	21,216	-
Accrued Claims	-	-	-	-	29,044
Notes Payable	-	559,446	-	559,446	-
Revenue Bonds	360,000	205,000	-	565,000	-
Total OPEB Liability	-	-	-	-	117,149
<b>Total Current Liabilities</b>	<b>412,907</b>	<b>863,522</b>	<b>60,697</b>	<b>1,337,126</b>	<b>164,668</b>
<b>Noncurrent Liabilities:</b>					
Due in more than one year:					
Notes Payable	-	11,056,948	-	11,056,948	-
Revenue Bonds	561,647	221,517	-	783,164	-
Total OPEB Liability	-	-	-	-	1,025,564
Net Pension Liability	103,090	211,054	202,092	516,236	-
Compensated Absences and Benefits	2,760	13,096	10,974	26,830	-
<b>Total Noncurrent Liabilities</b>	<b>667,497</b>	<b>11,502,615</b>	<b>213,066</b>	<b>12,383,178</b>	<b>1,025,564</b>
<b>Total Liabilities</b>	<b>1,080,404</b>	<b>12,366,137</b>	<b>273,763</b>	<b>13,720,304</b>	<b>1,190,232</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension Related Deferred Inflows	3,565	7,299	6,989	17,853	-
Lease Related Deferred Inflows	530,831	-	-	530,831	-
<b>Total Deferred Inflows of Resources</b>	<b>534,396</b>	<b>7,299</b>	<b>6,989</b>	<b>548,684</b>	<b>-</b>
<b>NET POSITION</b>					
Net Investment in Capital Assets	4,033,990	9,544,898	2,043,707	15,622,595	-
Restricted for:					
Debt Service	358,402	231,012	-	589,414	-
Unrestricted	1,202,846	2,794,921	1,230,932	5,228,699	(463,796)
<b>Total Net Position</b>	<b>\$ 5,595,238</b>	<b>\$ 12,570,831</b>	<b>\$ 3,274,639</b>	<b>\$ 21,440,708</b>	<b>\$ (463,796)</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, 2024**

	<b>Business Type Activities</b>	
	<b>Water System</b>	<b>Sewer System</b>
<b>Operating Revenues:</b>		
Charges for Services	\$ 1,644,552	\$ 2,729,721
Miscellaneous	8,185	6,600
Reimbursement from Employees/Insurance	-	-
<b>Total Operating Revenues</b>	<u>1,652,737</u>	<u>2,736,321</u>
<b>Operating Expenses:</b>		
General Government	-	-
Employee Services	321,907	578,847
Contract Services	351,967	504,073
Supplies	164,345	72,538
Repairs and Maintenance	194,867	85,559
Utilities	108,374	169,664
Miscellaneous	5,537	4,334
Depreciation	353,381	581,041
<b>Total Operating Expenses</b>	<u>1,500,378</u>	<u>1,996,056</u>
<b>Operating Income (Loss)</b>	152,359	740,265
<b>Non-Operating Income (Expense):</b>		
Interest Income	63,060	78,754
Revenue from Use of Property	98,200	-
(Loss) on Disposition of Equipment	-	-
Interest Expense	(33,658)	(231,294)
<b>Total Non-Operating Income (Expenses)</b>	<u>127,602</u>	<u>(152,540)</u>
<b>Income (Loss) before Contributions and Transfers</b>	279,961	587,725
Contributed Capital Revenue	215,722	1,878,158
Transfers (Out)	(51,595)	(2,099,179)
<b>Change in Net Position</b>	444,088	366,704
<b>Net Position - Beginning</b>	5,151,150	12,269,440
<b>Correction of Error</b>	-	(65,313)
<b>Net Position - Beginning, as Restated</b>	<u>5,151,150</u>	<u>12,204,127</u>
<b>Net Position - Ending</b>	<u>\$ 5,595,238</u>	<u>\$ 12,570,831</u>

<b>Business Type Activities</b>		<b>Governmental Activities</b>	
<b>Solid Waste</b>	<b>Total</b>	<b>Internal Service</b>	
\$ 1,881,152	\$ 6,255,425	\$ -	
6,049	20,834	-	
-	-	1,341,741	
<u>1,887,201</u>	<u>6,276,259</u>	<u>1,341,741</u>	
-	-	1,839,559	
583,452	1,484,206	-	
523,534	1,379,574	-	
22,917	259,800	-	
163,104	443,530	-	
16,054	294,092	-	
486	10,357	-	
131,629	1,066,051	-	
<u>1,441,176</u>	<u>4,937,610</u>	<u>1,839,559</u>	
446,025	1,338,649	(497,818)	
14,834	156,648	-	
-	98,200	-	
(1,041)	(1,041)	-	
-	(264,952)	-	
<u>13,793</u>	<u>(11,145)</u>	<u>-</u>	
459,818	1,327,502	(497,818)	
3,713	2,097,593	-	
<u>(3,518)</u>	<u>(2,154,292)</u>	<u>-</u>	
460,013	1,270,805	(497,818)	
2,814,626	20,235,216	34,021	
-	(65,313)	-	
<u>2,814,626</u>	<u>20,169,903</u>	<u>34,021</u>	
<u>\$ 3,274,639</u>	<u>\$ 21,440,708</u>	<u>\$ (463,797)</u>	

See Accompanying Notes to Financial Statements

**CITY OF WAVERLY, IOWA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**Proprietary Funds**  
**For the Year Ended June 30, 2024**

	<b>Business Type Activities</b>	
	<b>Water System</b>	<b>Sewer System</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash Received from Customers	\$ 1,655,830	\$ 2,733,905
Cash Paid to Suppliers for Goods and Services	(818,102)	(854,956)
Cash Paid to Employees for Services	(389,871)	(634,542)
Other Nonoperating Revenue	98,200	-
Net Cash Provided by (Used for) Operating Activities	<u>546,057</u>	<u>1,244,407</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Acquisition and Construction of Capital Assets	(63,982)	(111,193)
Proceeds from Grants	-	-
Proceeds from Debt Issuance	-	2,055,626
Principal Paid on Notes and Bonds	(350,000)	(668,000)
Interest Paid on Notes and Bonds	(37,429)	(236,803)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(451,411)</u>	<u>1,039,630</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>		
Transfers to Other Funds	(440,399)	(2,313,479)
Transfers from Other Funds	388,804	214,300
Net Cash (Used for) Non-Capital Financing Activities	<u>(51,595)</u>	<u>(2,099,179)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest and Dividends on Investments	<u>36,634</u>	<u>65,448</u>
Net Cash Provided by Investing Activities	<u>36,634</u>	<u>65,448</u>
Net Increase (Decrease) in Cash and Cash Equivalents	79,685	250,306
Cash and Cash Equivalents at Beginning of Year	<u>718,583</u>	<u>1,808,526</u>
Cash and Cash Equivalents at End of Year	<u>\$ 798,268</u>	<u>\$ 2,058,832</u>

<b>Business Type Activities</b>		<b>Governmental</b>
<b>Solid</b>		<b>Activities</b>
<b>Waste</b>	<b>Total</b>	<b>Internal</b>
		<b>Service</b>
\$ 1,879,572	\$ 6,269,307	\$ 1,341,741
(726,053)	(2,399,111)	(1,439,001)
(634,700)	(1,659,113)	-
-	98,200	-
<u>518,819</u>	<u>2,309,283</u>	<u>(97,260)</u>
(334,497)	(509,672)	-
3,713	3,713	-
-	2,055,626	-
-	(1,018,000)	-
-	(274,232)	-
<u>(330,784)</u>	<u>257,435</u>	<u>-</u>
(3,518)	(2,757,396)	-
-	603,104	-
<u>(3,518)</u>	<u>(2,154,292)</u>	<u>-</u>
14,834	116,916	-
<u>14,834</u>	<u>116,916</u>	<u>-</u>
199,351	529,342	(97,260)
<u>1,060,673</u>	<u>3,587,782</u>	<u>823,696</u>
<u>\$ 1,260,024</u>	<u>\$ 4,117,124</u>	<u>\$ 726,436</u>

(Continued)

**CITY OF WAVERLY, IOWA**  
**COMBINING STATEMENT OF CASH FLOWS (Continued)**  
**Proprietary Funds**  
**For the Year Ended June 30, 2024**

	<b>Business Type Activities</b>	
	<b>Water System</b>	<b>Sewer System</b>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities		
Operating Income (Loss)	\$ 152,359	\$ 740,265
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Other Nonoperating Income	98,200	-
Depreciation	353,381	581,041
(Increase) Decrease in Assets and Deferred Outflows of Resources:		
Accounts Receivable	16,123	3,265
Lease Receivable	(287,389)	-
Special Assessments	5,756	200
Estimated Unbilled Usage	4,225	(5,881)
Inventories	5,757	(44,502)
Deferred Outflows of Pension Related Costs	(15,755)	(25,073)
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:		
Accounts Payable	1,230	25,714
Accrued Wages	(173)	2,922
Accrued Compensated Absences	(9,664)	(10,206)
Net Pension Liability	(29,862)	(4,567)
Deferred Inflows of Pension Related Costs	(12,510)	(18,771)
Deferred Inflows of Lease Receivables	264,379	-
Total OPEB Liability	-	-
Claims Payable	-	-
Total Adjustments	<u>393,698</u>	<u>504,142</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 546,057</u>	<u>\$ 1,244,407</u>
<b>NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</b>		
Capital Contributions	\$ 215,722	\$ 1,878,158
Total Non-Cash Investing, Capital, and Financing Activities	<u>\$ 215,722</u>	<u>\$ 1,878,158</u>
<b>Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:</b>		
Cash and Cash Equivalents	\$ 437,638	\$ 1,975,832
Restricted Cash and Cash Equivalents	360,630	83,000
	<u>\$ 798,268</u>	<u>\$ 2,058,832</u>

<b>Business Type Activities</b>		<b>Governmental Activities</b>
<b>Solid Waste</b>	<b>Total</b>	<b>Internal Service</b>
<u>\$ 446,025</u>	<u>\$ 1,338,649</u>	<u>\$ (497,817)</u>
-	98,200	-
131,629	1,066,051	-
(7,629)	11,759	-
-	(287,389)	-
-	5,956	-
-	(1,656)	-
-	(38,745)	-
(24,041)	(64,869)	-
43	26,987	(77,211)
(148)	2,601	-
(4,880)	(24,750)	-
(4,223)	(38,652)	-
(17,957)	(49,238)	-
-	264,379	-
-	-	476,961
-	-	807
<u>72,794</u>	<u>970,634</u>	<u>400,557</u>
<u>\$ 518,819</u>	<u>\$ 2,309,283</u>	<u>\$ (97,260)</u>
<u>\$ -</u>	<u>\$ 2,093,880</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ 2,093,880</u>	<u>\$ -</u>
\$ 1,260,024	\$ 3,673,494	\$ 726,436
-	443,630	-
<u>\$ 1,260,024</u>	<u>\$ 4,117,124</u>	<u>\$ 726,436</u>

See Accompanying Notes to Financial Statements

**CITY OF WAVERLY, IOWA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**Fiduciary Funds**  
**June 30, 2024**

	<b>Custodial Fund</b>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 24,888
<b>Total Assets</b>	<u>24,888</u>
<b>Net Position</b>	
Restricted for Other Governments	24,888
<b>Total Net Position</b>	<u>\$ 24,888</u>



**CITY OF WAVERLY, IOWA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2024**

	<b>Custodial Fund</b>
Additions:	
Charges for Services	\$ 1,164,935
Total Additions	<u>1,164,935</u>
Deductions:	
Agency Remittances:	
To Other Governments	<u>1,155,077</u>
Total Deductions	<u>1,155,077</u>
Change in Net Position	9,858
Net Position, beginning of year	<u>15,030</u>
Net Position, end of year	<u><u>\$ 24,888</u></u>

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2024**

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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, 2024**

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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, 2024, Waverly Utilities transferred \$867,437 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, 2023.

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

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

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

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

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

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

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

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2024**

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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, 2024**

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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) 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.

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

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

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

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

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

- 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.

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2024**

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

**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. They use the economic resources measurement focus and are not incorporated into the government-wide financial statements. The City’s Wartburg-Waverly Wellness Center Custodial Fund is to account for the activity recorded on behalf of the Wartburg-Waverly Wellness Center.

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

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

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

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

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

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, 2024, disbursements exceeded amounts budgeted in the debt service function.

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2024**

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

**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
	Debt Securities	
	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, 2024**

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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, 2024 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 in April 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, 2022 assessed property valuations; is for the tax accrual period July 1, 2023 through June 30, 2024 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April, 2023. Any county collections on the 2023-2024 tax levy remitted to the City within 60 days subsequent to June 30, 2024, 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, 2024, 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, 2024 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, 2024**

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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 and other Governmental Funds.

**L. Property and Equipment**

Assets with an initial individual cost of \$5,000 or more are considered capital assets and \$25,000 for bulk purchases. Property and equipment are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Infrastructure has been capitalized using historical or estimated historical cost beginning in 1980 as required by GASB 34. Depreciation on all assets is provided on the straight-line basis over the following estimated lives:

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

**M. Leases**

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

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

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

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

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

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

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2024**

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

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

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

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

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

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

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

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

**N. Subscription-Based Information Technology Arrangements (SBITAs)**

The City uses information technology (IT) software and has a contract that meets the definition of a subscription-based information technology arrangement (SBITA) for this software. A SBITA is a contract that conveys control to the right to use another party's IT software alone, or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction.

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

Key estimates and judgments related to SBITAs include how the City determines the discount rate it uses to discount the expected subscription payments to present value, subscription term and subscription payments.

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2024**

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

The City uses the interest rate charged by the SBITA as the discount rate. When the interest rate charged by the vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for subscriptions.

The subscription term includes the noncancellable period of the subscription and optional renewal periods if the City is reasonably certain to exercise those options. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and certain variable payments. Variable payments based on future performance of the government, usage of the underlying IT assets, or number of users seats are expensed as incurred, and not included in the measurement of the subscription liability.

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

On the statement of net position, subscription assets are reported with other capital assets and subscription liabilities are reported as separate line items for the current and long-term portion of the subscription contracts.

**O. Deferred Outflows of Resources**

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

**P. 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, 2024. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund and Road Use Tax Fund.

**Q. 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, 2024**

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

**R. 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.

**S. 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.

**T. 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, 2024**

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

**U. 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.

**V. Deferred Inflows of Resources**

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

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

In December 2014, Waverly Utilities approved adoption of GASB 62, Regulated Operations, which requires that the effects of the rate-making process be recorded in the financial statements. Accordingly, certain revenues and credits, normally reflected in Change in Net Position as incurred, are recognized when included in rates and recovered from or refunded to customers. Waverly Utilities' regulatory credit relating to rate stabilization is intended to defer the need for future rate increases when costs exceed existing rates. At the direction of Waverly Utilities, amounts may be either transferred into this fund (which reduces revenues), or amounts are transferred out of this fund (which increases revenues). Waverly Utilities authorizes Rate Stabilization Fund (RSF) on an event driven basis. Earnings in excess to ratio coverages will be deferred to offset higher costs in the future. In 2023, \$0 was transferred to (from) revenue to the RSF which left an ending balance of \$1,175,294.

**W. Pensions**

For purposes of measuring the net pension liability(asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Iowa Public Employees' Retirement System and the Municipal Fire and Police Retirement System (Systems') and additions to / deductions from the Systems' fiduciary net position have been determined on the same basis as they are reported by the Systems'. For this purpose, benefit payments (including refunds of employee contributions) are

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2024**

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

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.

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

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

The City's deposits at June 30, 2024, 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, 2024.

At June 30, 2024 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	\$ 825,142	1 year	Level 2
IPAIT	Not Rated	\$1,194,728	1 year	N/A

<b>Component Unit Investments</b>	<b>Credit Risk</b>	<b>Fair Value</b>	<b>Maturity</b>	<b>Fair Value Hierarchy</b>
Money Market	AAA	\$ 83,386	1 year	Level 1
Fixed income securities	AA+	47,912	1 year	Level 2
Fixed income securities	AA	25,699	1 year	Level 2
Fixed income securities	AA-	51,151	1 year	Level 2
Fixed income securities	A	23,786	1 year	Level 2
Fixed income securities	A+	25,343	1 year	Level 2
Fixed income securities	BBB+	125,852	1 year	Level 2
Fixed income securities	BBB	118,124	1 year	Level 2
Fixed income securities	BBB-	48,936	1 year	Level 2
Fixed income securities	N/A	791,381	1 year	Level 2
Common Stocks	Not Rated	\$ 1,634,382	1 year	Level 1

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2024**

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

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

In addition, the City had investments in the Iowa Public Agency Investment Trust (IPAIT) which are valued at an amortized cost of \$1,194,728. 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.

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, 2024 are net of allowance for uncollectibles. The allowance for uncollectibles of the enterprise funds of the primary government was \$1,906 at June 30, 2024. The Waverly Health Center component unit had an allowance for uncollectibles of \$8,990,000 at June 30, 2024.

**Note 4 - DUE FROM OTHER GOVERNMENTS**

At June 30, 2024, amounts due from other governments were as follows:

Due from the State of Iowa for Hotel/Motel taxes	\$ 44,128
Due from the State of Iowa for Living Roadways Trust Fund	2,840
Due from Waverly Utilities for Franchise Fees	16,160
Due from Iowa Economic Development Authority for various grants	212,020
Due from the State of Iowa for local option sales taxes	129,696
Due from the Iowa Department of Transportation for road use tax allocations	133,820
Due from the Department of Transportation for federal awarded construction	13,531
Due from the Federal Aviation Administration for project costs	52,916
Total Due from Other Governments	\$ 605,111

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2024**

**Note 5 - INTERFUND RECEIVABLES AND PAYABLES**

As of June 30, 2024, short-term interfund borrowings were as follows:

<u>Fund Due To</u>	<u>Fund Due From</u>	<u>Amount</u>
General Fund	Non-major Governmental Fund	\$ 237,081
		\$ 237,081

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

**Note 6 - LEASE RECEIVABLES**

<u>Lease Name</u>	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
Airport Building	\$ 132,709	\$ -	\$ 132,709
Verizon Cell Towers	-	72,267	72,267
US Cellular Cell Tower	-	48,645	48,645
AT&T Cell Tower	-	431,185	431,185
Total	\$ 132,709	\$ 552,097	\$ 684,806

On September 18, 2023, the City of Waverly renewed a five year lease as Lessor for use of the airport facilities at the city, with an option to renew one 5 year term by the Lessee. As of June 30, 2024, the value of the lease receivable is \$132,709. The lessee is required to make annual fixed payments of \$36,000. The lease has an interest rate of 1.22%. The value of the deferred inflow of resources as of June 30, 2024 was \$131,423, and the City of Waverly recognized lease revenue of \$31,768 and lease interest of \$3,846 during the fiscal year. A summary of the remaining lease receivable principal and interest to maturity is as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 31,188	\$ 4,812	\$ 36,000
2026	32,478	3,522	36,000
2027	33,822	2,178	36,000
2028	35,221	779	36,000
Total	\$ 132,709	\$ 11,291	\$ 144,000

On February 15, 2021 the City of Waverly entered into a five year lease as Lessor for use of the water tower as space for antennas. As of June 30, 2024, the value of the lease receivable is \$72,267. The lessee is required to make annual payments ranging from \$23,963 to \$25,421. The lease has an interest rate of 1.22%. The value of the deferred inflow of resources as of June 30, 2024 was \$64,169, and the City of Waverly recognized lease revenue of \$24,063 and lease interest of \$1,068 during the fiscal year. A summary of the remaining lease receivable principal and interest to maturity is as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 23,076	\$ 887	\$ 23,963
2026	24,078	603	24,681
2027	25,113	308	25,421
Total	\$ 72,267	\$ 1,798	\$ 74,065



**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2024**

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

On February 10, 1997 the City of Waverly entered into a ten year lease as Lessor for use of the water tower as space for antennas. As of June 30, 2024, the value of the lease receivable is \$48,645. The lessee is required to make monthly payments of \$1,647, adjusted each year by 103% of the prior year's payments. The Lessee had the option to extend up to four additional terms of five years, and are currently exercising the last and final 5 year term in the original lease. The lease has an interest rate of 1.22%. The value of the deferred inflow of resources as of June 30, 2024 was \$46,795, and the City of Waverly recognized lease revenue of \$18,718 and lease interest of \$720 during the fiscal year. A summary of the remaining lease receivable principal and interest to maturity is as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 19,280	\$ 486	\$ 19,766
2026	19,517	249	19,766
2027	9,848	35	9,883
Total	<u>\$ 48,645</u>	<u>\$ 770</u>	<u>\$ 49,415</u>

On July 21, 2019 the City of Waverly entered into a five year lease as Lessor for use of the water tower as space for antennas. As of June 30, 2024, the value of the lease receivable is \$0. The lessee is required to make monthly payments of \$4,331. The lease has an interest rate of 1.22%. The value of the deferred inflow of resources as of June 30, 2024 was \$3,307, and the City of Waverly recognized lease revenue of \$39,692 and lease interest of \$204 during the fiscal year. There is no remaining lease receivable.

On September 18, 2021 the City of Waverly entered into a five year lease as Lessor for use of the water tower as space for antennas. On July 17, 2023, the city extended the existing contract for another twenty five years and therefore a modification to the existing lease increased the value of the receivable by \$362,185. As of June 30, 2024, the value of the lease receivable is \$431,185. The lessee is required to make monthly payments of \$1,749. The lease has an interest rate of 1.22%. The value of the deferred inflow of resources as of June 30, 2024 was \$416,560, and the City of Waverly recognized lease revenue of \$14,206 and lease interest of \$21,500 during the fiscal year. A summary of the remaining lease receivable principal and interest to maturity is as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ -	\$ 20,988	\$ 20,988
2026	-	20,988	20,988
2027	208	23,404	23,612
2028	2,648	21,489	24,137
2029	2,783	21,353	24,136
2030-2034	27,198	103,742	130,940
2035-2039	57,071	93,509	150,580
2040-2044	98,735	74,432	173,167
2045-2049	156,028	43,114	199,142
2050-2054	86,514	4,951	91,465
Total	<u>\$ 431,185</u>	<u>\$ 427,970</u>	<u>\$ 859,155</u>

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2024**

**Note 7 - CAPITAL ASSETS**

A summary of changes in capital assets is as follows:

**Primary Government**

	<b>Balance July 1, 2023</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2024</b>
<b>Governmental Activities:</b>				
Capital assets not being depreciated/amortized:				
Land	\$ 15,102,462	\$ -	\$ -	\$ 15,102,462
Construction in Progress	5,644,910	4,643,049	983,770	9,304,189
Total capital assets not being depreciated/amortized	<u>20,747,372</u>	<u>4,643,049</u>	<u>983,770</u>	<u>24,406,651</u>
Capital assets being depreciated/amortized:				
Buildings and Improvements	16,179,613	493,621	-	16,673,234
Equipment	8,911,708	959,466	126,511	9,744,663
Infrastructure	89,318,084	490,149	113,257	89,694,976
Right-to-Use Lease - Equipment	308,932	18,057	13,590	313,399
Right-to-Use IT Subscriptions	97,801	32,098	-	129,899
Total capital assets being depreciated/amortized	<u>114,816,138</u>	<u>1,993,391</u>	<u>253,358</u>	<u>116,556,171</u>
Less Accumulated Depreciation/Amortization for:				
Buildings and Improvements	6,463,213	453,780	-	6,916,993
Equipment	5,809,395	505,039	120,701	6,193,733
Infrastructure	39,330,453	3,068,893	97,685	42,301,661
Right-to-Use Lease - Equipment	150,124	87,249	11,432	225,941
Right-to-Use IT Subscriptions	33,103	44,142	-	77,245
Total accumulated depreciation/amortization	<u>51,786,288</u>	<u>4,159,103</u>	<u>229,818</u>	<u>55,715,573</u>
Total capital assets being depreciated/amortized, net	<u>63,029,850</u>	<u>(2,165,712)</u>	<u>23,540</u>	<u>60,840,598</u>
Governmental activities capital assets, net	<u>\$ 83,777,222</u>	<u>\$ 2,477,337</u>	<u>\$ 1,007,310</u>	<u>\$ 85,247,249</u>

Construction in progress at June 30, 2024, for the governmental activities consisted of costs associated with various street projects and airport improvements.

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2024**

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

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
<b>Business-Type Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 117,723	\$ -	\$ -	\$ 117,723
Construction in Progress	12,953,427	2,097,126	209,328	14,841,225
Total capital assets not being depreciated	<u>13,071,150</u>	<u>2,097,126</u>	<u>209,328</u>	<u>14,958,948</u>
Capital assets being depreciated:				
Buildings and Improvements	11,101,594	-	-	11,101,594
Equipment	2,934,467	651,800	377,792	3,208,475
Lines and Structures	22,985,760	209,328	-	23,195,088
Total capital assets being depreciated	<u>37,021,821</u>	<u>861,128</u>	<u>377,792</u>	<u>37,505,157</u>
Less: Accumulated depreciation for:				
Buildings and Improvements	5,878,066	190,731	-	6,068,797
Equipment	1,502,897	195,083	231,377	1,466,603
Lines and Structures	15,661,315	680,237	-	16,341,552
Total Accumulated Depreciation	<u>23,042,278</u>	<u>1,066,051</u>	<u>231,377</u>	<u>23,876,952</u>
Total capital assets being depreciated, net	13,979,543	(204,923)	146,415	13,628,205
Business-type activities capital assets, net	<u>\$ 27,050,693</u>	<u>\$ 1,892,203</u>	<u>\$ 355,743</u>	<u>\$ 28,587,153</u>

Construction in progress at June 30, 2024 for the business type activities consisted of costs associated with various water and sewer infrastructure projects.

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

Governmental Activities:	
Public Safety	\$ 290,554
Public Works	3,392,192
Culture and Recreation	387,118
General Government	<u>89,239</u>
Total depreciation/amortization expense - governmental activities	<u>\$ 4,159,103</u>
Business-Type Activities:	
Water	\$ 353,381
Sewer	581,041
Solid Waste	<u>131,629</u>
Total depreciation expense - business-type activities	<u>\$ 1,066,051</u>

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2024**

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

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

	Balance July 1, 2023	Additions	Deletions	Transfers	Balance June 30, 2024
<b>Waverly Health Center:</b>					
Capital assets not being depreciated/amortized:					
Land	\$ 2,206,302	\$ -	\$ -	\$ -	\$ 2,206,302
Construction in Progress	1,850,563	374,811	-	(2,185,792)	39,582
Total capital assets not being depreciated/amortized	4,056,865	374,811	-	(2,185,792)	2,245,884
Capital assets being depreciated/amortized:					
Land Improvements	6,395,694	-	-	-	6,395,694
Buildings	32,966,449	12,350	-	1,109,643	34,088,442
Fixed Equipment	20,999,655	-	-	-	20,999,655
Major Movable Equipment	24,151,885	707,621	-	1,076,149	25,935,655
Right-of-use IT subscriptions	-	305,697	-	-	305,697
Leased, right to use assets - Buildings	3,285,901	-	363,078	-	2,922,823
Leased, right to use assets - Major Movable equipment	967,833	-	20,618	-	947,215
Total capital assets being depreciated/amortized	88,767,417	1,025,668	383,696	2,185,792	91,595,181
Less: Accumulated Depreciation/Amortization	46,968,277	5,296,921	383,696	-	51,881,502
Total capital assets being depreciated/amortized, net	41,799,140	(4,271,253)	-	2,185,792	39,713,679
Component unit capital assets, net	\$ 45,856,005	\$ (3,896,442)	\$ -	\$ -	\$ 41,959,563

Construction in progress at June 30, 2024 for the Waverly Health Center consists of costs incurred for equipment installations in process.

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2024**

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

	<b>Balance January 1, 2023</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance December 31, 2023</b>
<b>Waverly Utilities:</b>				
Capital assets not being depreciated/amortized:				
Land	\$ 351,624	\$ 554,941	\$ 5,000	\$ 901,565
Construction in Progress	328,017	3,006,923	2,170,911	1,164,029
Total capital assets not being depreciated/amortized	<u>679,641</u>	<u>3,561,864</u>	<u>2,175,911</u>	<u>2,065,594</u>
Capital assets being depreciated/amortized:				
Improvements	58,655,638	2,577,306	188,522	61,044,422
Buildings	5,942,111	91,183	-	6,033,294
Equipment	10,360,522	610,130	448,740	10,521,912
Louisa Plant	13,084,499	147,704	46,194	13,186,009
WS4 Plant	5,612,639	45,496	32,054	5,626,081
Right-to-Use Lease - Land	367,384	-	-	367,384
Right-to-Use Asset - IT Subscriptions	-	52,433	-	52,433
Total capital assets being depreciated/amortized	<u>94,022,793</u>	<u>3,524,252</u>	<u>715,510</u>	<u>96,831,535</u>
Less: Accumulated Depreciation/Amortization	53,075,157	3,131,485	648,498	55,558,144
Total capital assets being depreciated/amortized, net	40,947,636	392,767	67,012	41,273,391
Component unit capital assets, net	<u>\$ 41,627,277</u>	<u>\$ 3,954,631</u>	<u>\$ 2,242,923</u>	<u>\$ 43,338,985</u>

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2024**

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

	Reconciliation of Net Investment in Capital Assets:		Component Units	
			Waverly Health Center	Waverly Utilities
	Governmental Activities	Business-Type Activities		
Land	\$ 15,102,462	\$ 117,723	\$ 2,206,302	\$ 901,565
Construction in Progress	9,304,189	14,841,225	39,582	1,164,029
Capital Assets (net of accumulated depreciation/amortization)	60,840,598	13,628,205	39,713,679	41,273,391
Less: General Obligation Bonds	(24,867,549)	-	-	-
Notes Payable	-	(11,616,394)	(1,874,664)	-
Revenue Bonds	(1,350,000)	(1,348,164)	(29,565,235)	(15,788,916)
Retainage Payable	(1,544,736)	-	-	-
Lease Agreements	(62,597)	-	(1,866,104)	(349,569)
IT Subscriptions	(55,132)	-	(230,175)	(51,632)
Add: Unspent Bond Proceeds	4,481,901	-	226,501	2,961,981
Net Investment in Capital Assets	\$ 61,849,136	\$ 15,622,595	\$ 8,649,886	\$ 30,110,849

**Note 8 - CASH ADVANCES**

The Health Center has contracted with an accounts receivable management company to collect certain patient accounts on behalf of the Health Center. The Health Center receives cash advances, less a fee, for the accounts to be collected by the management company. The cash advances are secured by the patient receivables. The patient receivables and related cash advance balance is reduced as the management company collects on the accounts. At June 30, 2024, the Health Center had reported \$893,273 of cash advances secured by outstanding patient receivables.

**Note 9 - LONG-TERM LIABILITIES**

The City's computed legal debt limit as of June 30, 2024, is \$43,857,364 of which \$23,774,274 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, 2024:

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
June 30, 2024

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Primary Government:</b>					
<b>Governmental Activities:</b>					
Bonds Payable:					
General Obligation	\$ 26,300,000	\$ 1,765,000	\$ 4,155,000	\$ 23,910,000	\$ 4,425,000
Revenue Bond	1,500,000	-	150,000	1,350,000	150,000
Lease Agreements	113,811	17,727	68,941	62,597	18,237
IT Subscriptions	62,171	29,598	36,637	55,132	23,606
Compensated Absences	532,636	197,215	319,581	410,270	246,162
Governmental Activities					
Long-Term Liabilities	28,508,618	2,009,540	4,730,159	25,787,999	4,863,005
<b>Business-Type Activities:</b>					
Bonds Payable:					
Revenue Bonds	1,870,000	-	545,000	1,325,000	565,000
Direct Borrowings:					
Notes Payable	10,033,769	2,055,625	473,000	11,616,394	559,446
Compensated Absences	91,824	30,345	55,095	67,074	40,244
Business-Type Activities					
Long-Term Liabilities	\$ 11,995,593	\$ 2,085,970	\$ 1,073,095	\$ 13,008,468	\$ 1,164,690

The City of Waverly's general obligation and revenue bonds are shown gross of the unamortized premium of \$957,549 for governmental activities and \$23,164 for business-type activities on the Statement of Net Position.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Component Units:</b>					
<b>Waverly Health Center:</b>					
Revenue Bonds:					
USDA Taxable Revenue Bonds	\$ 26,809,624	\$ -	\$ 343,912	\$ 26,465,712	\$ 357,655
Revenue Bonds	3,368,552	-	269,029	3,099,523	279,349
Direct Borrowing:					
Notes Payable	2,423,801	-	549,137	1,874,664	336,564
Lease Agreements	2,522,627	-	656,523	1,866,104	669,047
IT Subscription	-	305,697	75,522	230,175	72,796
Waverly Health Center					
Long-Term Liabilities	35,124,604	305,697	1,894,123	33,536,178	1,715,411
<b>Waverly Utilities:</b>					
Bonds Payable:					
Revenue Bonds	12,834,120	4,500,000	1,753,096	15,581,024	1,821,926
Lease Agreements	355,790	-	6,221	349,569	6,487
IT Subscription	-	52,433	801	51,632	9,795
Waverly Utilities					
Long-Term Liabilities	\$ 13,189,910	\$ 4,552,433	\$ 1,760,118	\$ 15,982,225	\$ 1,838,208

The Waverly Utilities' debt is shown gross of unamortized premium of \$207,892.

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2024**

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

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

On November 18, 2019, the City Council approved sewer revenue loans not to exceed \$780,000 from the Iowa Finance Authority for the water pollution control project. This agreement is a planning and design loan agreement at zero percent interest rate with a term of up to three years. In fiscal year 2022 this loan was rolled into the SRF Construction Loan, which was approved not to exceed \$13,300,000. The loan includes a provision that in an event of default, the performance requirements relating to this loan will be mandated under Division V of Chapter 384 of the Code of Iowa. The loan has an interest rate of 2.00% and requires varying annual payments through June, 2042 depending on future SRF drawdowns. At June 30, 2024, the remaining balance on the loan was \$11,616,394.

The Health Center issued Rural Electric Cooperative Notes totaling \$1,360,000 on January 24, 2023 for the expansion and renovation of the Health Center’s Facilities. The notes do not bear interest. The notes require monthly principal payments of \$11,403 through January, 2033. At June 30, 2024 the remaining balance on the notes was \$1,166,143. The amounts set aside as assets whose use is limited for payment of long-term debt and interest meet the requirements of the debt service reserve and sinking funds at June 30, 2024. The notes and bonds referenced above are payable solely from the net revenues of the Health Center.

The Health Center has note agreements to finance the purchase of certain equipment. The notes currently require monthly payments of approximately \$19,350, including interest ranging from 0% to 5.25%, with their final payment due October 2027. The notes are collateralized by the equipment purchased by the Health Center. At June 30, 2024, the remaining balance on the notes was \$708,521.

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

	City		Component Unit	
	Business-Type Direct Borrowings		Waverly Health Center - Direct Borrowings	
	SRF Funds		Equipment	
	Principal	Interest	Principal	Interest
2025	\$ 559,446	\$ 215,399	\$ 336,564	\$ 32,437
2026	551,668	223,177	347,305	21,695
2027	562,803	212,042	358,624	10,376
2028	574,163	200,683	213,388	839
2029	585,752	189,093	136,840	-
2030-2034	3,110,952	763,275	481,943	-
2035-2039	3,437,848	436,380	-	-
2040-2042	2,233,762	90,776	-	-
	<u>\$ 11,616,394</u>	<u>\$ 2,330,825</u>	<u>\$ 1,874,664</u>	<u>\$ 65,347</u>



**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2024**

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

**General Obligation**

General obligation bonds outstanding as of June 30, 2024 are as follows:

	Date of Issue	Interest Rates	Final Due Date	Annual Payments	Amount Originally Issued	Outstanding June 30, 2024
General Obligation:						
2014A GO Bonds	2014	2.0-3.0%	2029	370,000 - 420,000	\$ 7,380,000	\$ 1,980,000
2015B GO Bonds	2015	2.0-4.0%	2027	320,000 - 940,000	8,245,000	2,135,000
2017A GO Bonds	2017	2.00%	2026	175,000 - 185,000	1,500,000	360,000
2017B Go Bonds	2017	1.7-2.75%	2026	70,000 - 80,000	615,000	150,000
2018A GO Bonds	2018	3.00%	2029	995,000 - 1,190,000	11,000,000	5,530,000
2019 GO Bonds	2019	2.5-2.75%	2029	350,000 - 390,000	3,500,000	1,860,000
2020A GO Bonds	2020	2.00%	2030	530,000 - 580,000	5,270,000	3,320,000
2020B GO Bonds	2020	0.7-1.75%	2030	70,000 - 75,000	700,000	435,000
2021 GO Bonds	2021	2.00%	2031	245,000 - 275,000	2,530,000	1,815,000
2022 GO Bonds	2022	2.45%	2025	60,000	175,000	60,000
2023 GO Bonds	2023	4.00%	2034	375,000 - 535,000	4,500,000	4,500,000
2024 GO Bonds	2024	4.00%	2034	145,000 - 205,000	1,765,000	1,765,000
Total General Obligation					<u>\$ 47,180,000</u>	<u>\$ 23,910,000</u>

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

**Revenue Bonds**

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

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2024**

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

Revenue bonds outstanding as of June 30, 2024 are as follows:

	Date of Issue	Interest Rates	Final Due Date	Annual Payments	Amount Originally Issued	Outstanding June 30, 2024
<b>Revenue Bonds:</b>						
2014B - Water	2014	0.50-2.7%	2025	190,000	\$ 1,870,000	\$ 190,000
2015 - Sewer	2015	2.0-4.0%	2026	205,000-210,000	1,990,000	415,000
2018B- Water	2018	3.00%	2028	170,000- 190,000	1,655,000	720,000
2023 - LOST	2023	4.80%	2030	150,000- 600,000	1,500,000	1,350,000
Total Revenue Bonds					<u>7,015,000</u>	<u>2,675,000</u>
<b>Component Units:</b>						
<b>Waverly Health Center</b>						
USDA Taxable Hospital						
Revenue Bonds	2022	3.25%	2062	100,945	27,063,000	26,465,712
2019 Hospital Revenue Bonds	2020	3.50%	2034	-	<u>3,500,000</u>	<u>3,099,523</u>
Total Revenue Bonds					<u>30,563,000</u>	<u>29,565,235</u>
<b>Waverly Utilities</b>						
2015 Utility Rev Bonds	2015	2-4%	2030	100,000-185,000	4,980,000	3,605,000
2015 Comm Utility Rev Bonds	2015	4.3%	2030	350,000-530,000	6,672,483	3,816,024
2016 Revenue Bonds	2016	2%	2029	135,000-170,000	2,860,000	1,755,000
2018 Revenue Bonds	2018	3-3.2%	2030	220,000-300,000	3,045,000	1,905,000
2023 Revenue Bonds	2023	4%	2029	260,000-310,000	4,500,000	4,500,000
Total Revenue Bonds					<u>22,057,483</u>	<u>15,581,024</u>
Grand Total Revenue Bonds					<u>\$ 59,635,483</u>	<u>\$ 47,821,259</u>

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2024**

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

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

Year Ending June 30,	General Obligation Paid by Debt Service		Revenue Bonds			
	Principal	Interest	Paid by LOST		Paid by Enterprise Fund	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 4,425,000	\$ 705,713	\$ 150,000	\$ 65,475	\$ 565,000	\$ 39,180
2026	4,395,000	585,300	150,000	58,200	385,000	22,800
2027	3,675,000	461,100	150,000	50,925	185,000	11,250
2028	3,460,000	356,175	150,000	43,650	190,000	5,700
2029	3,310,000	256,825	150,000	36,375	-	-
2030-2034	4,645,000	453,413	600,000	29,100	-	-
	<u>\$23,910,000</u>	<u>\$ 2,818,526</u>	<u>\$1,350,000</u>	<u>\$283,725</u>	<u>\$ 1,325,000</u>	<u>\$ 78,930</u>

The Health Center issued USDA Taxable Hospital Revenue Bonds totaling \$27,063,000 on September 20, 2022 to refund the Hospital Revenue Bond Anticipation Notes, Series 2019. On December 31, 2022, the Hospital Revenue Bond Anticipation Notes, Series 2019 of \$27,063,000 was refunded with the USDA Taxable Hospital Revenue Bonds. The interest rate charged on the bonds is 3.25%. The Bonds require monthly principal and interest payments of \$100,945 through September, 2062. At June 30, 2024 the remaining balance on the bonds was \$26,465,712.

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, 2024, the remaining balance on the bonds was \$3,099,523.

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

Waverly Health Center		
Year Ending June 30,	Revenue Bonds	Interest
2025	\$ 637,004	\$ 957,660
2026	658,039	937,111
2027	680,494	914,656
2028	702,587	892,564
2029	728,829	866,322
2030-2034	3,837,464	3,948,569
2035-2039	2,633,987	3,422,713
2040-2044	3,097,309	2,959,391
2045-2049	3,644,637	2,412,063
2050-2054	4,285,931	1,770,769
2055-2059	5,041,067	1,015,633
2060-2063	3,617,887	194,391
	<u>\$ 29,565,235</u>	<u>\$20,291,842</u>

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2024**

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

**Waverly Utilities**

<b>Year Ending December 31,</b>	<b>Revenue Bond Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 1,821,926	\$ 494,620	\$ 2,316,546
2025	1,880,756	453,866	2,334,622
2026	1,944,587	396,026	2,340,613
2027	2,018,184	336,053	2,354,237
2028	2,096,779	273,643	2,370,422
2029-2033	4,518,792	594,807	5,113,599
2034-2036	1,300,000	105,800	1,405,800
	<u>\$ 15,581,024</u>	<u>\$ 2,654,815</u>	<u>\$ 18,235,839</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.

Lease Agreements

On October 1, 2021, the City entered into a three year lease agreement for police vehicles. The agreement required one annual payment of \$100,000 and two annual payments of \$54,000 with an implicit interest rate of 1.33% and the final payment due July 1, 2023. There was one less payment of \$13,500 due to an accident of one of the leased vehicles. During the year ended June 30, 2024, the City paid the final principal of \$53,287 and interest of \$713.

On October 1, 2021, the City entered into a six year lease agreement for police dash cameras and on body cameras. The agreement required one annual payment of \$28,000 and five annual payments of \$15,800 with an implicit interest rate of 1.75% and the final payment due July 1, 2026. As of June 30, 2024, the value of the lease liability was \$45,792. During the year ended June 30, 2024, the City paid principal of \$14,732 and interest of \$1,068. Future principal and interest lease payments as of June 30, 2024 are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 14,992	\$ 808	\$ 15,800
2026	15,257	543	15,800
2027	15,543	257	15,800
Total	<u>\$ 45,792</u>	<u>\$ 1,608</u>	<u>\$ 47,400</u>

On April 20, 2024 the City entered into a five year lease agreement for a mailing machine. The agreement required quarterly payments of \$988 with an implicit interest rate of 4.53% and the final payment due March 31, 2029. As of June 30, 2024, the value of the lease liability was \$16,805. During the year ended June 30, 2024, the City paid principal of \$922 and interest of \$130. Future principal and interest lease payments as of June 30, 2024 are as follows:

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2024**

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

Year Ending June 30,	Principal	Interest	Total
2025	\$ 3,245	\$ 707	\$ 3,952
2026	3,394	558	3,952
2027	3,552	400	3,952
2028	3,716	236	3,952
2029	2,898	66	2,964
Total	<u>\$ 16,805</u>	<u>\$ 1,967</u>	<u>\$ 18,772</u>

The Health Center has entered into contracts to lease certain buildings and equipment. The lease contracts qualify as other than short-term leases and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception with discount rates ranging from 2.75% to 3.50% and lease term ending between 2024 and 2031. For the year ending June 30, 2024, the Health Center made lease related payments ranging from \$850 to \$206,400.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2024, were as follows.

Year Ending June 30	Principal	Interest	Total
2025	\$ 669,047	\$ 44,096	\$ 713,143
2026	630,373	25,499	655,872
2027	231,970	12,053	244,023
2028	101,582	7,928	109,510
2029	94,595	5,225	99,820
2030-2031	138,537	2,874	141,411
Total	<u>\$ 1,866,104</u>	<u>\$ 97,675</u>	<u>\$ 1,963,779</u>

Waverly Utilities entered into two 50 – year lease agreements in June 2008 and August 2001 related to land for wind turbines. The contract calls for payments of \$3,886 and \$2,247 in March and September. These payments are increased every 5 years by applying the annual average Consumer Price index for the preceding five-year period. These leases have been capitalized per GASB 87 as of January 1, 2021 and have an applied interest rate of 1.75%. The value of the lease liability for 2023 was \$349,569. The value of the right-to-use asset was \$367,384 for 2023 and had accumulated amortization of \$31,552.

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2024**

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

Year Ending December 31	Principal	Interest	Total
2024	\$ 6,487	\$ 6,089	\$ 12,576
2025	6,601	5,975	12,576
2026	6,807	5,859	12,666
2027	7,017	5,739	12,756
2028	7,302	5,615	12,917
2029-2033	39,970	26,062	66,032
2034-2038	46,356	22,317	68,673
2039-2043	53,432	17,988	71,420
2044-2048	61,268	13,010	74,278
2049-2053	55,639	6,461	62,100
2054-2058	58,690	3,762	62,452
Total	\$ 349,569	\$ 118,877	\$ 468,446

**Subscription-Based Information Technology Arrangements (SBITA)**

On September 1, 2022, the City entered into an IT subscription license and services information technology agreement with a vendor for human resources related software. An initial IT subscription liability was recorded in the amount of \$47,201. As of June 30, 2024, the value of the subscription liability was \$27,796. The agreement requires monthly payments of \$1,000 increased by 5% annually over 4 years with an estimated implicit interest rate of 4.42% and final payment due September 21, 2025. During the year ended June 30, 2024, the City paid principal of \$11,004 and interest of \$1,496 on the agreement.

On July 1, 2022, the City entered into an IT subscription license and services information technology agreement with a vendor for library related software. An initial IT subscription liability was recorded in the amount of \$46,850. As of June 30, 2024, the value of the subscription liability was \$0. The agreement requires annual payments ranging from \$23,609 – \$24,158 over 2 years with an estimated implicit interest rate of 3.32% and final payment due August 1, 2023. During the year ended June 30, 2024, the City paid principal of \$23,371 and interest of \$788 on the agreement.

On September 9, 2024 the City entered into an IT subscription license and services information technology agreement with a vendor for payroll related software. An initial IT subscription liability was recorded in the amount of \$29,598. As of June 30, 2024, the value of the subscription liability was \$27,336. The agreement required quarterly payments ranging from \$3,000 to \$3,310 with an estimated implicit interest rate of 4.23% and the final payment due August 31, 2026. During the year ended June 30, 2024, the city paid principal of \$2,262 and interest of \$1,028.

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2024**

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

Future principal and interest SBITA payments as of June 30, 2024 are as follows:

Year	HR Software		Payroll Software		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 12,138	\$ 987	\$ 11,468	\$ 982	\$ 23,606	\$ 1,969
2026	13,356	426	12,595	477	25,951	903
2027	2,302	13	3,273	35	5,575	48
	<u>\$ 27,796</u>	<u>\$ 1,426</u>	<u>\$ 27,336</u>	<u>\$ 1,494</u>	<u>\$ 55,132</u>	<u>\$ 2,920</u>

The Health Center has entered into subscription-based information technology arrangements (SBITAs) for various subscription-based services under terms ranging from two to four years. The total of the Health Center's subscription assets are recorded at cost of \$305,697, less accumulated amortization of \$60,054. The future subscription payments under the SBITA arrangements are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 72,796	\$ 6,297	\$ 79,093
2026	74,819	4,274	79,093
2027	55,641	2,195	57,836
2028	26,919	650	27,569
Total	<u>\$ 230,175</u>	<u>\$ 13,416</u>	<u>\$ 243,591</u>

Waverly Utilities has entered into a subscription-based information technology arrangement (SBITA) for a copier lease for five years. The agreement requires monthly payments equal to \$954 with a 3.50 interest rate and as of December 31, 2023, the value of the subscription liability was \$51,632. The future subscription payments under the SBITA arrangement are as follows:

Year Ending December 31,	Principal	Interest	Total
2024	\$ 9,795	\$ 1,653	\$ 11,448
2025	10,144	1,304	11,448
2026	10,504	944	11,448
2027	10,878	570	11,448
2028	10,311	183	10,494
Total	<u>\$ 51,632</u>	<u>\$ 4,654</u>	<u>\$ 56,286</u>

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
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**Note 10 – TRANSFERS**

The following is a summary of transfers between funds:

	<b>General</b>	<b>Debt Service</b>	<b>Nonmajor Governmental</b>	<b>Total Transfer Out</b>
<b>General Fund</b>	\$ -	\$ -	\$ 544,542	\$ 544,542
<b>Nonmajor Governmental</b>	487,804	2,562,809	410,955	3,461,568
<b>Water</b>	-	51,595	-	51,595
<b>Sewer</b>	-	3,553	2,095,626	2,099,179
<b>Solid Waste</b>	-	3,518	-	3,518
<b>Total Transfers In</b>	<u>\$ 487,804</u>	<u>\$ 2,621,475</u>	<u>\$ 3,051,123</u>	<u>\$ 6,160,402</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.

During fiscal year 2024, governmental funds paid \$2,093,880 of enterprise capital asset additions which is recorded as contributed capital revenue in the enterprise funds. On the Statement of Activities, this amount is reclassified as transfers between governmental and business-type activities, reducing Capital Grants and Contributions and increasing Interfund Transfers by \$2,093,880.

**Note 11 - PENSION PLAN**

**Pension Plans**

<b>City</b>	<b>IPERS</b>	<b>MFPRSI</b>	<b>Total</b>
Net Pension liability	\$ 2,265,218	\$ 2,125,576	\$ 4,390,794
Deferred Outflows of Resources Related to Pensions	980,744	723,972	1,704,716
Deferred Inflows of Resources Related to Pensions	79,044	160,402	239,446
Pension Expense (Income)	221,992	274,857	496,849
<b>Waverly Health Center</b>			
Net Pension liability	14,898,005	-	14,898,005
Deferred Outflows of Resources Related to Pensions	6,577,683	-	6,577,683
Deferred Inflows of Resources Related to Pensions	345,382	-	345,382
Pension Expense (Income)	1,344,570	-	1,344,570
<b>Waverly Utilities</b>			
Net Pension liability	1,417,424	-	1,417,424
Deferred Outflows of Resources Related to Pensions	384,864	-	384,864
Deferred Inflows of Resources Related to Pensions	73,355	-	73,355
Pension Expense (Income)	\$ 82,596	\$ -	\$ 82,596



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

**Iowa Public Employees Retirement System**

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

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

**Pension Benefits**

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

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

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

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

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

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

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who

**CITY OF WAVERLY, IOWA**  
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**Note 11 - PENSION PLAN (CONTINUED)**

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.

From July 1, 2023 to June 30, 2024, 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 6.21 percent of covered payroll and the City contributed 9.31 percent of covered payroll for a total rate of 15.52 percent. From January 1, 2023 through December 31, 2023 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, 2024 were \$456,206 and total contributions for the component units for their respective year ends, were \$3,182,213.

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

At June 30, 2024, the City reported a liability of \$2,265,218 and the Waverly Health Center component unit reported a liability of \$14,898,005. As of December 31, 2023, Waverly Utilities reported a liability of \$1,417,424 for the proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, 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 units' 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, 2023, the City's collective proportion was 0.050186 percent, which was an decrease of 0.003413 percent from its proportion measured as of June 30, 2022.

**CITY OF WAVERLY, IOWA**  
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**Note 11 - PENSION PLAN (CONTINUED)**

The component unit's collective proportion was 0.360783 percent, which was an increase of 0.014519 percent from its proportion measured as of June 30, 2022. For the year ended June 30, 2024, the City and the Waverly Health Center component unit recognized pension expense of \$221,992 and \$1,344,570 respectively and Waverly Utilities recognized pension expense of \$82,596 as of December 31, 2023. At June 30, 2024 and December 31, 2023, the City and component units reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>City</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 193,898	\$ 9,321
Changes of assumption	-	664
Net difference between projected and actual earnings on pension plan investments	210,722	-
Changes in proportion and differences between City contributions and proportionate share of contributions	119,918	69,059
City contributions subsequent to the measurement date	456,206	-
Total	\$ 980,744	\$ 79,044

	<b>Component Units</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,594,114	\$ 67,985
Changes of assumption	-	59,750
Net difference between projected and actual earnings on pension plan investments	1,599,675	-
Changes in proportion and differences between Component Units contributions and proportionate share of contributions	716,761	291,002
Component Units contributions subsequent to the measurement date	3,051,997	-
Total	\$ 6,962,547	\$ 418,737

\$456,206 and \$3,051,997 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, 2025 and December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (income) as follows:

<b>Year Ending June 30,</b>	<b>City</b>	<b>Health Center</b>	<b>Year Ending December 31,</b>	<b>Waverly Utilities</b>
2025	\$ (29,547)	\$ (308,884)	2024	\$ (61,332)
2026	(145,747)	(1,051,663)	2025	(120,460)
2027	529,548	3,752,475	2026	305,828
2028	85,740	776,415	2027	49,851
2029	5,500	142,349	2028	7,234
Total	\$ 445,494	\$ 3,310,692	Total	\$ 181,121

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

There were no non-employer contributing entities to IPERS.

*Actuarial assumptions* – The total pension liability (asset) in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of Inflation (effective June 30, 2017)	2.60% per annum
Rates of salary increase (effective June 30, 2017)	3.25 to 16.25% average, including inflation. Rates vary by membership group
Long-term investment rate of return (effective June 30, 2017)	7.00% compounded annually, net of investment expense, including inflation
Wage Growth (effective June 30, 2017)	3.25% per annum based on 2.60% inflation and .65% real wage inflation

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of a quadrennial experience study dated July 1, 2017 through June 30, 2021.

Mortality rates used in the 2023 valuation were based on the PubG-2010 mortality tables with future mortality improvements modeled using Scale MP-2021.

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

<b>Asset Class</b>	<b>Asset Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic equity	21.0%	4.56%
International equity	16.5	6.22
Global smart beta equity	5.0	5.22
Core plus fixed income	23.0	2.69
Public credit	3.0	4.38
Cash	1.0	1.59
Private equity	17.0	10.44
Private real assets	9.0	3.88
Private Credit	4.5	4.60
Total	100.0%	

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2024**

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

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.

	<b>1% Decrease 6%</b>	<b>Discount Rate 7%</b>	<b>1% Increase 8%</b>
City’s proportionate share of the net pension liability	\$ 4,827,401	\$ 2,265,218	\$ 118,064
Component Unit’s proportionate share of the net pension liability	\$ 35,738,472	\$ 16,315,429	\$ 40,405

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, 2024, the City reported payables to the defined benefit pension plan of \$57,681 for legally required employer and employee contributions which had not yet been remitted to IPERS.

At June 30, 2024, the Waverly Health Center reported payables to the defined benefit pension plan of approximately \$415,000 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.

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

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

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

Active members, at least 55 years of age, with 22 or more years of service have the option to participate in the Deferred Retirement Option Program (DROP). The DROP is an arrangement whereby a member who is otherwise eligible to retire and commence benefits opts to continue to work. A member can elect a 3, 4, or 5 year DROP period. By electing to participate in DROP the member is signing a contract indicating the member will retire at the end of the selected DROP 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.

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

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, 2024.

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 22.98 percent for the year ended June 30, 2024. The City's contributions to MFPRSI for the year ended June 30, 2024 was \$326,186.

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.

There were no state appropriations to MFPRSI during the fiscal year ended June 30, 2024.

Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2024, the City reported a liability of \$2,125,576 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, 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, 2023, the City's proportion was 0.339441 percent which was an decrease of 0.026521 percent from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the City recognized pension expense of \$274,857. At June 30, 2024, the City 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	\$ 162,397	\$ -
Changes of assumption	10,708	-
Net difference between projected and actual earnings on pension plan investments	135,346	-
Changes in proportion and differences between City contributions and proportionate share of contributions	89,335	160,402
City contributions subsequent to the measurement date	326,186	-
Total	\$ 723,972	\$ 160,402

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

\$326,186 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	City
2025	\$ (12,783)
2026	(97,385)
2027	309,637
2028	38,377
2029	(462)
Total	<u>\$ 237,384</u>

Actuarial Assumptions The total pension liability in the June 30, 2023, 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 investment expense, including inflation

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 to June 30, 2022.

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 included in the pension plan's target asset allocation as of June 30, 2023, are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Broad Fixed Income	4.9%
Broad U.S. Equity	7.1%
Global Equity	7.2%
Broad Non-US Equity	7.4%
Managed Futures	5.2%
Real Estate - Core	6.8%
Opportunistic Real Estate	11.1%
Global Infrastructure	6.9%
Private Credit	10.1%
Private Equity	12.1%



**CITY OF WAVERLY, IOWA**  
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**Note 11 - 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 6.5%	Discount Rate 7.5%	1% Increase 8.5%
City's proportionate share of the net pension liability	\$3,722,584	\$2,125,576	\$ 803,258

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, 2024.

At June 30, 2024, the City reported payables to the defined benefit pension plan of \$35,982 for legally required employer and employee contributions which had not yet been remitted to MFPRSI.

**Note 12 - DEFICIT FUND EQUITY**

The City has six funds with deficit equity balances at June 30, 2024. 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, utility charges, and health insurance premiums. The individual fund deficits were as follows:

Capital Project – WPC Improvements.....	\$ 775,437
Capital Project – Airport Taxilane Reconstruction .....	18,915
Capital Project – Alley Reconstruction Project .....	20
Capital Project – Airport Runway 11 Taxiway.....	30,803
Capital Project – Library Renovation.....	240,524
Internal Service – Health Insurance .....	463,796

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2024**

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**Note 13 - RISK MANAGEMENT**

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

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

Claims payable at July 1, 2023	\$ 28,237
Claims paid	(1,345,212)
Claims incurred	1,346,019
Claims payable at June 30, 2024	\$ 29,044

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

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

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

OPEB Benefits – Individuals who are employed by the City and its component unit and are eligible to participate in the group health plan are eligible to continue healthcare benefits upon retirement. Retirees under age 65 pay the same premium for the medical and prescription drug benefits as active employees, which results in an implicit rate subsidy and an OPEB liability.

Retired participants must be age 55 or older at retirement. At June 30, 2024 and January 1, 2022, respectively, the following employees were covered by the benefit terms:

	Primary Government	Component Unit - Waverly Utilities
Inactive employees/beneficiaries currently receiving benefit payments	5	5
Active employees	72	28
Total	77	33

Total OPEB Liability – The total OPEB liability of the City was \$1,142,713 and the component unit was \$702,927 measured as of June 30, 2024 and December 31, 2023 respectively and was determined by an actuarial valuation as of June 30, 2024 for the City and as of January 1, 2022 for the component unit.

Actuarial Assumptions – The total OPEB liability for the City and the component unit in the June 30, 2024 and January 1, 2022, 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 OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2024**

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

	<b>City</b> (effective June 30, 2024)	<b>Component Unit</b> (effective January 1, 2022)
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	3.93% per year	2.06% per year
Healthcare cost trend rate	5% for all years	5.50% 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 3.93% and 2.06%, respectively, which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

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

**Changes in the Total OPEB Liability**

	City	Component Unit
Total OPEB liability beginning of year	\$ 665,752	\$ 724,817
Changes for the year:		
Service cost	42,217	49,273
Interest	24,499	15,058
Change of Benefit Terms	85,714	-
Differences between expected and actual experiences	259,426	-
Changes in assumptions	96,897	-
Benefit payments	(31,792)	(86,221)
Net changes	476,961	(21,890)
Total OPEB liability end of year	<u>\$ 1,142,713</u>	<u>\$ 702,927</u>
Total OPEB Liability due within one year	<u>\$ 117,149</u>	<u>\$ 61,163</u>

Total OPEB liability due within one year totaled \$117,149 for the City and \$61,163 for the component unit.

Changes of assumptions reflect a change in the discount rate from 3.54% in fiscal year 2023 to 3.93% in fiscal year 2024 for the City and no change in fiscal year 2023 for the component unit.

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

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2024**

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

City's Total OPEB Liability			Component Unit's Total OPEB Liability		
1% Decrease (2.93%)	Discount Rate (3.93%)	1% Increase (4.93%)	1% Decrease (1.06%)	Discount Rate (2.06%)	1% Increase (3.06%)
\$ 1,227,724	\$ 1,142,713	\$ 1,059,574	\$ 753,585	\$ 702,927	\$ 659,508

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

City's Total OPEB Liability			Component Unit's Total OPEB Liability		
1% Decrease (4.00%)	Healthcare Cost Trend Rate (5.00%)	1% Increase (6.00%)	1% Decrease (4.50% Decreasing to 4.00%)	Healthcare Cost Trend Rate (5.50% Decreasing to 5.00%)	1% Increase (6.50% Decreasing to 6.00%)
\$1,027,085	\$1,142,713	\$ 1,278,550	\$ 665,688	\$ 702,927	\$ 737,313

For the year ended June 30, 2024 and December 31, 2023, the City and its component unit recognized OPEB expense of \$508,753 and \$64,331 respectively.

**Note 15 - COMMITMENTS**

During the year ended June 30, 2024, and in previous years the City had entered into several construction contracts totaling \$20,502,556 of which \$18,595,060 has been expended to date. The remaining balance will be paid as work progresses.

**Note 16 - CONTINGENCY**

The City receives significant financial assistance from the U.S. government. Entitlement to the resources is generally based on compliance with terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by the grantors. Any disallowances as a result of these audits become a liability of the fund that receives the grant. As of June 30, 2024, the City estimates that no material liabilities will result from such audits.

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2024**

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

The City has contracted with Black Hawk County Solid Waste Commission for solid waste disposal. The new contract began July 1, 2021. The County may not be accumulating sufficient financial resources and the participating governments are obligated for a proportionate share of the debt, therefore, the City of Waverly may have an ongoing financial responsibility. The City pays \$43/ton of solid waste delivered to the landfill.

**Note 18 - JOINT VENTURE**

The City is a participant with Bremer County in a joint venture to operate the Bremer – Waverly Public Safety Board. The City is obligated to remit 33% of the operating budget of the Bremer – Waverly Public Safety Board to the Organization. On dissolution of the Board, the net position is to be contributed to the County for the operation. The Organization is governed by a five member board composed of two designated representatives from the City and two from the County. The fifth member of the board is chosen by the four designated representatives. Complete financial statements for the Bremer – Waverly Public Safety Board can be obtained from the Board's administrative office. The investment in joint venture at June 30, 2024 was \$50,813.

**Note 19 - CONDUIT DEBT OBLIGATIONS**

The City has issued Industrial Development Revenue Bonds to provide financial assistance to a private-sector entity for the acquisition and construction of commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and payable solely from the private-sector entity. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Using the recognition criteria in GASB No. 91, *Conduit Debt Obligations*, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2024, Industrial Development Revenue Bonds had an original issue amount of \$1,000,000. The outstanding balance at June 30, 2024 was \$519,682.

**Note 20 - 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.

**CITY OF WAVERLY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2024**

**Note 20 - TAX ABATEMENTS (CONTINUED)**

Tax Abatements of Other Entities

Property tax revenues of the City were reduced by the following amounts for the year ended June 30, 2024 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	\$ 47,903

**Note 21 - CORRECTION OF ERROR**

During the current year, it was determined that certain prior year special assessments totaling \$65,313 were incorrectly recorded as a receivable asset instead of expenses in the Sewer Fund. To correct this error, the beginning fund balance of the Sewer Fund of \$12,269,440, as originally reported, has been decreased to \$12,204,127. In addition, beginning net position for business-type activities of \$20,235,216, as originally reported, has been decreased to \$20,169,903.

	<u>Business-Type Activities</u>	<u>Sewer Fund</u>
Beginning net position, as previously reported	\$ 20,235,216	\$ 12,269,440
Correction of an error	<u>(65,313)</u>	<u>(65,313)</u>
Beginning net position, as restated	<u>\$ 20,169,903</u>	<u>\$ 12,204,127</u>

**Note 22 - ACCOUNTING CHANGE**

As of January 1, 2022, Waverly Utilities adopted GASB Statement No. 96, Subscription Based Information Technology Arrangements. The object of the Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for subscription-based information technology arrangements by governments. The impact to Waverly Utilities resulted in the reporting of a right to use subscription based IT arrangement and a subscription liability. There was no effect of the implementation of this standard on the beginning net position.

**Note 23 - SUBSEQUENT EVENTS**

On November 18, 2024, the City of Waverly entered into a contract with Taylor Construction for the Rolling Prairie Trail Bridge Replacements Project in the amount of \$931,588.

**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, 2024**

	<b>Governmental Funds Actual</b>	<b>Proprietary Funds Actual</b>	<b>Total Actual</b>
<b>Receipts:</b>			
Taxes	\$ 11,407,147	\$ -	\$ 11,407,147
Special Assessments	3,924	-	3,924
Licenses and Permits	130,578	-	130,578
Intergovernmental Revenue	4,608,140	3,713	4,611,853
Charges for Services	881,527	6,269,307	7,150,834
Fines and Forfeits	45,475	-	45,475
Contributions	385,147	-	385,147
Refunds/Reimbursements	25,119	-	25,119
Revenue from Use of Property	97,283	98,200	195,483
Interest on Investments	321,652	141,171	462,823
Miscellaneous	318,520	-	318,520
<b>Total Receipts</b>	<u>18,224,512</u>	<u>6,512,391</u>	<u>24,736,903</u>
<b>Disbursements:</b>			
<b>Current:</b>			
Public Safety	3,042,076	-	3,042,076
Public Works	2,073,189	-	2,073,189
Health and Social Services	10,394	-	10,394
Culture and Recreation	3,963,729	-	3,963,729
Community and Economic Development	460,916	-	460,916
General Government	1,353,661	-	1,353,661
Capital Projects	6,420,144	-	6,420,144
Debt Service	5,283,582	-	5,283,582
Business Type/Enterprises	-	5,860,128	5,860,128
<b>Total Disbursements</b>	<u>22,607,691</u>	<u>5,860,128</u>	<u>28,467,819</u>
Excess (deficiency) of revenues over expenditures	<u>(4,383,179)</u>	<u>652,263</u>	<u>(3,730,916)</u>
<b>Other financing sources (uses):</b>			
Issuance of Debt	1,812,325	2,055,626	3,867,951
Premium on Bonds Issued	54,911	-	54,911
Transfers In	7,583,902	603,104	8,187,006
Transfers Out	(5,429,610)	(2,757,396)	(8,187,006)
<b>Total other financing sources (uses)</b>	<u>4,021,528</u>	<u>(98,666)</u>	<u>3,922,862</u>
Net Change in Fund Balance	(361,651)	553,597	191,946
Balances - beginning of year	<u>14,001,711</u>	<u>4,703,361</u>	<u>18,705,072</u>
Balances - end of year	<u>\$ 13,640,060</u>	<u>\$ 5,256,958</u>	<u>\$ 18,897,018</u>
<b>Reconciliation of Ending Fund Balance - Cash Basis:</b>			
Cash and Cash Equivalents	\$ 11,440,474	\$ 3,673,494	\$ 15,113,968
Certificates of Deposit	465,000	400,000	865,000
Investments	1,530,036	489,834	2,019,870
Restricted Cash and Cash Equivalents	204,550	443,630	648,180
Restricted Certificates of Deposit	-	250,000	250,000
	<u>\$ 13,640,060</u>	<u>\$ 5,256,958</u>	<u>\$ 18,897,018</u>



<b>Budgeted Amounts</b>		<b>Final to Actual Variance</b>
<b>Original</b>	<b>Final</b>	
\$ 11,468,718	\$ 11,498,984	\$ (91,837)
9,000	9,686	(5,762)
35,195	39,082	91,496
5,404,528	7,397,630	(2,785,777)
6,713,853	6,745,327	405,507
-	-	45,475
-	-	385,147
-	-	25,119
319,595	444,085	(248,602)
-	-	462,823
<u>2,093,400</u>	<u>2,270,715</u>	<u>(1,952,195)</u>
<u>26,044,289</u>	<u>28,405,509</u>	<u>(3,668,606)</u>
3,328,424	3,374,381	332,305
2,252,092	2,329,602	256,413
9,874	10,394	-
3,846,257	4,024,740	61,011
617,686	626,206	165,290
1,468,486	1,565,098	211,437
9,545,798	12,051,857	5,631,713
5,076,496	5,088,996	(194,586)
<u>6,365,350</u>	<u>6,569,612</u>	<u>709,484</u>
<u>32,510,463</u>	<u>35,640,886</u>	<u>7,173,067</u>
<u>(6,466,174)</u>	<u>(7,235,377)</u>	<u>3,504,461</u>
4,517,063	1,715,950	2,152,001
-	-	54,911
5,745,782	6,043,980	2,143,026
<u>(5,745,782)</u>	<u>(6,043,980)</u>	<u>(2,143,026)</u>
<u>4,517,063</u>	<u>1,715,950</u>	<u>2,206,912</u>
(1,949,111)	(5,519,427)	5,711,373
<u>18,705,072</u>	<u>18,705,072</u>	<u>-</u>
<u>\$ 16,755,961</u>	<u>\$ 13,185,645</u>	<u>\$ 5,711,373</u>

**CITY OF WAVERLY, IOWA**  
**BUDGET TO GAAP RECONCILIATION**  
**REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY REPORTING**  
**For the Year Ended June 30, 2024**

	Cash Basis	Accrual Adjustments	Accrual/ Modified Accrual Basis
Revenue:			
Taxes	\$ 11,407,147	\$ 30,502	\$ 11,437,649
Special Assessments	3,924	(1)	3,923
Licenses and Permits	130,578	11	130,589
Intergovernmental Revenue	4,611,853	(89,862)	4,521,991
Charges for Services	7,150,834	(1,770)	7,149,064
Fines and Forfeits	45,475	(3,605)	41,870
Contributions	385,147	31,438	416,585
Refunds/Reimbursements	25,119	-	25,119
Revenue from Use of Property	195,483	21,175	216,658
Interest on Investments	462,823	19,707	482,530
Miscellaneous	318,520	1,028	319,548
Total Revenue	<u>24,736,903</u>	<u>8,623</u>	<u>24,745,526</u>
Expenditures/Expenses:			
Current:			
Public Safety	3,042,076	45,249	3,087,325
Public Works	2,073,189	(22,835)	2,050,354
Health and Social Services	10,394	-	10,394
Culture and Recreation	3,963,729	106,471	4,070,200
Community and Economic Development	460,916	3,692	464,608
General Government	1,353,661	23,969	1,377,630
Capital Projects	6,420,144	91,465	6,511,609
Debt Service	5,283,582	(25,650)	5,257,932
Business Type/Enterprises	5,860,128	(656,525)	5,203,603
Total Expenditures/Expenses	<u>28,467,819</u>	<u>(434,164)</u>	<u>28,033,655</u>
Excess (Deficiency) of Revenues Over Expenditures/Expenses	<u>(3,730,916)</u>	<u>442,787</u>	<u>(3,288,129)</u>
Other financing sources (uses):			
Issuance of Debt	3,867,951	(2,055,626)	1,812,325
Premium on Bonds Issued	54,911	-	54,911
Contributed Capital Revenue	-	2,097,593	2,097,593
Transfers In	8,187,006	(2,026,604)	6,160,402
Transfers Out	(8,187,006)	2,026,604	(6,160,402)
Total other financing sources (uses)	<u>3,922,862</u>	<u>41,967</u>	<u>3,964,829</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures/Expenses and Other (Uses)	191,946	484,754	676,700
Fund Balance/Retained Earnings - beginning of year	18,705,072	14,597,869	33,302,941
Correction of Error	-	(65,313)	(65,313)
Fund Balance/Retained Earnings - beginning of year, as Restated	<u>18,705,072</u>	<u>14,532,556</u>	<u>33,237,628</u>
Fund Balance/Retained Earnings - end of year	<u>\$ 18,897,018</u>	<u>\$ 15,017,310</u>	<u>\$ 33,914,328</u>

**CITY OF WAVERLY**  
**Required Supplementary Information – Budgetary Reporting**  
**For the Year Ended June 30, 2024**

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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 \$3,130,423 and increased budgeted revenues by \$2,361,220. The budget amendment is reflected in the final budgeted amounts.

During the year ended June 30, 2024, disbursements exceeded the budget in the debt service 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, 2024**  
**Required Supplementary Information**

	2024		2023		2022		
	City	Component Unit	City	Component Unit	City	Component Unit	
Service Cost	\$ 42,217	\$ 49,273	\$ 40,987	\$ 47,954	\$ 58,208	\$ 37,188	
Interest Cost	24,499	15,058	23,421	14,630	21,656	16,078	
Changes of Benefit Terms	85,714	-	-	-	-	-	
Difference between expected and actual experiences	259,426	-	-	108,824	(259,087)	-	
Changes in Assumptions	96,897	-	-	23,398	(75,674)	-	
Benefit payments	(31,792)	(86,221)	(38,542)	(65,204)	(53,837)	(15,326)	
Net Change in total OPEB liability	476,961	(21,890)	25,866	129,602	(308,734)	37,940	
Total OPEB liability beginning of year	665,752	724,817	639,886	595,215	948,620	557,275	
Total OPEB liability end of year	<u>\$ 1,142,713</u>	<u>\$ 702,927</u>	<u>\$ 665,752</u>	<u>\$ 724,817</u>	<u>\$ 639,886</u>	<u>\$ 595,215</u>	
Covered-employee payroll	\$ 5,309,314	\$ 2,455,379	\$ 4,753,749	\$ 2,470,187	\$ 4,615,290	\$ 2,470,187	
Total OPEB liability as a percentage of covered-employee payroll	21.52%	28.63%	14.00%	29.34%	13.86%	24.10%	
	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.

**CITY OF WAVERLY, IOWA**  
**Schedule of Changes in the City's**  
**Total OPEB Liability, Related Ratios and Notes**  
**For the Year Ended June 30, 2024**  
**Required Supplementary Information**

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

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

*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, 2024	3.93%
Year ended June 30, 2023	3.54%
Year ended June 30, 2022	3.54%
Year ended June 30, 2021	2.21%
Year ended June 30, 2020	2.21%
Year ended June 30, 2019	3.87%
Year ended June 30, 2018	3.87%
Year ended June 30, 2017	4.50%

<b>Component Unit</b>	
Year ended December 31, 2023	2.06%
Year ended December 31, 2022	2.06%
Year ended December 31, 2021	2.74%
Year ended December 31, 2020	2.74%
Year ended December 31, 2019	3.44%
Year ended December 31, 2018	3.44%

**CITY OF WAVERLY, IOWA**  
**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF**  
**THE NET PENSION LIABILITY (ASSET)**  
**IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM LAST FISCAL TEN YEARS\***  
**(IN THOUSANDS)**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	<b>City</b>				
	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Proportion of the net pension liability (asset)	0.050186%	0.053599%	0.015629%	0.047426%	0.047284%
Proportionate share of the net pension liability (asset)	\$ 2,265	\$ 2,025	\$ 54	\$ 3,331	\$ 2,738
Covered payroll	\$ 4,423	\$ 4,342	\$ 3,929	\$ 3,778	\$ 3,617
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	51.21%	46.64%	1.37%	88.17%	75.70%
Plan fiduciary position as a percentage of the total pension liability (asset)	90.13%	91.40%	100.81%	82.90%	85.45%
	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Proportion of the net pension liability (asset)	0.046991%	0.045647%	0.046174%	0.047006%	0.048661%
Proportionate share of the net pension liability (asset)	\$ 2,974	\$ 3,041	\$ 2,906	\$ 2,337	\$ 1,930
Covered payroll	\$ 3,550	\$ 3,427	\$ 3,312	\$ 3,236	\$ 3,180
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	83.77%	88.74%	87.74%	72.22%	60.69%
Plan fiduciary position as a percentage of the total pension liability (asset)	83.62%	82.21%	81.82%	85.19%	84.61%

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

See accompanying independent auditors' report

**CITY OF WAVERLY, IOWA**  
**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF**  
**THE NET PENSION LIABILITY (ASSET)**  
**IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM LAST FISCAL TEN YEARS\***  
**(IN THOUSANDS)**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	<b>Component Unit</b>				
	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Proportion of the net pension liability (asset)	0.360783%	0.346264%	-0.096525%	0.338933%	0.352341%
Proportionate share of the net pension liability (asset)	\$ 16,315	\$ 13,141	\$ (400)	\$ 23,793	\$ 20,415
Covered payroll	\$ 34,687	\$ 32,274	\$ 31,279	\$ 29,737	\$ 27,972
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	47.03%	40.72%	-1.28%	76.07%	72.98%
Plan fiduciary position as a percentage of the total pension liability (asset)	90.13%	91.40%	100.81%	82.90%	85.45%
	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Proportion of the net pension liability (asset)	0.349185%	0.312792%	0.341800%	0.334315%	0.313143%
Proportionate share of the net pension liability (asset)	\$ 22,097	\$ 22,919	\$ 21,492	\$ 16,521	\$ 12,419
Covered payroll	\$ 29,151	\$ 25,330	\$ 24,244	\$ 23,902	\$ 23,310
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	75.80%	90.48%	88.65%	69.12%	53.28%
Plan fiduciary position as a percentage of the total pension liability (asset)	83.62%	82.21%	81.82%	85.19%	84.61%

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, 2024**

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
City's Proportion of the net pension liability	0.339441%	0.365962%	0.340694%	0.349001%	0.365489%
City's Proportionate share of the net pension liability	\$ 2,126	\$ 2,055	\$ 765	\$ 2,783	\$ 2,397
City's Covered payroll	\$ 1,231	\$ 1,236	\$ 1,107	\$ 1,109	\$ 1,106
City's Proportionate share of the net pension liability as a percentage of its covered payroll	172.71%	166.26%	69.11%	250.95%	216.73%
Plan fiduciary position as a percentage of the total pension liability	83.53%	84.62%	93.62%	76.47%	79.94%
	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
City's Proportion of the net pension liability	0.367123%	0.003639%	0.365764%	0.360469%	0.364687%
City's Proportionate share of the net pension liability	\$ 2,186	\$ 2,134	\$ 2,287	\$ 1,694	\$ 1,322
City's Covered payroll	\$ 1,053	\$ 1,030	\$ 991	\$ 945	\$ 930
City's Proportionate share of the net pension liability as a percentage of its covered payroll	207.60%	200.07%	230.78%	179.26%	142.15%
Plan fiduciary position as a percentage of the total pension liability	81.07%	80.60%	78.20%	83.04%	86.27%

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

See accompanying independent auditors' report



**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, 2024**

<b>City</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Statutorily required contribution	\$ 456	\$ 418	\$ 410	\$ 371	\$ 357
Contributions in relation to the statutorily required contribution	(456)	(418)	(410)	(371)	(357)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 4,826	\$ 4,423	\$ 4,342	\$ 3,929	\$ 3,778
Contributions as a percentage of covered payroll	9.45%	9.45%	9.44%	9.44%	9.45%

<b>City</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Statutorily required contribution	\$ 342	\$ 317	\$ 306	\$ 297	\$ 289
Contributions in relation to the statutorily required contribution	(342)	(317)	(306)	(297)	(289)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 3,617	\$ 3,550	\$ 3,427	\$ 3,312	\$ 3,236
Contributions as a percentage of covered payroll	9.44%	8.93%	8.93%	8.93%	8.93%

<b>Component Unit</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Statutorily required contribution	\$ 3,183	\$ 3,055	\$ 2,832	\$ 2,724	\$ 2,631
Contributions in relation to the statutorily required contribution	(3,183)	(3,055)	(2,832)	(2,724)	(2,631)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Component Unit's covered payroll	\$ 36,278	\$ 34,687	\$ 32,274	\$ 31,279	\$ 29,737
Contributions as a percentage of covered payroll	8.77%	8.81%	8.77%	8.71%	8.85%

<b>Component Unit</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Statutorily required contribution	\$ 2,518	\$ 2,432	\$ 2,262	\$ 2,165	\$ 1,981
Contributions in relation to the statutorily required contribution	(2,518)	(2,432)	(2,262)	(2,165)	(1,981)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Component Unit's covered payroll	\$ 27,972	\$ 29,151	\$ 25,330	\$ 24,244	\$ 23,902
Contributions as a percentage of covered payroll	9.00%	8.34%	8.93%	8.93%	8.30%

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, 2024**

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Statutorily required contribution	\$ 326	\$ 294	\$ 324	\$ 280	\$ 271
Contributions in relation to the statutorily required contribution	(326)	(294)	(324)	(280)	(271)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 1,419	\$ 1,231	\$ 1,236	\$ 1,107	\$ 1,109
Contributions as a percentage of covered payroll	22.97%	23.88%	26.21%	25.29%	24.44%
	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Statutorily required contribution	\$ 288	\$ 274	\$ 267	\$ 275	\$ 287
Contributions in relation to the statutorily required contribution	(288)	(274)	(267)	(275)	(287)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 1,106	\$ 1,053	\$ 1,030	\$ 991	\$ 945
Contributions as a percentage of covered payroll	26.04%	26.02%	25.92%	27.77%	30.41%

See accompanying independent auditors' report

**CITY OF WAVERLY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION –  
PENSION LIABILITY (ASSET)  
FOR THE YEAR ENDED JUNE 30, 2024**

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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 2022 valuation implemented the following refinements after a quadrennial experience study:

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

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

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

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

- Decreased the inflation assumption from 3.00 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.

See accompanying independent auditors' report

**CITY OF WAVERLY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION –  
PENSION LIABILITY (ASSET)  
FOR THE YEAR ENDED JUNE 30, 2024**

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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.

See accompanying independent auditors' report

**SUPPLEMENTARY INFORMATION**

**CITY OF WAVERLY, IOWA**  
**COMBINING BALANCE SHEET**  
**Governmental Nonmajor Funds**  
**June 30, 2024**

	<b>Special Revenue Funds</b>		
	<b>Road Use Tax</b>	<b>Tax Increment Financing (Formerly Major)</b>	<b>Local Option Sales Tax</b>
<b>Assets</b>			
Cash and Cash Equivalents	\$ 1,181,336	\$ 618,883	\$ 630,494
Certificates of Deposit	-	-	-
Receivables (Net, where applicable, of allowance for uncollectibles)			
Accounts	-	-	-
Taxes	-	9,166	-
Subsequent Year Taxes	-	1,279,400	-
Special Assessments	-	-	-
Due from Other Governmental Agencies	133,820	-	129,696
Restricted Assets:			
Cash and Cash Equivalents	-	-	204,550
<b>Total Assets</b>	<b>1,315,156</b>	<b>1,907,449</b>	<b>964,740</b>
<b>Liabilities</b>			
Accounts Payable	11,017	-	-
Accrued Wages	12,603	-	-
Due to Other Funds	-	-	-
<b>Total Liabilities</b>	<b>23,620</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue - subsequent year taxes	-	1,279,400	-
Unavailable Revenue - special assessments	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>1,279,400</b>	<b>-</b>
<b>Fund Balances (Deficits)</b>			
Nonspendable:			
Perpetual Care	-	-	-
Restricted for:			
Road Purposes	1,291,536	628,049	-
Local Option Sales Tax	-	-	964,740
Capital Expenditures	-	-	-
Cable TV	-	-	-
Assigned for:			
Capital Improvement	-	-	-
Unassigned	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b>1,291,536</b>	<b>628,049</b>	<b>964,740</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>	<b>\$ 1,315,156</b>	<b>\$ 1,907,449</b>	<b>\$ 964,740</b>

Special Revenue Funds			Capital Project Funds			
Sales Tax Increment Fund	West Waverly TIF	Cable TV	Sidewalk Program	WPC Improvements (Formerly Major)	2017 Bituminous Seal Coat	
\$ 547,601	\$ 6,922	\$ 110,093	\$ 4,275	\$ -	\$ 42,982	
-	-	-	-	-	-	
-	-	2,938	-	-	-	
-	33,122	-	-	-	-	
-	-	-	8,040	-	-	
-	-	8,080	-	-	-	
-	-	-	-	-	-	
547,601	40,044	121,111	12,315	-	42,982	
-	-	-	-	684,493	11,548	
-	-	-	-	-	-	
-	-	-	-	90,944	-	
-	-	-	-	775,437	11,548	
-	-	-	-	-	-	
-	-	-	5,895	-	-	
-	-	-	5,895	-	-	
-	-	-	-	-	-	
547,601	40,044	-	-	-	-	
-	-	-	-	-	-	
-	-	121,111	-	-	-	
-	-	-	6,420	-	31,434	
-	-	-	-	(775,437)	-	
547,601	40,044	121,111	6,420	(775,437)	31,434	
\$ 547,601	\$ 40,044	\$ 121,111	\$ 12,315	\$ -	\$ 42,982	

**CITY OF WAVERLY, IOWA**  
**COMBINING BALANCE SHEET**  
**Governmental Nonmajor Funds**  
**June 30, 2024**

	<b>Capital Project Funds</b>		
	<b>Capital Improvement Fund</b>	<b>Youth Ball Diamond</b>	<b>Sanitary Sewer Improvement</b>
<b>Assets</b>			
Cash and Pooled Investments	\$ 462,045	\$ 121,673	\$ 165,436
Certificates of Deposit	-	-	-
Receivables (Net, where applicable, of allowance for uncollectibles)			
Accounts	-	75,619	-
Taxes	-	-	-
Subsequent Year Taxes	-	-	-
Special Assessments	-	-	-
Due from Other Governmental Agencies	-	-	-
Restricted Assets:			
Cash and Cash Equivalents	-	-	-
<b>Total Assets</b>	<b>462,045</b>	<b>197,292</b>	<b>165,436</b>
<b>Liabilities</b>			
Accounts Payable	19,101	3,150	-
Accrued Wages	-	-	-
Due to Other Funds	-	-	-
<b>Total Liabilities</b>	<b>19,101</b>	<b>3,150</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue - subsequent year taxes	-		
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	-	194,142	-
Cable TV	-	-	-
Assigned for:			
Capital Improvement	442,944	-	165,436
Unassigned	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b>442,944</b>	<b>194,142</b>	<b>165,436</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>	<b>\$ 462,045</b>	<b>\$ 197,292</b>	<b>\$ 165,436</b>



**Capital Project Funds**

<b>Storm Drainage Improvement</b>	<b>Bremer Ave Hwy 3 Reconstruction</b>	<b>10th St SW Improvements</b>	<b>S Riverside PK 2019</b>	<b>South Industrial Park</b>	<b>Alley Reconstruction Project</b>
\$ 50,000	\$ -	\$ -	\$ -	\$ 578,584	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	120,000	-
-	-	-	-	-	-
50,000	-	-	-	698,584	-
7,428	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	20
7,428	-	-	-	-	20
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
42,572	-	-	-	698,584	-
-	-	-	-	-	(20)
42,572	-	-	-	698,584	(20)
\$ 50,000	\$ -	\$ -	\$ -	\$ 698,584	\$ -

**CITY OF WAVERLY, IOWA**  
**COMBINING BALANCE SHEET**  
**Governmental Nonmajor Funds**  
**June 30, 2024**

	<b>Capital Project Funds</b>		
	<b>1st Street NW Reconstruction</b>	<b>Airport Runway 11 Taxiway</b>	<b>10th Ave SW Trail Extension</b>
<b>Assets</b>			
Cash and Pooled Investments	\$ -	\$ -	\$ 1,480
Certificates of Deposit	-	-	-
Receivables (Net, where applicable, of allowance for uncollectibles)			
Accounts	-	-	-
Taxes	-	-	-
Subsequent Year Taxes	-	-	-
Special Assessments	1,820	-	-
Due from Other Governmental Agencies	-	52,916	13,531
Restricted Assets:			
Cash and Cash Equivalents	-	-	-
<b>Total Assets</b>	<b>1,820</b>	<b>52,916</b>	<b>15,011</b>
<b>Liabilities</b>			
Accounts Payable	-	9,528	7,257
Accrued Wages	-	-	-
Due to Other Funds	1	74,191	-
<b>Total Liabilities</b>	<b>1</b>	<b>83,719</b>	<b>7,257</b>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue - subsequent year taxes	-	-	-
Unavailable Revenue - special assessments	1,528	-	-
<b>Total Deferred Inflows of Resources</b>	<b>1,528</b>	<b>-</b>	<b>-</b>
<b>Fund Balances (Deficits)</b>			
Nonspendable:			
Perpetual Care	-	-	-
Restricted for:			
Road Purposes	-	-	-
Local Option Sales Tax	-	-	-
Capital Expenditures	-	-	7,754
Cable TV	-	-	-
Assigned for:			
Capital Improvement	291	-	-
Unassigned	-	(30,803)	-
<b>Total Fund Balances (Deficits)</b>	<b>291</b>	<b>(30,803)</b>	<b>7,754</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>	<b>\$ 1,820</b>	<b>\$ 52,916</b>	<b>\$ 15,011</b>

**Capital Project Funds**

<b>4th St Project</b>	<b>Airport Taxilane Reconstruction</b>	<b>Water Projects</b>	<b>Parks Building</b>	<b>Library Renovation</b>	<b>Rail Trail Bridges</b>
\$ -	\$ -	\$ 1,122,023	\$ 612,296	\$ -	\$ 2,128,644
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	53,010	-	-	39,010	-
-	-	-	-	-	-
-	53,010	1,122,023	612,296	39,010	2,128,644
-	-	1,650	224,297	279,534	420,136
-	-	-	-	-	-
-	71,925	-	-	-	-
-	71,925	1,650	224,297	279,534	420,136
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,120,373	387,999	-	1,708,508
-	-	-	-	-	-
-	(18,915)	-	-	(240,524)	-
-	(18,915)	1,120,373	387,999	(240,524)	1,708,508
\$ -	\$ 53,010	\$ 1,122,023	\$ 612,296	\$ 39,010	\$ 2,128,644

**CITY OF WAVERLY, IOWA**  
**COMBINING BALANCE SHEET**  
**Governmental Nonmajor Funds**  
**June 30, 2024**

	<b>Capital Project Funds</b>		
	<b>Tailrace Removal</b>	<b>Parkway Traffic Beacons</b>	<b>Public Works Building</b>
<b>Assets</b>			
Cash and Pooled Investments	\$ 282,203	\$ 143,912	\$ 501,629
Certificates of Deposit	-	-	-
Receivables (Net, where applicable, of allowance for uncollectibles)			
Accounts	-	-	-
Taxes	-	-	-
Subsequent Year Taxes	-	-	-
Special Assessments	-	-	-
Due from Other Governmental Agencies	-	-	-
Restricted Assets:			
Cash and Cash Equivalents	-	-	-
<b>Total Assets</b>	<b>282,203</b>	<b>143,912</b>	<b>501,629</b>
<b>Liabilities</b>			
Accounts Payable	6,043	1	-
Accrued Wages	-	-	-
Due to Other Funds	-	-	-
<b>Total Liabilities</b>	<b>6,043</b>	<b>1</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue - subsequent year taxes	-	-	-
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	276,160	143,911	501,629
Cable TV	-	-	-
Assigned for:			
Capital Improvement	-	-	-
Unassigned	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b>276,160</b>	<b>143,911</b>	<b>501,629</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>	<b>\$ 282,203</b>	<b>\$ 143,912</b>	<b>\$ 501,629</b>

Capital Project Funds		Permanent	
Concrete & Building Projects	Fueling Station Project	Perpetual Care	Governmental Nonmajor Funds
\$ 86,590	\$ 311,462	\$ 77,457	\$ 9,788,020
-	-	465,000	465,000
-	-	-	78,557
-	-	-	42,288
-	-	-	1,279,400
-	-	-	9,860
-	-	-	550,063
-	-	-	204,550
<u>86,590</u>	<u>311,462</u>	<u>542,457</u>	<u>12,417,738</u>
3,531	-	-	1,688,714
-	-	-	12,603
-	-	-	237,081
<u>3,531</u>	-	-	<u>1,938,398</u>
-	-	-	1,279,400
-	-	-	7,423
-	-	-	<u>1,286,823</u>
-	-	542,457	542,457
-	-	-	1,919,585
-	-	-	1,552,385
-	311,462	-	4,651,938
-	-	-	121,111
83,059	-	-	1,470,740
-	-	-	(1,065,699)
<u>83,059</u>	<u>311,462</u>	<u>542,457</u>	<u>9,192,517</u>
\$ 86,590	\$ 311,462	\$ 542,457	\$ 12,417,738

**CITY OF WAVERLY, IOWA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**Governmental Nonmajor Funds**  
**For the Year Ended June 30, 2024**

	<b>Special Revenue Funds</b>		
	<b>Road Use Tax</b>	<b>Tax Increment Financing (Formerly Major)</b>	<b>Local Option Sales Tax</b>
Revenue:			
Taxes	\$ -	\$ 1,124,947	1,399,093
Special Assessments	-	-	-
Licenses and Permits	-	-	-
Intergovernmental Revenue	1,469,235	-	-
Contributions	-	-	-
Refunds/Reimbursements	2,128	-	-
Revenue from Use of Property	-	-	-
Interest	12,670	11,491	16,113
Miscellaneous	20,521	-	-
Total Revenue	<u>1,504,554</u>	<u>1,136,438</u>	<u>1,415,206</u>
Expenditures:			
Current:			
Public Works	1,348,117	-	-
Culture and Recreation	-	-	-
Capital Projects	1,872	-	-
Debt Service	-	-	-
Total Expenditures	<u>1,349,989</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>154,565</u>	<u>1,136,438</u>	<u>1,415,206</u>
Other financing sources (uses):			
Issuance of Debt	-	-	-
Premium on Bond Issuance	-	-	-
Transfers In	-	-	-
Transfers Out	(121,225)	(1,122,265)	(1,618,323)
Total other financing sources (uses)	<u>(121,225)</u>	<u>(1,122,265)</u>	<u>(1,618,323)</u>
Net Change in Fund Balance	33,340	14,173	(203,117)
Fund balances (deficits) - beginning of year	1,258,196	-	1,167,857
Adjustment - changes from major fund to nonmajor fund	-	613,876	-
Fund balances (deficits) - beginning of year, as restated	<u>1,258,196</u>	<u>613,876</u>	<u>1,167,857</u>
Fund balances (deficits) - end of year	<u>\$ 1,291,536</u>	<u>\$ 628,049</u>	<u>\$ 964,740</u>

Special Revenue funds			Capital Project Funds			
Sales Tax Increment Fund	West Waverly TIF	Cable TV	Sidewalk Program	WPC Improvements (Formerly Major)	2017 Bituminous Seal Coat	
\$ 579,006	\$ 40,000	\$ -	\$ -	\$ -	\$ -	
-	-	-	3,063	-	-	
-	-	42,933	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
9,603	44	-	-	-	-	
-	-	-	-	-	-	
588,609	40,044	42,933	3,063	-	-	
-	-	-	-	-	-	
-	-	32,623	-	-	-	
-	-	-	20,898	1,878,157	12,438	
-	-	-	-	-	-	
-	-	32,623	20,898	1,878,157	12,438	
588,609	40,044	10,310	(17,835)	(1,878,157)	(12,438)	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	6,434	2,055,626	200,000	
(579,800)	-	-	(226)	-	-	
(579,800)	-	-	6,208	2,055,626	200,000	
8,809	40,044	10,310	(11,627)	177,469	187,562	
538,792	-	110,801	18,047	-	(156,128)	
-	-	-	-	(952,906)	-	
538,792	-	110,801	18,047	(952,906)	(156,128)	
\$ 547,601	\$ 40,044	\$ 121,111	\$ 6,420	\$ (775,437)	\$ 31,434	

**CITY OF WAVERLY, IOWA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**Governmental Nonmajor Funds**  
**For the Year Ended June 30, 2024**

	<b>Capital Project Funds</b>		
	<b>Capital Improvement Fund</b>	<b>Youth Ball Diamond</b>	<b>Sanitary Sewer Improvement</b>
Revenue:			
Taxes	\$ -	\$ -	\$ -
Special Assessments	-	-	-
Licenses and Permits	-	-	-
Intergovernmental Revenue	273,113	2,500	-
Contributions	-	93,124	-
Refunds/Reimbursements	-	22,677	-
Revenue from Use of Property	-	-	-
Interest	4,640	-	-
Miscellaneous	-	-	-
Total Revenue	<u>277,753</u>	<u>118,301</u>	<u>-</u>
Expenditures:			
Current:			
Public Works	-	-	-
Culture and Recreation	-	-	-
Capital Projects	113,887	79,789	-
Debt Service	8,121	-	-
Total Expenditures	<u>122,008</u>	<u>79,789</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>155,745</u>	<u>38,512</u>	<u>-</u>
Other financing sources (uses):			
Issuance of Debt	-	-	-
Premium on Bond Issuance	-	-	-
Transfers In	-	-	40,000
Transfers Out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>40,000</u>
Net Change in Fund Balance	155,745	38,512	40,000
Fund balances (deficits) - beginning of year	287,199	155,630	125,436
Adjustment - changes from major fund to nonmajor fund	-	-	-
Fund balances (deficits) - beginning of year, as restated	<u>287,199</u>	<u>155,630</u>	<u>125,436</u>
Fund balances (deficits) - end of year	<u>\$ 442,944</u>	<u>\$ 194,142</u>	<u>\$ 165,436</u>



**Capital Project Funds**

<b>Storm Drainage Improvement</b>	<b>Bremer Ave Hwy 3 Reconstruction</b>	<b>10th St SW Improvements</b>	<b>S Riverside PK 2019</b>	<b>South Industrial Park</b>	<b>Alley Reconstruction Project</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	300,000	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	8,346	-
-	-	-	-	-	-
-	-	-	-	308,346	-
-	-	-	-	-	-
-	-	-	-	-	-
7,428	-	-	4,280	330,516	71,270
-	-	-	-	-	-
7,428	-	-	4,280	330,516	71,270
(7,428)	-	-	(4,280)	(22,170)	(71,270)
-	-	-	-	-	-
-	-	-	-	-	-
25,000	226	-	-	-	78,456
-	-	(4,305)	(839)	-	-
25,000	226	(4,305)	(839)	-	78,456
17,572	226	(4,305)	(5,119)	(22,170)	7,186
25,000	(226)	4,305	5,119	720,754	(7,206)
-	-	-	-	-	-
25,000	(226)	4,305	5,119	720,754	(7,206)
\$ 42,572	\$ -	\$ -	\$ -	\$ 698,584	\$ (20)

**CITY OF WAVERLY, IOWA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**Governmental Nonmajor Funds**  
**For the Year Ended June 30, 2024**

	<b>Capital Project Funds</b>		
	<b>1st Street NW Reconstruction</b>	<b>Airport Runway 11 Taxiway</b>	<b>10th Ave SW Trail Extension</b>
<b>Revenue:</b>			
Taxes	\$ -	\$ -	\$ -
Special Assessments	685	-	-
Licenses and Permits	-	-	-
Intergovernmental Revenue	-	588,244	1,765
Contributions	-	-	-
Refunds/Reimbursements	-	-	-
Revenue from Use of Property	-	-	-
Interest	-	-	-
Miscellaneous	-	-	-
Total Revenue	<u>685</u>	<u>588,244</u>	<u>1,765</u>
<b>Expenditures:</b>			
<b>Current:</b>			
Public Works	-	-	-
Culture and Recreation	-	-	-
Capital Projects	-	657,131	10,081
Debt Service	-	-	-
Total Expenditures	<u>-</u>	<u>657,131</u>	<u>10,081</u>
Excess (deficiency) of revenues over expenditures	<u>685</u>	<u>(68,887)</u>	<u>(8,316)</u>
<b>Other financing sources (uses):</b>			
Issuance of Debt	-	-	-
Premium on Bond Issuance	-	-	-
Transfers In	-	42,819	-
Transfers Out	(3,018)	-	-
Total other financing sources (uses)	<u>(3,018)</u>	<u>42,819</u>	<u>-</u>
Net Change in Fund Balance	(2,333)	(26,068)	(8,316)
Fund balances (deficits) - beginning of year	2,624	(4,735)	16,070
Adjustment - changes from major fund to nonmajor fund	-	-	-
Fund balances (deficits) - beginning of year, as restated	<u>2,624</u>	<u>(4,735)</u>	<u>16,070</u>
Fund balances (deficits) - end of year	<u>\$ 291</u>	<u>\$ (30,803)</u>	<u>\$ 7,754</u>

**Capital Project Funds**

<b>4th St Project</b>	<b>Airport Taxilane Reconstruction</b>	<b>Water Projects</b>	<b>Parks Building</b>	<b>Library Renovation</b>	<b>Rail Trail Bridges</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	176,512	-	-	298,812	-
-	-	-	-	-	-
-	-	20,000	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	176,512	20,000	-	298,812	-
-	-	-	-	-	-
-	-	-	-	-	-
-	288,178	215,722	411,991	1,741,060	515,714
-	1,881	21,106	(2,959)	(2,960)	33,726
-	290,059	236,828	409,032	1,738,100	549,440
-	(113,547)	(216,828)	(409,032)	(1,439,288)	(549,440)
-	-	-	-	-	1,453,528
-	-	-	-	-	54,911
-	-	-	100,000	501,723	-
(11,567)	-	-	-	-	-
(11,567)	-	-	100,000	501,723	1,508,439
(11,567)	(113,547)	(216,828)	(309,032)	(937,565)	958,999
11,567	94,632	1,337,201	697,031	697,041	749,509
-	-	-	-	-	-
11,567	94,632	1,337,201	697,031	697,041	749,509
\$ -	\$ (18,915)	\$ 1,120,373	\$ 387,999	\$ (240,524)	\$ 1,708,508

**CITY OF WAVERLY, IOWA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**Governmental Nonmajor Funds**  
**For the Year Ended June 30, 2024**

	<b>Capital Project Funds</b>		
	<b>Tailrace Removal</b>	<b>Parkway Traffic Beacons</b>	<b>Public Works Building</b>
Revenue:			
Taxes	\$ -	\$ -	\$ -
Special Assessments	-	-	-
Licenses and Permits	-	-	-
Intergovernmental Revenue	-	-	-
Contributions	-	-	-
Refunds/Reimbursements	-	-	-
Revenue from Use of Property	-	-	-
Interest	-	-	-
Miscellaneous	-	-	-
Total Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:			
Current:			
Public Works	-	-	-
Culture and Recreation	-	-	-
Capital Projects	16,538	7,132	1,851
Debt Service	(1,268)	2,432	8,105
Total Expenditures	<u>15,270</u>	<u>9,564</u>	<u>9,956</u>
Excess (deficiency) of revenues over expenditures	<u>(15,270)</u>	<u>(9,564)</u>	<u>(9,956)</u>
Other financing sources (uses):			
Issuance of Debt	-	-	-
Premium on Bond Issuance	-	-	-
Transfers In	-	-	-
Transfers Out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(15,270)	(9,564)	(9,956)
Fund balances (deficits) - beginning of year	291,430	153,475	511,585
Adjustment - changes from major fund to nonmajor fund	-	-	-
Fund balances (deficits) - beginning of year, as restated	<u>291,430</u>	<u>153,475</u>	<u>511,585</u>
Fund balances (deficits) - end of year	<u>\$ 276,160</u>	<u>\$ 143,911</u>	<u>\$ 501,629</u>

Capital Project Funds		Permanent		
Concrete & Building Projects	Fueling Station Project	Perpetual Care	Governmental Nonmajor Funds	
\$ -	\$ -	\$ -	\$ -	3,143,046
-	-	-	-	3,748
-	-	-	-	42,933
-	-	-	-	3,110,181
-	-	4,765	-	97,889
-	-	-	-	24,805
-	-	-	-	20,000
-	-	-	-	62,907
-	-	-	-	20,521
-	-	4,765	-	6,526,030
-	-	-	-	1,348,117
-	-	-	-	32,623
125,676	-	-	-	6,511,609
-	10	-	-	68,194
125,676	10	-	-	7,960,543
(125,676)	(10)	4,765	-	(1,434,513)
-	311,472	-	-	1,765,000
-	-	-	-	54,911
839	-	-	-	3,051,123
-	-	-	-	(3,461,568)
839	311,472	-	-	1,409,466
(124,837)	311,462	4,765	-	(25,047)
207,896	-	537,692	-	9,556,594
-	-	-	-	(339,030)
207,896	-	537,692	-	9,217,564
\$ 83,059	\$ 311,462	\$ 542,457	\$ -	\$ 9,192,517

## CITY OF WAVERLY STATISTICAL SECTION

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

Contents:	Pages
Financial Trends	113 – 123
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	124 – 127
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	
Debt Capacity	128 – 136
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	137 - 139
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	140 - 143
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	

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

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

	<b>Fiscal Year</b>			
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Governmental Activities</b>				
Net Investment in Capital Assets	\$44,889,601	\$45,139,066	\$46,400,267	\$48,702,502
Restricted	2,043,840	2,706,371	3,236,491	2,893,954
Unrestricted	149,599	1,638,015	(113,581)	(2,095,449)
<b>Total Governmental Activities Net Position</b>	<u>\$47,083,040</u>	<u>\$49,483,452</u>	<u>\$49,523,177</u>	<u>\$49,501,007</u>
<b>Business-type Activities</b>				
Net Investment in Capital Assets	\$ 8,167,297	\$10,659,431	\$11,615,461	\$12,439,840
Restricted	-	22,734	103,401	94,493
Unrestricted	4,581,247	2,892,703	3,178,122	3,326,174
<b>Total Business-type Activities Net Position</b>	<u>\$12,748,544</u>	<u>\$13,574,868</u>	<u>\$14,896,984</u>	<u>\$15,860,507</u>
<b>Primary Government</b>				
Net Investment in Capital Assets	\$53,056,894	\$55,798,497	\$58,015,728	\$61,142,342
Restricted	2,043,840	2,729,105	3,339,892	2,988,447
Unrestricted	4,730,846	4,530,718	3,064,541	1,230,725
<b>Total Primary Government Activities Net Position</b>	<u>\$59,831,580</u>	<u>\$63,058,320</u>	<u>\$64,420,161</u>	<u>\$65,361,514</u>

Notes:

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

<b>Fiscal Year</b>					
<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$47,543,076	\$51,146,367	\$55,333,374	\$57,750,010	\$58,137,839	\$61,849,136
3,064,822	3,009,120	5,924,464	6,089,667	6,264,026	6,453,243
1,877,510	986,922	(2,206,473)	(1,723,291)	129,850	(413,715)
<u>\$52,485,408</u>	<u>\$55,142,409</u>	<u>\$59,051,365</u>	<u>\$62,116,386</u>	<u>\$64,531,715</u>	<u>\$67,888,664</u>
\$10,833,717	\$11,567,403	\$12,645,950	\$20,483,473	\$15,113,107	\$15,622,595
675,094	684,498	685,954	676,460	590,788	589,414
2,923,932	2,765,410	2,494,574	(3,571,288)	4,531,321	5,228,699
<u>\$14,432,743</u>	<u>\$15,017,311</u>	<u>\$15,826,478</u>	<u>\$17,588,645</u>	<u>\$20,235,216</u>	<u>\$21,440,708</u>
\$58,376,793	\$62,713,770	\$67,979,324	\$78,233,483	\$73,250,946	\$77,471,731
3,739,916	3,693,618	6,610,418	6,766,127	6,854,814	7,042,657
4,801,442	3,752,332	288,101	(5,294,579)	4,661,171	4,814,984
<u>\$66,918,151</u>	<u>\$70,159,720</u>	<u>\$74,877,843</u>	<u>\$79,705,031</u>	<u>\$84,766,931</u>	<u>\$89,329,372</u>



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

	Fiscal Year			
	2015	2016	2017	2018
<b>Expenses</b>				
Governmental Activities:				
General Government	\$ 964,181	\$ 812,686	\$ 1,149,474	\$ 1,149,385
Public Safety	2,187,109	2,247,521	2,478,198	2,701,599
Public Works	4,063,154	5,275,053	4,374,264	5,104,045
Health and Social Services	184,325	64,184	9,874	9,874
Community & Economic Development	1,557,169	515,249	1,292,607	729,567
Culture and Recreation	2,364,058	2,574,145	2,505,856	2,605,857
Debt Service	477,628	536,149	437,831	445,257
Total Governmental Activities Expenses	<u>11,797,624</u>	<u>12,024,987</u>	<u>12,248,104</u>	<u>12,745,584</u>
Business-type Activities				
Water	1,129,752	1,125,154	1,225,589	1,211,683
Sewer	1,524,393	1,700,848	1,780,570	1,698,567
Solid waste	1,206,111	1,048,675	1,218,735	1,219,573
Total Business-type Activities Expenses	<u>3,860,256</u>	<u>3,874,677</u>	<u>4,224,894</u>	<u>4,129,823</u>
Total Primary Government Expenses	<u>15,657,880</u>	<u>15,899,664</u>	<u>16,472,998</u>	<u>16,875,407</u>
<b>Program Revenues (2)</b>				
Governmental Activities:				
Charges for Services				
General Government	268,368	241,010	271,525	251,725
Public Safety	41,530	42,533	51,089	47,839
Public Works	27,995	44,526	57,264	87,868
Community & Economic Development	20,266	23,303	22,734	9,334
Culture and Recreation	667,345	638,946	625,840	592,286
Operating Grants and Contributions	1,803,342	2,159,919	2,217,432	2,157,667
Capital Grants and Contributions	1,507,147	2,007,771	330,201	681,523
Total Governmental Activities Program Revenues	<u>4,335,993</u>	<u>5,158,008</u>	<u>3,576,085</u>	<u>3,828,242</u>
Business-type Activities:				
Charges for services:				
Water	1,236,098	1,246,479	1,308,725	1,335,896
Sewer	1,643,939	1,792,574	1,666,757	1,695,866
Solid waste	1,271,353	1,340,891	1,424,910	1,458,395
Capital Grants and Contributions	169,235	269,205	2,348	359,703
Total Business-Type Activities Program Revenues	<u>4,320,625</u>	<u>4,649,149</u>	<u>4,402,740</u>	<u>4,849,860</u>
Total Primary Government Program Revenues	<u>\$ 8,656,618</u>	<u>\$ 9,807,157</u>	<u>\$ 7,978,825</u>	<u>\$ 8,678,102</u>

**Fiscal Year**

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 669,502	\$ 930,649	\$ 890,918	\$ 750,438	\$ 1,170,807	\$ 1,464,102
2,643,357	2,980,681	2,907,703	2,333,262	2,610,591	3,123,040
4,724,799	4,609,339	5,627,091	5,068,309	5,802,767	5,021,580
9,874	9,874	9,874	9,874	10,394	10,394
774,466	973,361	834,488	756,854	507,089	473,697
2,776,818	2,871,985	3,039,296	3,189,567	3,595,732	4,161,825
761,646	743,123	747,278	655,515	715,407	660,025
<u>12,360,462</u>	<u>13,119,012</u>	<u>14,056,648</u>	<u>12,763,819</u>	<u>14,412,787</u>	<u>14,914,663</u>
1,502,936	1,390,408	1,253,842	1,400,442	1,485,039	1,534,036
1,764,687	1,853,223	1,748,680	1,969,126	2,222,752	2,227,350
1,373,526	1,325,275	1,390,486	1,363,090	1,468,415	1,442,217
<u>4,641,149</u>	<u>4,568,906</u>	<u>4,393,008</u>	<u>4,732,658</u>	<u>5,176,206</u>	<u>5,203,603</u>
<u>17,001,611</u>	<u>17,687,918</u>	<u>18,449,656</u>	<u>17,496,477</u>	<u>19,588,993</u>	<u>20,118,266</u>
127,635	104,466	124,028	152,806	61,629	66,627
53,175	40,244	89,619	197,207	46,109	41,132
105,935	130,957	31,594	158,949	89,185	101,406
19,612	24,998	16,899	45,477	19,571	19,700
630,601	587,973	889,390	986,188	965,473	1,096,669
2,443,545	3,296,788	3,346,721	2,296,820	2,937,691	2,756,116
69,412	1,394,149	1,891,675	1,148,221	2,402,171	1,471,183
<u>3,449,915</u>	<u>5,579,575</u>	<u>6,389,926</u>	<u>4,985,668</u>	<u>6,521,829</u>	<u>5,552,833</u>
1,496,978	1,515,461	1,575,486	1,555,079	1,607,531	1,652,737
1,837,309	1,944,024	2,121,115	2,257,532	2,527,371	2,736,321
1,462,918	1,590,679	1,702,582	1,854,970	1,852,588	1,887,201
109,913	-	5,498	3,729	5,819	3,713
<u>4,907,118</u>	<u>5,050,164</u>	<u>5,404,681</u>	<u>5,671,310</u>	<u>5,993,309</u>	<u>6,279,972</u>
<u>\$ 8,357,033</u>	<u>\$10,629,739</u>	<u>\$ 11,794,607</u>	<u>\$ 10,656,978</u>	<u>\$ 12,515,138</u>	<u>\$11,832,805</u>

(continued on next page)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Net (Expense)/Revenue <sup>1</sup>				
Governmental Activities:	\$(7,461,631)	\$(6,866,979)	\$(8,672,019)	\$(8,917,342)
Business-type Activities	460,369	774,472	177,846	720,037
Total Primary Government Net Expense	<u>(7,001,262)</u>	<u>(6,092,507)</u>	<u>(8,494,173)</u>	<u>(8,197,305)</u>
<b>General Revenues</b>				
Governmental Activities:				
Property Taxes	7,000,472	7,086,413	7,504,828	7,287,523
Local Option Sales Tax	996,545	1,128,998	1,502,733	1,222,010
Hotel/Motel Taxes	154,137	175,269	232,582	188,106
Interest	34,653	46,697	50,928	45,347
General Intergovernmental Revenues	148,034	191,934	192,114	197,245
Property Tax Replacement	113,678	233,203	208,008	202,647
Gain on Sale of Capital Assets	4,500	-	30,735	-
Miscellaneous	22,198	96,217	8,280	224,921
Transfers	57,166	60,474	(1,018,464)	(108,102)
Total Governmental Activities	<u>8,531,383</u>	<u>9,019,205</u>	<u>8,711,744</u>	<u>9,259,697</u>
Business-type Activities:				
Investment Earnings	12,624	19,508	17,637	35,407
Gain on Sale of Capital Assets	-	-	10,726	1,500
Miscellaneous	91,809	92,824	97,443	98,477
Transfers	(57,166)	(60,474)	1,018,464	108,102
Total Business-type Activities	<u>47,267</u>	<u>51,858</u>	<u>1,144,270</u>	<u>243,486</u>
Total Primary Government	<u>8,578,650</u>	<u>9,071,063</u>	<u>9,856,014</u>	<u>9,503,183</u>
<b>Change in Net Position</b>				
Governmental Activities	1,069,752	2,152,226	39,725	342,355
Business-type Activities	507,636	826,330	1,322,116	963,523
Total Primary Government	<u>\$ 1,577,388</u>	<u>\$ 2,978,556</u>	<u>\$ 1,361,841</u>	<u>\$ 1,305,878</u>

Notes:

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

<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
\$(8,910,547)	\$ (7,539,437)	\$ (7,666,722)	\$ (7,778,151)	\$ (7,890,958)	\$ (9,361,830)
265,969	481,258	1,011,673	938,652	817,103	1,076,369
<u>(8,644,578)</u>	<u>(7,058,179)</u>	<u>(6,655,049)</u>	<u>(6,839,499)</u>	<u>(7,073,855)</u>	<u>(8,285,461)</u>
7,487,736	7,613,429	8,600,766	9,008,053	9,222,058	9,459,550
1,560,866	1,714,891	1,931,044	2,023,559	1,889,907	1,978,099
179,842	151,341	105,368	251,080	267,302	121,896
103,701	113,639	122,172	(77,670)	118,089	325,882
191,646	190,890	187,644	181,085	167,766	205,487
193,412	185,738	194,209	203,521	178,080	376,452
12,230	4,302	2,949	437,049	8,468	-
129,650	201,509	102,693	118,757	112,903	191,001
1,837,271	52,974	329,187	(687,432)	(1,658,286)	60,412
<u>11,696,354</u>	<u>10,228,713</u>	<u>11,576,032</u>	<u>11,458,002</u>	<u>10,306,287</u>	<u>12,718,779</u>
45,229	52,278	24,848	23,729	77,304	156,648
-	-	-	-	-	-
98,309	104,006	101,833	112,354	93,878	98,200
<u>(1,837,271)</u>	<u>(52,974)</u>	<u>(329,187)</u>	<u>687,432</u>	<u>1,658,286</u>	<u>(60,412)</u>
<u>(1,693,733)</u>	<u>103,310</u>	<u>(202,506)</u>	<u>823,515</u>	<u>1,829,468</u>	<u>194,436</u>
<u>10,002,621</u>	<u>10,332,023</u>	<u>11,373,526</u>	<u>12,281,517</u>	<u>12,135,755</u>	<u>12,913,215</u>
2,785,807	2,689,276	3,909,310	3,679,851	2,415,329	3,356,949
<u>(1,427,764)</u>	<u>584,568</u>	<u>809,167</u>	<u>1,762,167</u>	<u>2,646,571</u>	<u>1,270,805</u>
<u>\$ 1,358,043</u>	<u>\$ 3,273,844</u>	<u>\$ 4,718,477</u>	<u>\$ 5,442,018</u>	<u>\$ 5,061,900</u>	<u>\$ 4,627,754</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>
2015	\$ 5,418,739	\$ 983,208	\$ 1,584,732	\$ 50,150	\$ 154,137	\$ 8,190,966
2016	5,081,839	908,243	2,050,061	51,810	175,269	8,267,222
2017	5,565,696	1,372,762	1,933,728	56,752	180,074	9,109,012
2018	6,088,658	1,402,341	1,203,728	61,708	188,196	8,944,631
2019	6,153,187	1,743,644	1,319,322	94,107	170,017	9,480,277
2020	6,189,238	1,536,181	1,289,307	102,544	177,861	9,295,131
2021	7,153,240	2,016,292	1,499,410	96,588	141,092	10,906,622
2022	7,692,171	2,090,158	1,305,443	92,831	194,613	11,375,216
2023	7,984,788	1,893,877	1,217,056	90,818	220,506	11,407,045
2024	\$ 8,317,702	\$ 1,956,145	\$ 1,133,302	\$ 85,756	\$ 225,159	\$ 11,718,064
Percentage Change In Dollars Over 10 Years	53.50%	98.96%	-28.49%	71.00%	46.08%	43.06%

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

	<b>Fiscal Year</b>			
	<u><b>2015</b></u>	<u><b>2016</b></u>	<u><b>2017</b></u>	<u><b>2018</b></u>
General Fund				
Nonspendable	\$ 75,689	\$ 74,377	\$ 88,789	\$ 87,795
Restricted	-	-	-	-
Assigned	20,874	24,627	22,810	23,549
Unassigned	<u>2,271,397</u>	<u>2,657,093</u>	<u>2,704,255</u>	<u>3,126,763</u>
Total General Fund	<u><u>\$ 2,367,960</u></u>	<u><u>\$ 2,756,097</u></u>	<u><u>\$ 2,815,854</u></u>	<u><u>\$ 3,238,107</u></u>
All Other Governmental Funds				
Nonspendable	\$ 496,551	\$ 767,461	\$ 507,588	\$ 513,603
Restricted	1,564,753	1,714,074	2,727,209	2,420,088
Assigned	9,011,683	3,079,501	1,242,751	1,755,210
Unassigned	<u>(230,217)</u>	<u>(706,489)</u>	<u>(743,199)</u>	<u>(2,983,470)</u>
Total All Other Governmental Funds	<u><u>\$ 10,842,770</u></u>	<u><u>\$ 4,854,547</u></u>	<u><u>\$ 3,734,349</u></u>	<u><u>\$ 1,705,431</u></u>
Total Governmental Funds				
Nonspendable	\$ 572,240	\$ 841,838	\$ 596,377	\$ 601,398
Restricted	1,564,753	2,203,990	2,727,209	2,420,088
Assigned	9,032,557	2,614,212	1,265,561	1,778,759
Unassigned	<u>2,041,180</u>	<u>1,950,604</u>	<u>1,961,056</u>	<u>143,293</u>
Total Governmental Funds	<u><u>\$ 13,210,730</u></u>	<u><u>\$ 7,610,644</u></u>	<u><u>\$ 6,550,203</u></u>	<u><u>\$ 4,943,538</u></u>

Notes:

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

<b>Fiscal Year</b>					
<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 233,783	\$ 92,658	\$ 100,690	\$ 219,533	\$ 225,956	\$ 120,650
-	-	1,215,116	829,372	1,523,398	1,113,231
26,506	25,523	20,769	19,518	9,292	22,251
<u>2,873,063</u>	<u>3,766,212</u>	<u>3,424,085</u>	<u>2,108,825</u>	<u>1,547,448</u>	<u>1,071,288</u>
<u>\$ 3,133,352</u>	<u>\$ 3,884,393</u>	<u>\$ 4,760,660</u>	<u>\$ 3,177,248</u>	<u>\$ 3,306,094</u>	<u>\$ 2,327,420</u>
\$ 516,978	\$ 519,488	\$ 526,149	\$ 532,957	\$ 537,692	\$ 542,457
2,609,603	10,336,821	7,644,301	4,711,759	8,937,193	9,198,702
7,439,541	1,735,994	1,728,213	1,649,050	1,407,947	1,470,740
<u>(780,849)</u>	<u>(558,596)</u>	<u>(2,892,852)</u>	<u>(1,807,854)</u>	<u>(1,121,201)</u>	<u>(1,065,699)</u>
<u>\$ 9,785,273</u>	<u>\$ 12,033,707</u>	<u>\$ 7,005,811</u>	<u>\$ 5,085,912</u>	<u>\$ 9,761,631</u>	<u>\$10,146,200</u>
\$ 750,761	\$ 612,146	\$ 626,839	\$ 752,490	\$ 763,648	\$ 663,107
2,609,603	10,336,821	8,859,417	5,541,131	10,460,591	10,311,933
7,466,047	1,761,517	1,748,982	1,668,568	1,417,239	1,492,991
<u>2,092,214</u>	<u>3,207,616</u>	<u>531,233</u>	<u>300,971</u>	<u>426,247</u>	<u>5,589</u>
<u>\$ 12,918,625</u>	<u>\$ 15,918,100</u>	<u>\$ 11,766,471</u>	<u>\$ 8,263,160</u>	<u>\$13,067,725</u>	<u>\$12,473,620</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>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Revenues</b>				
Taxes	\$ 8,151,154	\$ 8,215,412	\$ 9,007,561	\$ 8,510,566
Special Assessments	4,600	11,304	40,566	-
Licenses and Permits	83,939	87,653	113,545	78,885
Intergovernmental	3,377,252	4,558,349	3,000,504	3,119,322
Charges for Services	842,155	814,866	822,666	793,572
Fines and Forfeits	52,559	54,191	57,489	54,876
Investment Earnings	32,623	44,609	49,191	45,347
Rental Income	120,581	67,106	65,945	96,742
Contributions	110,751	84,473	53,203	37,681
Refunds/Reimbursements	-	-	-	-
Miscellaneous	22,198	184,174	21,980	247,841
<b>Total Revenues</b>	<u>\$ 12,797,812</u>	<u>\$ 14,122,137</u>	<u>\$ 13,232,650</u>	<u>\$ 12,984,832</u>
<b>Expenditures</b>				
Current:				
Public Safety	2,096,232	2,329,272	2,101,970	2,253,573
Public Works	1,495,735	1,436,058	1,769,481	1,855,470
Health and Social Services	184,325	64,184	9,874	9,874
Culture and Recreation	2,355,850	2,462,074	2,528,258	2,414,847
Community and Economic Development	1,657,349	489,769	1,310,800	721,972
General Government	871,927	837,847	935,697	1,023,626
Debt Service:				
Principal	2,085,000	2,235,000	2,210,000	2,710,000
Interest	490,171	585,738	546,634	684,914
Capital Projects	9,269,704	9,591,741	3,123,039	5,185,465
<b>Total Expenditures</b>	<u>\$ 20,506,293</u>	<u>\$ 20,031,683</u>	<u>\$ 14,535,753</u>	<u>\$ 16,859,741</u>
Excess (Deficiency) of Revenues over (under) Expenditures	(7,708,481)	(5,909,546)	(1,303,103)	(3,874,909)
<b>Other Financing Sources (Uses)</b>				
Issuance of Bonds, Notes, and Leases	15,804,500	-	111,927	2,115,000
Premiums on Bonds Issued	767,487	-	-	31,141
Transfers In	5,137,112	4,044,527	3,858,815	3,164,804
Transfers Out	(5,079,946)	(3,984,053)	(3,758,815)	(3,056,704)
Sale of Capital Assets	4,500	800	30,735	-
<b>Total Other Financing Sources (Uses)</b>	<u>\$ 16,633,653</u>	<u>\$ 61,274</u>	<u>\$ 242,662</u>	<u>\$ 2,254,241</u>
<b>Net change in fund balances</b>	<u>\$ 8,925,172</u>	<u>\$ (5,848,272)</u>	<u>\$ (1,060,441)</u>	<u>\$ (1,620,668)</u>
Debt service as a percentage of non-capital expenditures	22.92%	24.01%	24.24%	27.52%



Fiscal Year					
<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 9,048,602	\$ 9,226,758	\$ 10,531,810	\$ 11,031,612	\$ 11,111,965	\$ 11,437,649
13,167	13,458	79,723	19,327	6,334	3,923
142,033	139,460	97,544	140,719	126,780	130,589
2,960,743	4,299,111	4,721,728	3,331,809	4,573,792	4,521,991
587,526	623,064	810,735	779,350	854,768	893,639
43,750	41,041	29,590	39,665	46,855	41,870
103,701	113,639	122,172	(77,670)	118,089	325,882
105,662	89,737	101,906	94,188	86,020	118,458
109,620	897,947	904,836	710,242	1,098,362	416,585
-	-	-	-	3,446	25,119
143,709	216,119	122,023	138,106	179,447	298,714
<u>\$ 13,258,513</u>	<u>\$ 15,660,334</u>	<u>\$ 17,522,067</u>	<u>\$ 16,207,348</u>	<u>\$ 18,205,858</u>	<u>\$ 18,214,419</u>
2,594,111	2,800,963	2,404,783	3,260,054	2,683,507	3,087,325
1,841,712	1,858,532	1,846,967	1,713,490	1,965,962	2,050,354
9,874	9,874	9,874	9,874	10,394	10,394
2,642,004	2,831,586	2,807,462	3,280,686	3,751,632	4,070,200
774,460	865,910	820,876	789,661	521,288	464,608
632,951	777,081	789,924	778,777	1,219,947	1,377,630
2,985,000	3,509,000	3,804,784	3,050,000	4,156,006	4,410,578
864,294	793,441	831,325	1,629,484	829,705	847,354
9,835,274	6,532,560	12,514,115	14,068,159	7,940,615	6,511,609
<u>\$ 22,179,680</u>	<u>\$ 19,978,947</u>	<u>\$ 25,830,110</u>	<u>\$ 28,580,185</u>	<u>\$ 23,079,056</u>	<u>\$ 22,830,052</u>
(8,921,167)	(4,318,613)	(8,308,043)	(12,372,837)	(4,873,198)	(4,615,633)
14,500,000	6,245,700	2,530,000	308,932	6,222,201	1,812,325
348,159	275,616	147,199	-	278,688	54,911
5,953,992	5,502,000	4,659,683	12,601,256	6,821,546	6,160,402
(4,116,721)	(4,677,255)	(3,183,460)	(5,427,816)	(3,653,140)	(4,006,110)
12,230	4,302	3,346	2,001,984	8,468	-
<u>\$ 16,697,660</u>	<u>\$ 7,350,363</u>	<u>\$ 4,156,768</u>	<u>\$ 9,484,356</u>	<u>\$ 9,677,763</u>	<u>\$ 4,021,528</u>
<u>\$ 7,776,493</u>	<u>\$ 3,031,750</u>	<u>\$ (4,151,275)</u>	<u>\$ (2,888,481)</u>	<u>\$ 4,804,565</u>	<u>\$ (594,105)</u>
31.59%	31.73%	30.80%	22.28%	25.23%	30.61%

**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		
2015	\$ 602,476,470	\$ 422,655,243	\$ 7,091,567	\$ 5,850,431	\$ 609,568,037	\$ 428,505,674	14.149	70.30%
2016	605,883,951	363,660,524	6,689,149	5,365,197	612,573,100	369,025,721	14.048	60.24%
2017	645,945,496	382,489,321	6,611,615	4,827,675	652,557,111	387,316,996	14.027	59.35%
2018	681,955,724	420,026,282	4,661,743	2,858,190	686,617,467	422,884,472	14.179	61.59%
2019	686,944,235	413,216,491	4,501,684	2,727,564	691,445,919	415,944,055	14.449	60.16%
2020	701,709,206	428,766,383	4,566,808	2,604,893	706,276,014	431,371,276	14.372	61.08%
2021	729,895,541	433,495,905	4,619,064	2,542,384	734,514,605	436,038,289	15.686	59.36%
2022	750,671,036	456,132,797	4,578,884	2,332,531	755,249,920	458,465,328	16.331	60.70%
2023	807,882,819	475,388,346	4,819,886	2,631,717	812,702,705	478,020,063	16.335	58.82%
2024	\$ 824,758,715	\$ 474,534,894	\$ 4,946,883	\$ 2,656,139	\$ 829,705,598	\$ 477,191,033	16.969	57.51%

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 2024 budget this percentage is 54.6501% 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	
2015	\$ 8.478	\$ 3.401	\$ 2.271	\$ 14.149	\$ 15.782	\$ 5.881	\$ 0.951	\$ 22.614	\$ 36.763
2016	8.494	3.187	2.367	14.048	15.783	5.847	0.951	22.581	36.629
2017	8.440	3.181	2.406	14.027	15.184	5.703	0.951	21.838	35.865
2018	8.449	3.000	2.730	14.179	12.722	5.059	0.971	18.752	32.931
2019	8.453	3.241	2.755	14.449	12.778	4.999	1.017	18.794	33.243
2020	8.449	2.981	2.942	14.372	12.694	4.974	1.118	18.786	33.158
2021	8.454	2.948	4.284	15.686	12.601	4.992	1.158	18.751	34.437
2022	8.454	3.272	4.605	16.331	12.554	4.688	1.176	18.418	34.749
2023	8.519	3.320	4.496	16.335	12.571	4.300	1.212	18.083	34.418
2024	\$ 8.545	\$ 3.861	\$ 4.563	\$ 16.969	\$ 13.265	\$ 5.549	\$ 1.234	\$ 20.048	\$ 37.017

Source: Bremer County Iowa: County Auditor-Accounting Department

**City of Waverly, Iowa**  
**Principal Taxpayers and Their Assessed Valuations**  
**June 30, 2024 and 2015**

<u>Taxpayer</u>	<u>2024</u>			<u>2015</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>
Pinnacle Apartments SPE, LLC	\$ 14,286,450	1	2.99%	\$ -	-	0.00%
Wartburg College	10,449,570	2	2.19%	-	-	0.00%
Wal-Mart	10,259,990	3	2.15%	9,062,890	2	2.11%
CUNA Mutual Life Insurance	8,370,960	4	1.75%	9,947,140	1	2.32%
Barker Financial LLC	5,528,890	5	1.16%	-	-	0.00%
First Bank of Waverly	5,228,820	6	1.10%	4,551,380	5	1.06%
Neste Beverage Company	5,031,380	7	1.05%	6,748,850	4	1.57%
GMT LLC	4,998,490	8	1.05%	4,381,260	6	1.02%
Graening-Knights II, LC	3,965,460	9	0.83%	3,953,570	8	0.92%
Village Sq Plaza Ltd Ptnrs	3,931,540	10	0.82%	3,980,860	7	0.93%
Birdworks LLC	-	-	0.00%	6,816,100	3	1.59%
Deneui Holdings	-	-	0.00%	3,849,690	9	0.90%
Terex Cranes Inc - Waverly	-	-	0.00%	3,543,320	10	0.83%
Total Principal Taxpayers	72,051,550		15.09%	56,835,060		13.25%
All Other Taxpayers	<u>405,139,483</u>		<u>84.91%</u>	<u>371,670,614</u>		<u>86.75%</u>
Total Assessed Valuation	<u>\$477,191,033</u>		<u>100.00%</u>	<u>\$ 428,505,674</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>
2015	\$ 5,329,955	\$ 5,362,269	100.61%	N/A	\$ 5,362,269	100.61%
2016	5,264,349	5,257,108	99.86%	N/A	5,257,108	99.86%
2017	5,529,788	5,748,010	103.95%	N/A	5,748,010	103.95%
2018	6,061,652	6,088,658	100.45%	N/A	6,088,658	100.45%
2019	6,095,525	6,144,867	100.81%	N/A	6,144,867	100.81%
2020	6,287,382	6,189,238	98.44%	N/A	6,189,238	98.44%
2021	7,017,280	7,153,240	101.94%	N/A	7,153,240	101.94%
2022	7,657,798	7,692,172	100.45%	N/A	7,692,172	100.45%
2023	7,998,005	8,004,107	100.08%	N/A	8,004,107	100.08%
2024	\$ 8,274,418	\$ 8,294,603	100.24%	N/A	\$ 8,294,603	100.24%

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	Revenue Bonds	Lease Agreements	IT Subscriptions	Notes Payable	General Obligation Bonds	Revenue Bonds	Note Payable			
2015	\$ 22,445,768	\$ -	\$ -	\$ -	\$ 193,602	\$ 2,396,089	\$3,800,331	\$ 157,655	\$28,993,445	10.73%	2,869
2016	20,145,924	-	-	-	145,490	2,014,486	3,482,780	372,711	26,161,391	8.68%	2,589
2017	17,871,080	-	-	-	207,281	1,639,050	3,130,265	221,529	23,069,205	9.47%	2,286
2018	17,239,411	-	-	-	39,002	1,245,174	2,797,587	149,806	21,470,980	6.84%	2,120
2019	29,013,793	-	-	-	-	941,300	3,981,425	75,901	34,012,419	10.83%	2,120
2020	31,832,952	-	-	-	91,700	632,426	3,475,773	446,765	36,479,616	12.25%	3,564
2021	30,621,328	-	-	-	46,946	318,552	2,970,121	753,237	34,710,184	10.63%	3,367
2022	26,602,314	-	187,937	-	-	-	2,444,469	7,381,035	36,615,755	8.44%	3,488
2023	27,366,987	1,500,000	113,811	62,171	-	-	1,903,817	10,033,769	40,980,555	9.45%	3,895
2024	\$ 24,867,549	\$1,350,000	\$ 62,597	\$ 55,132	\$ -	\$ -	\$1,348,164	\$11,616,394	\$39,299,836	9.02%	3,721

Notes:

- 1 Population data used was the estimated census from the year 2024 of 10,561.
- 2 See the Schedule of Demographic and Economic Statistics on page 137 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>
2015	\$ 24,841,857	\$ 87,198	\$ 24,754,659	2.61%	1,078
2016	22,160,410	-	22,160,410	5.78%	2,450
2017	19,510,130	9,413.00	19,500,717	6.01%	2,193
2018	18,484,585	128,265	18,356,320	5.03%	1,932
2019	29,955,093	175,331	29,779,762	7.16%	1,813
2020	32,465,378	-	32,465,378	7.53%	3,172
2021	30,939,880	-	30,939,880	7.10%	3,172
2022	26,602,314	46,618	26,555,696	5.79%	2,530
2023	27,366,987	106,488	27,260,499	5.70%	2,591
2024	\$ 24,867,549	\$ 135,726	\$ 24,731,823	5.18%	2,342

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 2024 of 10,561.

**City of Waverly, Iowa**  
**Computation of Direct and Overlapping Debt <sup>3</sup>**  
**June 30, 2024**

Name of Governmental Unit	GO Debt Outstanding	Percentage <sup>4</sup> Applicable to City	Amount Applicable to City
Direct:			
City of Waverly	\$ 26,335,278	100%	\$ 26,335,278
Overlapping:			
Bremer County <sup>1</sup>	4,610,000	18%	829,800
Waverly-Shell Rock School District <sup>2</sup>	<u>29,275,000</u>	44%	<u>12,881,000</u>
Total Overlapping Debt	<u>33,885,000</u>		<u>13,710,800</u>
Total Direct and Overlapping Debt	<u>\$ 60,220,278</u>		<u>\$ 40,046,078</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>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Debt Limit	\$ 32,971,505	\$ 33,601,567	\$ 35,847,307	\$ 36,810,958
Total Net Debt Applicable to Limit	<u>23,955,208</u>	<u>21,435,000</u>	<u>19,789,924</u>	<u>19,202,505</u>
Legal Debt Margin	\$ 21,174,603	\$ 9,016,297	\$ 12,166,567	\$ 16,057,383
Total Net Debt Applicable to the Limit as a percentage of debt limit	72.65%	63.79%	55.21%	52.17%

**Legal Debt Margin Calculation for Fiscal Year 2024**

<u>Assessed Value</u>		
Real and Personal Property Within the City		<u>\$ 877,147,274</u>
DEBT LIMIT - 5% of ESTIMATED VALUATION		43,857,364
<u>Amount of Debt Applicable to Limit</u>		
Total Debt and Long-Term Notes Payable	39,182,107	
Less:		
Revenue Bonds:		
Sewer Revenue Bonds	415,000	
Sewer Revenue Bonds Premium	11,517	
Water Revenue Bonds	910,000	
Water Revenue Bonds Premium	11,647	
Governmental Activities Revenue Bond	1,350,000	
Governmental Activities GO Bond Premium	957,549	
Sewer Notes	11,616,394	
Amount Available for Repayment of General Obligation Debt	<u>135,726</u>	
Debt Applicable to Debt Limit		<u>23,774,274</u>
Legal Debt Margin		<u>\$ 20,083,090</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>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 37,339,744	\$ 38,040,656	\$ 39,610,447	\$ 40,375,145	\$ 43,130,466	\$ 43,857,364
<u>29,076,663</u>	<u>31,556,555</u>	<u>29,915,239</u>	<u>25,819,217</u>	<u>26,193,512</u>	<u>23,774,274</u>
\$ 8,263,081	\$ 6,484,101	\$ 9,695,208	\$ 14,555,928	\$ 16,936,954	\$ 20,083,090
77.87%	82.95%	75.52%	63.95%	60.73%	54.21%

**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>
2015	\$ 1,236,098	\$ 1,076,601	\$ 306,766	\$ 159,497	\$ 357,931
2016	1,246,479	1,071,839	306,376	174,640	370,000
2017	1,308,725	1,179,598	340,505	129,127	375,000
2018	1,335,896	1,171,119	328,522	164,777	377,069
2019	1,496,978	1,411,717	330,319	85,261	444,139
2020	1,515,461	1,319,948	331,524	195,513	446,207
2021	1,575,486	1,191,651	321,653	383,835	448,275
2022	1,555,079	1,348,655	320,915	206,424	460,345
2023	1,607,531	1,438,583	354,264	168,948	340,000
2024	\$ 1,652,737	\$ 1,500,378	\$ 353,381	\$ 152,359	\$ 350,000

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>
\$ 51,721	\$ 409,652	0.39	\$ 466,263	1.14
53,761	423,761	0.41	481,016	1.14
47,337	422,337	0.31	469,632	1.11
41,721	418,790	0.39	493,299	1.18
92,146	536,285	0.16	415,580	0.77
75,796	522,003	0.37	527,037	1.01
67,559	515,834	0.74	705,488	1.37
57,100	517,445	0.40	527,339	1.02
46,780	386,780	0.44	523,212	1.35
\$ 37,429	\$ 387,429	0.39	\$ 505,740	1.31

**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>
2015	\$ 1,643,939	\$ 1,470,986	\$ 524,675	\$ 172,953	\$ 212,069	\$ 44,238
2016	1,792,574	1,623,141	526,562	169,433	325,000	80,548
2017	1,666,757	1,726,341	567,804	(59,584)	335,000	68,622
2018	1,695,866	1,645,111	515,526	50,755	337,931	63,896
2019	1,837,309	1,717,150	522,519	120,159	345,861	57,989
2020	1,944,024	1,811,736	526,753	132,288	353,793	51,951
2021	2,121,115	1,713,149	547,793	407,966	356,725	46,145
2022	2,257,532	1,793,752	553,046	463,780	369,655	174,771
2023	2,527,371	2,008,852	581,912	518,519	683,000	211,391
2024	\$ 2,736,321	\$ 1,996,056	\$ 581,041	\$ 740,265	\$ 668,000	\$ 236,803

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>
\$	256,307	0.67	\$	697,628	2.72
	405,548	0.42		695,995	1.72
	403,622	(0.15)		508,220	1.26
	401,827	0.13		566,281	1.41
	403,850	0.30		642,678	1.59
	405,744	0.33		659,041	1.62
	402,870	1.01		955,759	2.37
	544,426	0.85		1,016,826	1.87
	894,391	0.58		1,100,431	1.23
\$	904,803	0.82	\$	1,321,306	1.46

**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%
2024	10,561 (3)	\$ 435,472,274	\$ 41,234 (3)	33.5 (4)	4,309 (5)	2,258 (6)	2.30% (7)

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. Taken from <https://www.census.gov/quickfacts/fact/table/waverlycityiowa/INC910222>
4. Estimate from worldpopulationreview.com
5. Estimate from census.gov
6. WSR school enrollment for 23-24
7. Waverly Economic Development

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

Employer	2024			2015		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Wartburg College	544	1	3.83%	572	2	7.11%
Waverly Health Center	470	2	3.31%	440	3	5.47%
Waverly Shell Rock Schools	397	3	2.80%	375	4	4.66%
Walmart	245	4	1.73%	215	9	2.67%
Bartels Lutheran Retirement Comm	224	5	1.58%	259	8	3.22%
Nestle USA	188	6	1.32%	285	7	3.54%
Bremer County	171	7	1.20%	-	-	-
UEA	145	8	1.02%	-	-	-
Trustage (formerly known as CUNA Mutual Life Insurance)	140	9	0.99%	575	1	7.14%
GMT Corporation	132	10	0.93%	348	6	4.32%
Terex Cranes, Inc., Waverly	-	-	-	350	5	4.35%
Lutheran Services in Iowa, Inc	-	-	-	155	10	1.93%
Total Employees of Principal Employers	2,656		18.71%	3,574		44.41%
Other Employees	11,544		81.29%	4,476		55.59%
Adjusted Labor Force <sup>1</sup>	14,200		100.00%	8,050		100.00%

Source:  
Waverly Economic Development

Note:

1 Includes full-time and part-time employees based on [Iowa Work Force Development](#)



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

<b>Function</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
General Government	13	13	13	15.5	13	14.35	14.6	14.75	12	12
Library	11	11	11.3	11.3	11.3	11.2	11.2	11.2	10.2	11.2
Public Safety										
Police										
Officers	16	16	16	16	16	16	16	17	17	17
Secretaries	1	1	1	1	1	1	1	1	1	1
Fire										
Firefighters and Officers	8	8	9	9	9	9	9	9	9	9
Volunteers	29	29	28	28	28	28	28	31	33	33
Highways and Streets										
Public Works Admin/Engineering	6	6	6	6	5.5	5.2	5.2	6.2	6.2	5
Zoning/Economic	5	5	5	5	5	4	4	4	5	4
Equipment Maintenance	2	2	2	2	2	2	2	2	3	2
Street Maintenance	7	7	7	6.75	8	7.78	7.78	7	8.5	7.58
Sanitation	8.5	8.5	8.5	8.7	9	9	9	9	9.6	9
Culture and Recreation	18	18	18	18	19	18	21.3	21.25	20	31
Water	3.5	3.5	3.75	3.75	3.25	3.25	3.5	3.5	3.7	3.5
Sewer	3.5	3.5	5.75	5.75	5.25	5.25	6.5	6.3	6.3	6.5
	<u>131.5</u>	<u>131.5</u>	<u>134.3</u>	<u>136.75</u>	<u>135.3</u>	<u>134.03</u>	<u>139.08</u>	<u>143.2</u>	<u>144.5</u>	<u>151.78</u>

Source: City of Waverly Accounting Department

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

Function	Fiscal Year			
	2015	2016	2017	2018
<b>Police</b>				
Physical Arrests	504	623	465	451
Parking Violations	528	548	579	602
Traffic Violations	818	754	649	706
<b>Fire</b>				
Number of Calls Answered	112	106	110	123
<b>Highways and Streets</b>				
Street Maintenance (Blocks)	88	78	100	125
Street Reconstruction (Blocks)	10	6	-	36
<b>Building Permits</b>				
Number	422	440	428	370
Value	\$ 35,672,014	\$ 27,773,351	\$ 23,430,006	\$ 21,702,076
Permit Fees	\$ 139,265	\$ 126,235	\$ 123,002	\$ 111,581
<b>Sanitation</b>				
Solid Waste Collected (tons)	3,995	4,239	4,464	4,472
Recyclables Collected (pounds)	1,397,998	2,276,000	2,064,840	2,766,960
<b>Water</b>				
Water Pumped (in thousands of gallons)	375,445	352,702	356,489	358,615
Water Billed (in thousands of gallons)	260,622	254,403	247,064	250,852
Percent Accountable	83%	69%	72%	69%

Source: Annual reports from each department.

Fiscal Year						
2019	2020	2021	2022	2023	2024	
400	291	407	430	524	429	
514	399	532	579	596	505	
646	526	536	545	709	593	
111	117	145	153	135	112	
60	90	110	110	82	105	
40	15	-	5	1	1	
396	349	364	341	312	263	
\$ 25,493,654	\$ 45,975,454	\$ 16,481,831	\$ 63,964,233	\$ 19,636,677	\$ 21,252,347	
\$ 120,598	\$ 158,347	\$ 91,996	\$ 198,348	\$ 177,488	\$ 122,626	
4,635	4,663	4,663	4,839	4,647	4,806	
2,393,008	2,051,650	2,060,000	1,986,000	1,824,690	1,798,776	
341,884	349,624	384,774	338,991	354,682	362,511	
243,332	250,099	268,223	266,292	258,762	276,088	
70%	72%	70%	79%	73%	76%	

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

Function	Fiscal Year			
	2015	2016	2017	2018
<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	69	69.6
State Highway (miles)	7	7	7	7
<b>Culture and Recreation</b>				
Parks Acreage	140	146	175	175
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)	71	74	76	74
Number of Service Connections	3,674	3,966	4,059	4,099
Daily Ave. Consumption in Gallons	1,028,616	966,307	976,682	976,583
Fire Hydrants	690	692	693	639
Maximum Daily Capacity (thousands of gallons)	7,000,000	7,000,000	7,000,000	7,000,000
<b>Sewer</b>				
Sanitary Sewers (miles)	61	63	60	60
Number of Treatment Plants	1	1	1	1
Number of Service Connections	3,620	3,675	3,688	3,745
Daily Ave. Treatments in Gallons	1,102,000	1,020,000	1,588,904	1,154,000
Maximum Daily Capacity (thousands of gallons)	2,330,000	2,330,000	2,330,000	2,330,000

Source: Annual reports from each department.

	Fiscal Year					
	2019	2020	2021	2022	2023	2024
	1	1	1	1	1	1
	8	8	8	8	8	8
	1	1	1	1	1	1
	4	4	4	4	4	4
	1	1	1	1	1	1
	69.6	69.6	69.6	69.6	70	70
	7	7	7	7	7	7
	175	175	175	199	199	199
	25	25	25	25	25	25
	15	20	20	20	20	20
	1	1	1	1	1	1
	1	1	1	1	1	1
	1	1	1	1	1	1
	1	1	1	1	1	1
	1	1	1	1	1	1
	2	2	2	2	2	2
	1	1	1	1	1	1
	1	1	1	1	1	1
	47	47	47	47	47	47
	74	76	76	76	76.2	77
	4,231	4,333	4,380	4,391	4,418	4,368
	936,583	955,333	1,053,075	928,416	971,333	990,167
	639	709	727	737	744	760
	7,000,000	7,632,000	7,632,000	7,632	7,632	7,632
	60	61.4	62.8	63.7	64	64.6
	1	1	1	1	1	1
	3,760	4,000	4,000	3,912	3,935	3,958
	2,064,000	1,404,000	1,054,400	1,154,000	1,198,000	1,227,000
	2,330,000	2,330,000	2,330,000	2,330	2,330	2,330

**CITY OF WAVERLY, IOWA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CASH BASIS)**  
**For the Year Ended June 30, 2024**

Federal Grantor Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>Direct:</b>			
U.S. Department of Transportation:			
Airport Improvement Program	20.106	3-19-0096-017-2023	\$ 91,315
Airport Improvement Program	20.106	3-19-0096-016-2023	<u>493,261</u>
			\$ 584,576
U.S. Department of Treasury:			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	FY24	346,094
<b>Indirect:</b>			
U.S. Department of Agriculture:			
Passed through the Iowa Department of Natural Resources Cooperative Forestry Assistance	10.664	FY24	1,537
U.S. Department of Treasury:			
Passed through the Iowa Department of Economic Development COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	22-PRDH-059	300,000
U.S. Department of Transportation			
Passed through the Iowa Department of Transportation: Highway Planning and Construction	20.205	21-TAP-148	25,284
		Total expenditures of federal awards	<u><u>\$ 1,257,491</u></u>

**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, 2024. 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.

**Note 3 - Subrecipients** - No awards were passed through to subrecipients.

**Note 4 - COVID-19 Coronavirus State and Local Fiscal Recovery Funds** - The City of Waverly was awarded \$346,094 that was received directly from the U.S. Department of Treasury and \$300,000 that was passed through from the Iowa Department of Economic Development for a total of \$646,094 from the COVID-19 Coronavirus State and Local Fiscal Recovery Funds.



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

Honorable Members of the City Council  
City of Waverly, Iowa

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Waverly, Iowa as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the City of Waverly, Iowa's basic financial statements and have issued our report thereon dated December 27, 2024. Our report includes a reference to other auditors who audited the financial statements of Waverly Health Center and Waverly Utilities, as described in our report on the City of Waverly's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the

accompanying schedule of findings and questioned costs as item 2024-001 that we consider to be a material weakness.

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

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

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2024 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the City. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

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

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

### **Purpose of this Report**

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

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

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

*Williams + Company P.C.*

Certified Public Accountants

Onawa, Iowa  
December 27, 2024





**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**

***Opinion on Each Major Federal Program***

We have audited the City of Waverly, Iowa's compliance with the types of compliance requirements identified as subject to audit 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, 2024. The City of Waverly, Iowa's major federal program is identified in the summary of the independent 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. Waverly Utilities did not expend any federal awards during the year ended December 31, 2023 and Waverly Health Center expended \$26,809,624 during the year ended June 30, 2024. 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.

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, 2024.

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

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

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

***Responsibilities of Management for Compliance***

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

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Waverly, Iowa's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Waverly, Iowa's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

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

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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.

*Williams + Company P.C.*

Certified Public Accountants

Onawa, Iowa

December 27, 2024

**CITY OF WAVERLY, IOWA**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2024**

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

- (a) Unmodified opinions were issued on the financial statements prepared in accordance with U.S. generally accepted accounting principles.
- (b) A material weakness in internal control over financial reporting was disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No material weaknesses in internal control over the major program were noted.
- (e) An unmodified opinion was issued on compliance with requirements applicable to the major program.
- (f) The audit disclosed no audit findings which were required to be reported in accordance with the Uniform Guidance Section 200.516.
- (g) The major program was Assistance Listing Number 20.106 – Airport Improvement Program.
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- (i) 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.

**Material Weakness:**

2024-001 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, 2024**

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

**Instances of Non-Compliance:**

No matters were noted.

**Internal Control Deficiencies:**

No material weaknesses in internal control over the major program were noted.

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

IV-A-24 - Certified Budget – Disbursements during the year ended June 30, 2024 exceeded their budget in the debt service function.

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

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

IV-B-24 - 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-24 - Travel Expense - No expenditures of City money for travel expenses of spouses of City officials or employees were noted.

IV-D-24 - Business Transactions – Business transactions between the City and City officials and/or employees are detailed as follows:

<b><u>Name, Business Connection</u></b>	<b><u>Description</u></b>	<b><u>Amount</u></b>
Advantage Administrators, Council Member	Medical Claim Processing	\$9,609

In accordance with Chapter 362.5(3)(j) of the Code of Iowa, the transaction with the council member exceeds \$6,000 and may represent a conflict of interest and the City should contact legal counsel for determination.

IV-E-24 - 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.

**CITY OF WAVERLY, IOWA**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2024**

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**Part IV: Other Findings Related to Required Statutory Reporting (Continued)**

- IV-F-24 - 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-24 - Council Minutes - We noted no transactions requiring approval which had not been approved by the Council.
- IV-H-24 - 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-24 - Revenue Bonds - No violations of revenue bond resolutions were noted.
- IV-J-24 - Annual Urban Renewal Report – The annual urban renewal report was properly approved and certified to the Iowa Department of Management on or before December 1 and no exceptions were noted.
- IV-K-24 - Financial Condition – At June 30, 2024, the City had deficit balances in the following funds:

Fund	Amount
Capital Project – WPC Improvements	\$ 775,437
Capital Project – Airport Taxi Lane Reconstruction	18,915
Capital Project – Alley Reconstruction Project	20
Capital Project – Airport Runway 11 Taxiway	30,803
Capital Project – Library Renovation	240,524
Internal Service – Health Insurance	\$ 463,796

Recommendation – The city should investigate alternatives to eliminate these deficits to return these funds to a sound financial position.

Response – The City will review available resources to return these funds to a sound financial position.



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**CITY OF WAVERLY, IOWA  
Schedule of Audit Prior Findings  
For the Year Ended June 30, 2024**

**FINANCIAL STATEMENT AUDIT**

2023-001 - **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.

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. See finding 2024-001. The City continues to look at its processes in order to make sure all amounts and adjustments are properly recorded.