

Date of Sale: Monday, July 1, 2019
 Between 10:30 and 11:00 A.M., C.D.T. (Closed Speer Auction)
 Before 11:00 A.M., C.D.T. (Sealed Bids)
 (Alternate Bid Methods)

Official Statement

In the opinion of Dorsey & Whitney LLP, Bond Counsel, according to present laws, rulings and decisions and assuming compliance with certain covenants, the interest on the Bonds will be excluded from gross income for federal income tax purposes. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax under the Internal Revenue Code of 1986 (the "Code"). In the opinion of Bond Counsel, the Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. See "TAX EXEMPTION AND RELATED CONSIDERATIONS" herein.

\$2,550,000*
CITY OF FARLEY
Dubuque County, Iowa
General Obligation Corporate Purpose and Refunding Bonds, Series 2019

Dated Date of Delivery **Book-Entry** **Bank Qualified** **Due Serially June 1, 2020 - 2032**

The \$2,550,000* General Obligation Corporate Purpose and Refunding Bonds, Series 2019 (the "Bonds") are being issued by the City of Farley, Dubuque County, Iowa (the "City"). Interest is payable semiannually on June 1 and December 1 of each year, commencing December 1, 2019. Interest is calculated based on a 360-day year of twelve 30-day months. The Bonds will be issued using a book-entry system. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The ownership of one fully registered Bond for each maturity will be registered in the name of Cede & Co., as nominee for DTC and no physical delivery of Bonds will be made to purchasers. The Bonds will mature on June 1 in the following years and amounts.

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

Principal Amount*	Due June 1	Interest Rate	Price or Yield	CUSIP Number(1)	Principal Amount*	Due June 1	Interest Rate	Price or Yield	CUSIP Number(1)
\$175,000	2020	_____ %	_____ %	_____	\$140,000	2027	_____ %	_____ %	_____
175,000	2021	_____ %	_____ %	_____	140,000	2028	_____ %	_____ %	_____
235,000	2022	_____ %	_____ %	_____	145,000	2029	_____ %	_____ %	_____
270,000	2023	_____ %	_____ %	_____	150,000	2030	_____ %	_____ %	_____
325,000	2024	_____ %	_____ %	_____	155,000	2031	_____ %	_____ %	_____
345,000	2025	_____ %	_____ %	_____	160,000	2032	_____ %	_____ %	_____
135,000	2026	_____ %	_____ %	_____					

Any consecutive maturities may be aggregated into term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

OPTIONAL REDEMPTION

Bonds due June 1, 2020 - 2026, inclusive, are not subject to optional redemption. Bonds due June 1, 2027 - 2032, inclusive, are callable in whole or in part on any date on or after June 1, 2026, at a price of par and accrued interest. If less than all the Bonds are called, they shall be redeemed in such principal amounts and from such maturities as determined by the City and within any maturity by lot. See "OPTIONAL REDEMPTION" herein.

PURPOSE, LEGALITY AND SECURITY

The proceeds of the Bonds are expected to be used to: (i) finance the cost of various general corporate purpose capital improvements; (ii) provide funds to pay the costs of aiding in the planning, undertaking and carrying out of urban renewal projects; (iii) currently refund the City's outstanding General Obligation Corporate Purpose Bonds, Series 2010; and (iv) pay the costs of issuing the Bonds. See "THE PLAN OF FINANCING" herein.

In the opinion of Dorsey & Whitney LLP, Des Moines, Iowa, the Bonds are valid and binding general obligations of the City, and all taxable property within the boundaries of the City is subject to the levy of taxes to pay the principal of and interest on the Bonds without constitutional or statutory limitation as to rate or amount. The City will furnish the written approving opinion of Bond Counsel, Dorsey & Whitney LLP, Des Moines, Iowa, evidencing legality of the Bonds and that the interest thereon is exempt from federal income tax as and to the extent discussed under the heading "TAX EXEMPTION AND RELATED CONSIDERATIONS" herein.

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

This Official Statement is dated June 18, 2019, and has been prepared under the authority of the City. An electronic copy of this Official Statement is available from the www.speerfinancial.com web site under "Official Statement Sales Calendar". Additional copies may be obtained from Ashley Jasper, City Clerk, City of Farley, 114 First St. N., Farley, Iowa, 52046, or from the Registered Municipal Advisors to the City.



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

(1) CUSIP numbers appearing in this Official Statement have been provided by the CUSIP Service Bureau, which is managed on behalf of the American Bankers Association by S&P Capital IQ, a part of McGraw Hill Financial Inc. The City is not responsible for the selection of CUSIP numbers and makes no representation as to their correctness on the Bonds or as set forth on the cover of this Official Statement.

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

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

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

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

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 YEAR ENDED JUNE 30, 2018

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OFFICIAL BID FORM

OFFICIAL TERMS OF OFFERING

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BOND ISSUE SUMMARY

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

Issuer:	City of Farley, Dubuque County, Iowa.
Issue:	\$2,550,000* General Obligation Corporate Purpose and Refunding Bonds, Series 2019.
Dated Date:	Date of delivery (expected to be on or about Tuesday, July 30, 2019).
Interest Due:	Each June 1 and December 1, commencing December 1, 2019.
Principal Due:	Serially each June 1, commencing June 1, 2020 through 2032, as detailed on the cover page of this Official Statement.
Optional Redemption:	Bonds maturing on or after June 1, 2027, are callable at the option of the City on any date on or after June 1, 2026, at a price of par plus accrued interest. See “OPTIONAL REDEMPTION” herein.
Authorization:	The Bonds are being issued pursuant to authority established in Code of Iowa, 2019 as amended, Chapter 384 (the “Act”), and all laws amendatory thereof and supplementary thereto, and in conformity with a resolution (the “Resolution” or the “Bond Resolution”) of the City Council duly passed and approved.
Security:	The Bonds are valid and binding general obligations of the City, and all taxable property within the boundaries of the City is subject to the levy of taxes to pay the principal of and interest on the Bonds without constitutional or statutory limitation as to rate or amount.
No Investment Rating:	The City does not intend to apply for an investment rating on the Bonds.
Purpose:	The proceeds of the Bonds is expected to be used to: (i) finance the cost of various general corporate purpose capital improvements; (ii) provide funds to pay the costs of aiding in the planning, undertaking and carrying out of urban renewal projects; (iii) currently refund the City’s outstanding General Obligation Corporate Purpose Bonds, Series 2010; and (iii) pay the costs of issuing the Bonds. See “THE PLAN OF FINANCING” herein.
Tax Exemption:	Dorsey & Whitney LLP, Des Moines, Iowa, will provide an opinion as to the tax exemption of the Bonds as discussed under “TAX EXEMPTION AND RELATED CONSIDERATIONS” in this Official Statement.
Bank Qualified:	The City intends to designate the Bonds as “qualified tax-exempt obligations”.
Bond Registrar/Paying Agent:	UMB Bank, n.a., Kansas City, Missouri.
Delivery:	The Bonds are expected to be delivered on or about Tuesday, July 30, 2019.
Book-Entry Form:	The Bonds will be registered in the name of Cede & Co. as nominee for The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository of the Bonds. See APPENDIX B herein.
Denomination:	\$5,000 or integral multiples thereof.
Municipal Advisor:	Speer Financial, Inc., Waterloo, Iowa and Chicago, Illinois.

*Subject to change.

CITY OF FARLEY
Dubuque County, Iowa

Jeffrey Simon
Mayor

Council Members

Marty Benda

Joe Erion

Joyce Jarding

Dave Kluesner

Justin Philipp

Officials

Ashley Jasper
City Clerk

Theodore Huinker, Esq.
City Attorney

SECURITY AND SOURCE OF PAYMENT

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

Section 76.2 of the Act provides that when an Iowa political subdivision issues general obligation bonds, the governing authority of such political subdivision shall, by resolution adopted before issuing the bonds, provide for the assessment of an annual levy upon all the taxable property in the political subdivision sufficient to pay the interest and principal of the bonds. A certified copy of this resolution shall be filed with the County Auditor in which the City is located, giving rise to a duty of the County Auditor to annually enter this levy for collection from the taxable property within the boundaries of the City, until funds are realized to pay the bonds in full.

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

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

BONDHOLDERS' RISKS

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

Matters Relating to Enforceability of Agreements

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

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

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

Secondary Market

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

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

Forward-Looking Statements

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

Tax Matters, Bank Qualification and Loss of Tax Exemption

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

The City intends to designate the Bonds as “qualified tax-exempt obligations” under the exception provided in Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the “Code”). The City has further covenanted to comply with certain other requirements, which affords banks and certain other financial institutions more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code. Actions, or inactions, by the City in violation of its covenants could affect the designation, which could also affect the pricing and marketability of the Bonds.

It is possible that legislation will be proposed or introduced that could result in changes in the way that tax exemption is calculated, or whether interest on certain securities are exempt from taxation at all. Prospective purchasers should consult with their own tax advisors regarding any pending or proposed federal income tax legislation. The likelihood of any pending or future legislation being enacted or whether the currently proposed terms of any pending legislation will be altered or removed during the legislative process cannot be reliably predicted.

It is also possible that actions of the City after the closing of the Bonds will alter the tax status of the Bonds, and, in the extreme, remove the tax exempt status from the Bonds. In that instance, the Bonds are not subject to mandatory prepayment, and the interest rate on the Bonds does not increase or otherwise reset. A determination of taxability on the Bonds, after closing of the Bonds, could materially adversely affect the value and marketability of the Bonds.

DTC-Beneficial Owners

Beneficial Owners of the Bonds may experience some delay in the receipt of distributions of principal of and interest on the Bonds since such distributions will be forwarded by the Paying Agent to DTC and DTC will credit such distributions to the accounts of the Participants which will thereafter credit them to the accounts of the Beneficial Owner either directly or indirectly through indirect Participants. Neither the City nor the Paying Agent will have any responsibility or obligation to assure that any such notice or payment is forwarded by DTC to any Participants or by any Participant to any Beneficial Owner.

In addition, since transactions in the Bonds can be effected only through DTC Participants, indirect participants and certain banks, the ability of a Beneficial Owner to pledge the Bonds to persons or entities that do not participate in the DTC system, or otherwise to take actions in respect of such Bonds, may be limited due to lack of a physical certificate. Beneficial Owners will be permitted to exercise the rights of registered Owners only indirectly through DTC and the Participants. See **APPENDIX B – Describing Book-Entry Only Issuance.**

Continuing Disclosure

A failure by the City to comply with continuing disclosure obligations (see “**CONTINUING DISCLOSURE**” herein) will not constitute an event of default on the Bonds. Any such failure must be disclosed in accordance with Rule 15c2-12 (the “Rule”) adopted by the Securities and Exchange Commission (the “Commission”) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and may adversely affect the transferability and liquidity of the Bonds and their market price.

Cybersecurity

The City, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurances that any security and operational control measures implemented by the City will be completely successful to guard against and prevent cyber threats and attacks. Failure to properly maintain functionality, control, security, and integrity of the City’s information systems could impact business operations and/or digital networks and systems and the costs of remedying any such damage could be significant. Along with significant liability claims or regulatory penalties, any security breach could have a material adverse impact on the City’s operations and financial condition. The City has a \$3,000,000 Cyber-Liability Policy. The City cannot predict whether this policy will be sufficient in the event of a cyberattack. However, the Bonds are secured by an unlimited ad valorem property tax as described herein.

Suitability of Investment

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

Bankruptcy and Insolvency

The rights and remedies provided in the Resolution may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditor’s rights, to the exercise of judicial discretion in appropriate cases and to limitations in legal remedies against exercise of judicial discretion in appropriate cases and to limitations on legal remedies against municipal corporations in the State of Iowa. The various opinions of counsel to be delivered with respect to the Bonds, the Loan Agreement and the Resolution, including the opinion of Bond Counsel, will be similarly qualified. If the City were to file a petition under chapter nine of the federal bankruptcy code, the owners of the Bonds could be prohibited from taking any steps to enforce their rights under the Resolution. In the event the City fails to comply with its covenants under the Resolution or fails to make payments on the Bonds, there can be no assurance of the availability of remedies adequate to protect the interests of the holders of the Bonds.

Under sections 76.16 and 76.16A of the Act, a city, county, or other political subdivision may become a debtor under chapter nine of the federal bankruptcy code, if it is rendered insolvent, as defined in 11 U.S.C. §101(32)(c), as a result of a debt involuntarily incurred. As used therein, “debt” means an obligation to pay money, other than pursuant to a valid and binding collective bargaining agreement or previously authorized bond issue, as to which the governing body of the city, county, or other political subdivision has made a specific finding set forth in a duly adopted resolution of each of the following: (1) that all or a portion of such obligation will not be paid from available insurance proceeds and must be paid from an increase in general tax levy; (2) that such increase in the general tax levy will result in a severe, adverse impact on the ability of the city, county, or political subdivision to exercise the powers granted to it under applicable law, including without limitation providing necessary services and promoting economic development; (3) that as a result of such obligation, the city, county, or other political subdivision is unable to pay its debts as they become due; and (4) that the debt is not an obligation to pay money to a city, county, entity organized pursuant to chapter 28E of the Code of Iowa, or other political subdivision.

Legislation

From time to time, there are proposals pending in Congress and in the Iowa Legislature that could, if enacted, alter or amend one or more of the matters described herein in certain respects or would adversely affect the market value of the Bonds, or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further such proposals may impact the marketability or market value of the Bonds simply by being proposed. It cannot be predicted whether or in what forms any of such proposals, either pending or that may be introduced, may be enacted and there can be no assurance that such proposals will not apply to the Bonds. In addition regulatory actions are from time to time announced or proposed, and litigation threatened or commenced, which if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

Tax Levy Procedures

The Bonds are general obligations of the City, payable from and secured by a continuing ad valorem tax levied against all of the taxable property valuation within the City. See “**PROPERTY ASSESSMENT AND TAX INFORMATION**” herein for more details. As part of the budgetary process each fiscal year, the City will have an obligation to request a debt service levy to be applied against all of the taxable property within the City. A failure on the part of the City to make a timely levy request or a levy request by the City that is inaccurate or is insufficient to make full payments of the debt service of the Bonds for a particular fiscal year may cause Bondholders to experience delay in the receipt of distributions of principal of and/or interest on the Bonds. In the event of a default in the payment of principal of or interest on the Bonds, there is no provision for acceleration of maturity of the principal of the Bonds. Consequently, the remedies of the owners of the Bonds (consisting primarily of an action in the nature of mandamus requiring the City and certain other public officials to perform the terms of the resolution for the Bonds) may have to be enforced from year to year.

Summary

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Bonds. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should become thoroughly familiar with this entire Official Statement and the appendices hereto.

THE CITY

The City is located in northeastern part of the state of Iowa (the “State”) and was incorporated in 1879 under the laws of the State, later amended in July 1975, under the City Home Rule Act. The City is approximately 1.8 square miles with a 2010 Census population of 1,537.

City Organization and Services

The City operates under a Mayor-Council form of government. The Mayor and Council Members are elected on a nonpartisan basis for staggered four-year terms. The City Clerk and City Attorney are appointed by the City Council. The City provides numerous services to citizens including public safety, public works, culture and recreation, community and economic development, and general government services. It also operates and provides water and sewer utilities.

The City has 5 full-time employees and approximately 15 part-time and/or seasonal employees. The City has a full-time police chief and three part-time officers. In addition, the City has 39 volunteer fire fighters who operate out of one centrally located fire station.

Community Life

The City has two city parks throughout the community and is home to the 300 Raceway a 3/8-mile dirt race track. Numerous area recreational opportunities are offered in the 21 Dubuque County parks comprising over 2,700 acres.

Education

Public education to the City is provided by the Western Dubuque County Community School District (the “District”), with a certified enrollment of 3,094 for Fiscal Year 2018-19. Eight schools make up the District: five elementary schools, one middle school, one senior high school and one junior/senior high school. The District’s Administrative Office building is located in the City. Four-year college programs and vocational training are available throughout the area including Clarke University, Loras College and University of Dubuque all located in Dubuque, Iowa and Northeast Iowa Community College with a campus in Peosta, Iowa.

Transportation

The City is located in northeastern Iowa approximately 20 miles west of Dubuque, Iowa. U.S. Highway No. 20 runs through the City. In addition to rail service and motor carrier transportation, commercial air service is available at the Dubuque Regional Airport.

SOCIOECONOMIC INFORMATION

The following demographic information is for the City. Additional comparisons are made with Dubuque County (the “County”) and the State.

Population

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

Population Comparison(1)

Year	The City	Percent Change	The County	Percent Change	The State	Percent Change
1970	1,096	n/a	90,609	n/a	2,824,376	n/a
1980	1,287	17.43%	93,745	3.46%	2,913,808	3.17%
1990	1,348	4.74%	86,403	(7.83%)	2,776,755	(4.70%)
2000	1,334	(1.04%)	89,143	3.17%	2,926,324	5.39%
2010	1,537	15.22%	93,653	5.06%	3,046,355	4.10%

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

Employment

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

Major Area Employers(1)

Location	Name	Business or Product	Approximate Employment(2)
Dubuque	Dubuque Community School District	Education	2,670
Dubuque	John Deere Dubuque Works	Construction and Forestry Equipment	2,600
Dubuque	Mercy Medical Center	Health Care	1,360
Dubuque	Medical Associates Clinic, P.C.	Health Care	1,060
Dubuque	Unity Point Health	Health Care	975
Dubuque	City of Dubuque	Government	820
Dubuque	Sedgwick	Claims Specialists	725
Dubuque	Dubuque Bank and Trust Company	Financial Institution	600
Dubuque	Specialty Publications International, Inc.	Magazine Publishing	600
Farley(3)	Western Dubuque Community School District	Education	550
Dubuque	Eagle Window & Door Mfg., Inc.	Windows and Doors	550
Calmar	Northeast Iowa Community College	Education	475
Peosta	Mi-T-M Corporation	High Pressure Cleaning Systems	450
Dubuque	University of Dubuque	Education	450
Dubuque	A.Y. McDonald Mfg. Co.	Plumbing Supplies	410

- Notes: (1) Source: 2018 Iowa Manufacturers database, Greater Dubuque Development Corp., and Dubuque Areas Chamber of Commerce.
 (2) Includes part-time employees.
 (3) Administrative Offices are located in the City. Total employment within the County.

The following tables show employment by industry and by occupation for the City, the County and the State as reported by the U.S. Census Bureau 2013 - 2017 American Community Survey 5-year estimated values.

Employment By Industry(1)

Classification	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, forestry, fishing and hunting, and mining	35	3.5%	997	2.0%	61,618	3.9%
Construction	112	11.3%	2,681	5.3%	100,925	6.3%
Manufacturing	147	14.8%	8,565	16.9%	241,327	15.1%
Wholesale trade	10	1.0%	1,675	3.3%	46,221	2.9%
Retail trade	165	16.7%	6,860	13.5%	186,277	11.6%
Transportation and warehousing, and utilities	55	5.6%	1,966	3.9%	73,774	4.6%
Information	0	0.0%	1,234	2.4%	26,772	1.7%
Finance and insurance, and real estate and rental and leasing	79	8.0%	3,459	6.8%	121,725	7.6%
Professional, scientific, and management, and administrative and waste management services	44	4.4%	3,791	7.5%	117,560	7.3%
Educational services, and health care and social assistance	248	25.1%	11,700	23.0%	387,957	24.3%
Arts, entertainment, and recreation, and accommodation and food services	34	3.4%	4,518	8.9%	117,554	7.3%
Other services, except public administration	42	4.2%	2,153	4.2%	68,339	4.3%
Public administration	19	1.9%	1,180	2.3%	49,669	3.1%
Total	990	100.0%	50,779	100.0%	1,599,718	100.0%

Note: (1) Source: U. S. Bureau of the Census, American Community Survey 5-Year Estimates from 2013 - 2017.

Employment By Occupation(1)

Classification	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Management, business, science, and arts occupations	305	30.8%	17,739	34.9%	564,694	35.3%
Service occupations	145	14.6%	8,550	16.8%	263,453	16.5%
Sales and office occupations	213	21.5%	12,557	24.7%	363,159	22.7%
Natural resources, construction, and maintenance occupations.....	127	12.8%	3,900	7.7%	151,391	9.5%
Production, transportation, and material moving occupations	200	20.2%	8,033	15.8%	257,021	16.1%
Total	990	100.0%	50,779	100.0%	1,599,718	100.0%

Note: (1) Source: U. S. Bureau of the Census, American Community Survey 5-Year Estimates from 2013 - 2017.

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

Annual Average Unemployment Rates(1)(2)

Calendar Year	The County	The State	United States
2010	5.8%	6.0%	9.6%
2011	5.1%	5.5%	8.9%
2012	4.5%	5.0%	8.1%
2013	4.5%	4.7%	7.4%
2014	4.1%	4.2%	6.2%
2015	3.7%	3.8%	5.3%
2016	3.5%	3.6%	4.9%
2017	3.0%	3.1%	4.4%
2018	2.4%	2.5%	3.9%
2019(3)	2.0%	2.4%	3.6%

Notes: (1) Source: Iowa Workforce Development and U.S. Bureau of Labor Statistics.
 (2) Not seasonally adjusted.
 (3) Preliminary rates for the month of April 2019.

Housing

The U.S. Census Bureau 5-year estimated values reported that the median value of the City's owner-occupied homes was \$151,800. This compares to \$157,200 for the County and \$137,200 for the State. The following table represents the five year average market value of specified owner-occupied units for the City, the County and the State at the time of the 2013 - 2017 American Community Survey.

Home Values(1)

Value	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Less than \$50,000	17	3.1%	1,961	7.1%	90,767	10.2%
\$50,000 to \$99,999	48	8.7%	3,583	13.0%	203,149	22.8%
\$100,000 to \$149,999	205	37.2%	7,209	26.2%	196,759	22.1%
\$150,000 to \$199,999	94	17.1%	5,630	20.5%	153,250	17.2%
\$200,000 to \$299,999	122	22.1%	5,453	19.8%	147,859	16.6%
\$300,000 to \$499,999	62	11.3%	2,882	10.5%	73,685	8.3%
\$500,000 to \$999,999	3	0.5%	549	2.0%	19,079	2.1%
\$1,000,000 or more	0	0.0%	209	0.8%	4,737	0.5%
Total	551	100.0%	27,476	100.0%	889,285	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2013 - 2017.

Mortgage Status(1)

Mortgage Status	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Housing units with a mortgage.....	355	64.4%	16,761	61.0%	541,664	60.9%
Housing units without a mortgage.....	196	35.6%	10,715	39.0%	347,621	39.1%
Total	551	100.0%	27,476	100.0%	889,285	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2013 - 2017.

Income

The U.S. Census Bureau 5-year estimated values reported that the City had a median family income of \$81,731. This compares to \$74,270 for the County and \$72,270 for the State. The following table represents the distribution of family incomes for the City, the County and the State at the time of the 2013 - 2017 American Community Survey.

Family Income(1)

Income	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Less than \$10,000.....	5	1.1%	890	3.5%	24,497	3.1%
\$10,000 to \$14,999.....	3	0.7%	574	2.3%	16,991	2.1%
\$15,000 to \$24,999.....	22	4.8%	1,070	4.2%	46,528	5.8%
\$25,000 to \$34,999.....	21	4.6%	1,410	5.6%	59,737	7.5%
\$35,000 to \$49,999.....	56	12.2%	3,276	13.0%	102,312	12.8%
\$50,000 to \$74,999.....	87	18.9%	5,598	22.2%	168,411	21.0%
\$75,000 to \$99,999.....	135	29.3%	4,917	19.5%	139,013	17.4%
\$100,000 to \$149,999.....	68	14.8%	4,715	18.7%	150,051	18.7%
\$150,000 to \$199,999.....	39	8.5%	1,481	5.9%	50,929	6.4%
\$200,000 or more	24	5.2%	1,322	5.2%	42,107	5.3%
Total	460	100.0%	25,253	100.0%	800,576	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2013 to 2017.

The U.S. Census Bureau 5-year estimated values reported that the City had a median household income of \$71,389. This compares to \$59,150 for the County and \$56,570 for the State. The following table represents the distribution of household incomes for the City, the County and the State at the time of the 2013 - 2017 American Community Survey.

Household Income(1)

Income	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Less than \$10,000.....	17	2.7%	2,220	5.8%	71,544	5.7%
\$10,000 to \$14,999.....	21	3.3%	1,368	3.6%	57,984	4.6%
\$15,000 to \$24,999.....	59	9.2%	3,664	9.6%	124,425	9.9%
\$25,000 to \$34,999.....	34	5.3%	3,443	9.0%	123,477	9.9%
\$35,000 to \$49,999.....	77	12.0%	5,404	14.2%	175,714	14.0%
\$50,000 to \$74,999.....	125	19.5%	7,764	20.4%	244,762	19.6%
\$75,000 to \$99,999.....	170	26.6%	5,859	15.4%	175,018	14.0%
\$100,000 to \$149,999.....	74	11.6%	5,330	14.0%	174,081	13.9%
\$150,000 to \$199,999.....	39	6.1%	1,569	4.1%	56,730	4.5%
\$200,000 or more	24	3.8%	1,455	3.8%	47,852	3.8%
Total	640	100.0%	38,076	100.0%	1,251,587	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2013 - 2017.

Agriculture

Shown below is information on the agricultural value of the County and the statewide average.

Average Value Per Acre(1)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Average Value Per Acre:					
Dubuque County.....	\$7,989	\$8,152	\$7,615	\$7,951	\$7,744
State of Iowa.....	7,943	7,633	7,183	7,326	7,264

Note: (1) Source: Cooperative Extension Service - Iowa State University.

Local Option Sales Tax

The City approved a 1% local option sales and service tax (“Local Option Tax”) at a special referendum. The City’s Local Option Tax referendum question stated that proceeds of such tax would be designated for property tax relief.

Once approved, a Local Option Tax can only be repealed through a public referendum at which a majority voting approve the repeal or tax rate change, or, in certain circumstances, upon adoption of a motion by the governing body of the incorporated city requesting the repeal. If a Local Option Tax is not imposed county-wide, then the question of repeal is voted upon only by voters in such areas of a county where the tax has been imposed. A Local Option Tax may not be repealed within one year of the effective date.

The State of Iowa Department of Revenue (the “Department”) administers collection and disbursement of all local option sales and services taxes in conjunction with administration of the State-wide sales, services and use tax presently assessed at 6%. The Department is required by statute to remit at least 95% of the estimated tax receipts to a county board of supervisors (for taxes imposed in unincorporated areas) and to each incorporated city. Such remittances are on a monthly basis. Once a year the Department reconciles its monthly estimated payments and makes an adjustment payment or debit at the November 10 payment date. Remittance of collections within a county are based upon the following statutory formula for county-wide collections:

- 75 percent: Based on a pro rata share of population (the most recent certified federal census) of those incorporated or unincorporated areas in a county which have approved a Local Option Tax.
- 25 percent: Based on a pro rata share of total property tax dollars levied during the three year period beginning July 1, 1982, through June 30, 1985, for those incorporated or unincorporated areas of a county which have approved a Local Option Tax.

Local Option Taxes are based on the same sales currently taxed by the state-wide 6% sales and services tax, with the present statutory exceptions of (i) certain sales of motor fuel or special fuel as defined in Chapter 452A, (ii) the rental of rooms, apartments or sleeping quarters taxed under Chapter 423A (hotel/motel tax) during the period the hotel/motel tax is imposed, (iii) the sale of natural gas or electric energy in a city or county where the gross receipts are subject to a franchise fee or user fee during the period the franchise or user fee is imposed, (iv) the sales price from a pay television service consisting of a direct-to-home satellite service, (v) the sale of equipment by the State Department of Transportation or (vi) certain construction-related equipment and other items.

The following table shows the trend of City Local Option tax receipts.

Local Option Tax Receipts(1)

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Local</u> <u>Option Sales Tax</u> <u>Receipts(2)</u>	<u>Percent</u> <u>Change +(-)</u>
2010.....	\$162,753	n/a
2011.....	169,457	4.12%
2012.....	196,558	15.99%
2013.....	195,374	(0.60%)
2014.....	197,959	1.32%
2015.....	206,138	4.13%
2016.....	208,044	0.92%
2017.....	207,623	(0.20%)
2018.....	208,772	0.55%
2019.....	199,443(3)	(4.47%)

- Notes: (1) Source: Iowa Department of Revenue.
 (2) Includes a reconciliation payment in November attributable to the previous fiscal year.
 (3) Collections received or expected to be received, not including any allowance for the reconciliation payment.

Retail Sales

The Department of Revenue of the State of Iowa provides retail sales figures based on sales tax reports for years ending June 30. The Department of Revenue figures provide recent data to confirm trends in retail sales activity in the City. The following amounts exclude the City's Local Option Tax.

Retail Taxable Sales(1)

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Taxable</u> <u>Sales</u>	<u>Annual Percent</u> <u>Change + (-)</u>
2009.....	\$ 7,270,807	n/a
2010.....	6,584,566	(9.44%)
2011.....	7,131,833	8.31%
2012.....	7,703,115	8.01%
2013.....	9,727,459	26.28%
2014.....	8,738,655	(10.17%)
2015.....	9,511,177	8.84%
2016.....	9,539,845	0.30%
2017.....	10,607,260	11.19%
2018.....	10,540,056	(0.63%)

Growth from 2009 to 2018..... 44.96%

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

PLAN OF FINANCING

A portion of the Bond proceeds will be used to currently refund the City’s outstanding General Obligation Corporate Purpose Bonds, Series 2010, as listed below (the “Refunded Bonds”):

The Refunded Bonds

Outstanding General Obligation Corporate Purpose Bonds, Series 2010

(Dated June 15, 2010)

Refunded Maturities	Outstanding Amount	Amount Refunded	Redemption Price	Redemption Date(1)
06/01/2020	\$ 160,000	\$ (160,000)	100.00%	08/05/2019
06/01/2021	170,000	(170,000)	100.00%	08/05/2019
06/01/2022	175,000	(175,000)	100.00%	08/05/2019
06/01/2023	180,000	(180,000)	100.00%	08/05/2019
06/01/2024	190,000	(190,000)	100.00%	08/05/2019
06/01/2025	<u>200,000</u>	<u>(200,000)</u>	100.00%	08/05/2019
Total	\$1,075,000	\$(1,075,000)		

Note: (1) Subject to Change.

The remaining bond proceeds will be used to pay costs of: replacing windows at Memorial Hall, and of undertaking an urban renewal project in the Farley Urban Renewal Area consisting of constructing, furnishing and equipping a municipal building/city hall.

DEFAULT RECORD

The City has no record of default and has met its debt repayment obligations promptly.

SHORT-TERM BORROWING

The City has not issued tax anticipation warrants or revenue anticipation notes during the last five years to meet its short-term current year cash flow requirements.

DEBT INFORMATION

After issuance of the Bonds and the refunding of the Refunded Bonds, the City will have outstanding \$3,360,000* principal amount of general obligation debt. In addition, the City has outstanding approximately \$3,200,000 principal amount of water and sewer revenue debt.

The City has a general obligation legal debt limit equal to 5% of Actual Valuation. For the January 1, 2018 Actual Valuation of \$138,864,105 (including tax increment valuation and excluding military exemption valuation) applied to fiscal year 2019/20 the total limit is \$6,943,205. Including the Bonds, the estimated principal amount of bonded debt applicable to this limit is \$3,360,000* and non-bonded TIF rebate obligations applicable to this limit is \$370,354*, resulting in a net legal debt margin of \$3,212,851*.

The City does not expect to issue any additional general obligation debt in calendar year 2019.

*Subject to change.

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

Series 2010.....	\$ 1,075,000
Series 2012.....	495,000
Series 2015.....	315,000
The Bonds(2).....	2,550,000
Less: The Refunded Bonds(2).....	<u>(1,075,000)</u>
Total(2)	\$ 3,360,000

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

General Obligation Debt(1) (Principal Only)

Fiscal Year Ending June 30	Series 2010	Series 2012	Series 2015	Total Outstanding GO Debt	The Bonds(2)	Less: The Refunded Bonds(2)	Total General Obligation Debt(2)	Cumulative Retirement(2)	
								Amount	Percent
2020.....	\$ 160,000	\$235,000	\$ 50,000	\$ 445,000	\$ 175,000	\$ (160,000)	\$ 460,000	\$ 460,000	13.69%
2021.....	170,000	245,000	50,000	465,000	175,000	(170,000)	470,000	930,000	27.68%
2022.....	175,000	15,000	50,000	240,000	235,000	(175,000)	300,000	1,230,000	36.61%
2023.....	180,000	0	55,000	235,000	270,000	(180,000)	325,000	1,555,000	46.28%
2024.....	190,000	0	55,000	245,000	325,000	(190,000)	380,000	1,935,000	57.59%
2025.....	200,000	0	55,000	255,000	345,000	(200,000)	400,000	2,335,000	69.49%
2026.....	0	0	0	0	135,000	0	135,000	2,470,000	73.51%
2027.....	0	0	0	0	140,000	0	140,000	2,610,000	77.68%
2028.....	0	0	0	0	140,000	0	140,000	2,750,000	81.85%
2029.....	0	0	0	0	145,000	0	145,000	2,895,000	86.16%
2030.....	0	0	0	0	150,000	0	150,000	3,045,000	90.63%
2031.....	0	0	0	0	155,000	0	155,000	3,200,000	95.24%
2032.....	0	0	0	0	160,000	0	160,000	3,360,000	100.00%
Total.....	\$1,075,000	\$495,000	\$315,000	\$1,885,000	\$2,550,000	\$(1,075,000)	\$3,360,000		

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

Statement of Bonded Indebtedness(1)(2)

City Actual Value, January 1, 2018.....	\$138,864,105
City Taxable Value, January 1, 2018.....	\$ 89,969,765

	Total	Percent	Applicable	Ratio to City Actual Value	Ratio to City Taxable Value	Per Capita
			Amount			(2010 Pop. (1,537)
Direct Bonded Debt(3).....	\$ 3,360,000	100.00%	\$3,360,000	2.42%	3.73%	\$2,186.08
Total Net Direct Debt(3).....	\$ 3,360,000	100.00%	\$3,360,000	2.42%	3.73%	\$2,186.08
Overlapping Debt:						
Western Dubuque County School District....	\$15,340,000	8.76%	\$1,344,473	0.97%	1.49%	\$ 874.74
Northeast Community College(4).....	16,580,000	0.69%	114,979	0.08%	0.13%	74.81
Dubuque County	19,320,000	1.66%	321,613	0.23%	0.36%	209.25
Total Overlapping Bonded Debt(4)			\$1,781,065	1.28%	1.98%	\$1,158.79
Total Direct and Overlapping Bonded Debt(3)			\$5,141,065	3.70%	5.71%	\$3,344.87

Per Capita Actual Value	\$90,347.50
Per Capita Taxable Value.....	\$58,535.96

Notes: (1) Source: the City, Audited Financial Statements and EMMA for the County, School District and Community College.
 (2) As of the date of issuance for the Direct Bonded Debt and May 23, 2019 for Overlapping Debt.
 (3) Subject to change.
 (4) Excludes \$21,475,000 in Industrial New Jobs Training Certificates, which are expected to be paid by proceeds from anticipated job credits from withholding taxes.

PROPERTY ASSESSMENT AND TAX INFORMATION

Property Tax Assessment

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

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

Percentages for Taxable Valuation After Rollbacks(1)

<u>Fiscal Year</u>	<u>Residential</u>	<u>Multi-Residential(2)</u>	<u>Ag Land & Buildings</u>	<u>Commercial</u>
2010/11.....	46.9094%	N/A	66.2715%	100.0000%
2011/12.....	48.5299%	N/A	69.0152%	100.0000%
2012/13.....	50.7518%	N/A	57.5411%	100.0000%
2013/14.....	52.8166%	N/A	59.9334%	100.0000%
2014/15.....	54.4002%	N/A	43.3997%	95.0000%
2015/16.....	55.7335%	N/A	44.7021%	90.0000%
2016/17.....	55.6259%	86.2500%	46.1068%	90.0000%
2017/18.....	56.9391%	82.5000%	47.4996%	90.0000%
2018/19.....	55.6209%	78.7500%	54.4480%	90.0000%
2019/20.....	56.9180%	75.0000%	56.1324%	90.0000%

Notes: (1) Source: the Iowa Department of Revenue.
 (2) New category beginning with fiscal year 2017.

Property is assessed on a calendar year basis. The assessments finalized as of January 1 of each year are applied to the following tax year. For example, the assessments finalized on January 1, 2017, are used to calculate tax liability for the tax year starting July 1, 2018 through June 30, 2019.

Property Tax Collection

Each county is required by State law to collect all tax levies within its jurisdiction and remit, before the fifteenth of each month, the amount collected through the last day of the preceding month to underlying units of government, including the City. Property tax payments are made at the office of each county treasurer in full or one-half by September 30 and March 31, pursuant to the Code of Iowa, Sections 445.36 and 445.37. Where the first half of any property tax has not been paid by October 1, such installment becomes delinquent. If the second installment is not paid, it becomes delinquent on April 1. Delinquent taxes and special assessments are subject to a penalty at the rate of one and one-half percent per month, to a maximum of eighteen percent per annum.

If taxes are not paid when due, the property may be offered at the regular tax sale on the third Tuesday of June following the delinquency date. Purchasers at the tax sale must pay an amount equal to the taxes, special assessments, interest and penalties due on the property, and funds so received are applied to the payment of taxes. A property owner may redeem from the regular tax sale, but failing redemption within two years, the tax sale purchaser is entitled to a deed which in general conveys the title free and clear of all liens except future installments of taxes.

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

Property Class	Fiscal Year:	2015/16	2016/17	2017/18	2018/19	2019/20
	Levy Year:	2014	2015	2016	2017	2018
Residential		\$ 79,831,870	\$ 83,880,240	\$ 85,739,240	\$ 96,217,882	\$ 98,246,098
Agricultural		837,225	995,893	986,703	932,893	634,678
Commercial		14,672,340	13,981,869	14,876,479	16,656,408	17,965,272
Industrial		16,520,480	16,689,080	17,024,820	17,195,870	17,633,789
Multi-residential(3)		0	1,296,439	1,306,434	1,306,434	1,310,216
Railroads		239,493	252,528	251,506	237,124	196,807
Utilities without Gas and Electric(4)		149,158	130,166	137,170	143,645	152,345
Gas and Electric Utility(4)		1,543,549	1,702,197	1,884,918	2,152,565	2,815,648
Other		0	0	0	0	250,980
Less: Military Exemption		(111,120)	(109,268)	(105,564)	(101,860)	(90,748)
Total		\$113,682,995	\$118,819,144	\$122,101,706	\$134,740,961	\$139,115,085
Percent Change +/-		4.04%(5)	4.52%	2.76%	10.35%	3.25%

- Notes: (1) Source: Iowa Department of Management.
 (2) Includes tax increment finance (TIF) valuations used in the following amounts:

January 1:	2014	2015	2016	2017	2018
TIF Valuation	\$19,840,523	\$19,074,653	\$21,901,607	\$18,406,333	\$29,496,080

- (3) New Class as of January 1, 2015, previously reported as Commercial Property.
 (4) See "PROPERTY TAX INFORMATION - Utility Property Tax Replacement" herein.
 (5) Based on 2013 Actual Valuation of \$109,270,084.

For the January 1, 2018 levy year, the City's Taxable Valuation was comprised of approximately 62% residential, 18% commercial, 18% industrial, 1% multi-residential, 1% utilities and less than 1% agriculture and military exemption.

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

Property Class	Fiscal Year:	2015/16	2016/17	2017/18	2018/19	2019/20
	Levy Year:	2014	2015	2016	2017	2018
Residential		\$ 44,493,092	\$ 46,659,198	\$ 48,819,133	\$ 53,517,246	\$ 55,919,702
Agricultural		374,258	459,172	468,679	507,941	322,412
Commercial		13,205,105	12,583,683	13,388,833	14,990,769	16,168,744
Industrial		14,868,432	15,020,172	15,322,338	15,476,284	15,870,411
Multi-residential(3)		0	1,118,179	1,077,812	1,028,818	982,664
Railroads		215,544	227,275	226,355	213,412	177,126
Utilities without Gas and Electric(4)		149,158	130,166	137,170	143,645	152,345
Gas and Electric Utility(4)		529,807	518,190	510,525	483,698	467,109
Less: Military Exemption		(111,120)	(109,268)	(105,564)	(101,860)	(90,748)
Total		\$ 73,724,276	\$ 76,606,767	\$ 79,845,281	\$ 86,259,953	\$ 89,969,765
Percent Change +/-		4.10%(5)	3.91%	4.23%	8.03%	4.30%

- Notes: (1) Source: Iowa Department of Management.
 (2) Includes tax increment finance (TIF) valuations used in the following amounts:

January 1:	2014	2015	2016	2017	2018
TIF Valuation	\$15,160,443	\$19,074,653	\$21,901,607	\$18,406,333	\$29,071,320

- (3) New Class as of January 1, 2015, previously reported as Commercial Property.
 (4) See "PROPERTY TAX INFORMATION - Utility Property Tax Replacement" herein.
 (5) Based on 2013 Taxable Valuation of \$70,823,390.

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The following shows the trend in the City's tax extensions and collections.

Tax Extensions and Collections(1)

<u>Levy Year</u>	<u>Fiscal Year</u>	<u>Amount Levied</u>	<u>Amount Collected(2)</u>	<u>Percent Collected</u>
2012.....	2013-14.....	\$509,332	\$504,842	99.12%
2013.....	2014-15.....	514,335	524,814	102.04%
2014.....	2015-16.....	560,200	565,719	100.99%
2015.....	2016-17.....	590,784	593,290	100.42%
2016.....	2017-18.....	672,764	684,587	101.76%
2017.....	2018-19.....	715,953	- In Collection - -	

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

Principal Taxpayers(1)

<u>Taxpayer Name</u>	<u>Business/Service</u>	<u>Levy Year 2018 Taxable Valuation(2)</u>
Western Dubuque Biodiesel LLC.....	Utility.....	\$ 4,978,890
LSI LLP.....	Social Services.....	3,479,050
Behnke Family LLC.....	Manufacturing.....	3,243,813
R Simon Real Estate LLC.....	Realty.....	2,285,130
Innovative Ag Services Co.....	Agriculture.....	1,875,771
Individual.....	Real Property.....	1,496,622
Rauen & Rauen Development LLC.....	Manufacturing.....	1,196,211
Top Grade Leasing LLC.....	Landscaping.....	1,144,296
Cedar Valley Properties LLC.....	Residential Development.....	874,584
Individual.....	Real Property.....	<u>751,697</u>
Total.....		\$21,326,064
Ten Largest Taxpayers as Percent of City's 2018 Taxable Valuation (\$89,969,765).....		23.70%

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

Levy Limits

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

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The property tax rates for the City from levy year 2013 through levy year 2017 are shown below:

Property Tax Rates: Levy Years 2013 - 2017(1)(2)
 (Per \$1,000 Actual Valuation)

	Fiscal Year:	2014/15	2015/16	2016/17	2017/18	2018/19
	Levy Year:	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
City:						
General Fund	\$	4.75394	\$ 4.26619	\$ 3.94933	\$ 5.35598	\$ 5.24142
Emergency Levy.....		0.00000	0.00000	0.00000	0.00000	0.00000
Debt Service Fund.....		3.68407	4.29947	4.84007	4.64401	4.26858
Employee Benefits		0.00000	0.00000	0.00000	0.00000	0.00000
Capital Improvement		0.00000	0.00000	0.00000	0.00000	0.00000
Other		<u>0.00000</u>	<u>0.00000</u>	<u>0.00000</u>	<u>0.00000</u>	<u>0.00000</u>
Total City.....	\$	8.43801	\$ 8.56566	\$ 8.78940	\$ 9.99999	\$ 9.51000
Dubuque County	\$	6.43124	\$ 6.38779	\$ 6.29673	\$ 6.34143	\$ 5.97760
Western Dubuque Community School District		13.05270	13.01519	12.04698	11.53512	11.53406
Northeast Iowa Community College.....		0.90807	0.91036	0.93757	1.09993	1.09993
Other		<u>0.67315</u>	<u>0.66641</u>	<u>0.70443</u>	<u>0.67396</u>	<u>0.65448</u>
Total Tax Rate.....	\$	29.50317	\$29.54541	\$28.77511	\$29.65043	\$28.77607

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

Tax Levy Procedures

The Bonds are general obligations of the City, payable from and secured by a continuing ad valorem tax levied against all of the property valuation within the City. As part of the budgetary process each fiscal year, the City will have an obligation to request a debt service levy to be applied against all of the taxable property within the City. A failure on the part of the City to make a timely levy request or a levy request by the City that is inaccurate or is insufficient to make full payments of the debt service of the Bonds for a particular fiscal year may cause Bond holders to experience delay in the receipt of distributions of principal of and/or interest on the Bonds. In the event of a default in the payment of principal of or interest on the Bonds, there is no provision for acceleration of maturity of the principal of the Bonds. Consequently, the remedies of the owners of the Bonds (consisting primarily of an action in the nature of mandamus requiring the City and certain other public officials to perform the terms of the resolution for the Bonds) may have to be enforced from year to year.

Notwithstanding the foregoing, Iowa Code section 76.2 provides when an Iowa political subdivision issues bonds, “the governing authority of these political subdivisions before issuing bonds shall, by resolution, provide for the assessment of an annual levy upon all the taxable property in the political subdivision sufficient to pay the interest and principal of the bonds within a period named not exceeding twenty years. A certified copy of this resolution shall be filed with the county auditor or auditors of the counties in which the political subdivision is located; and the filing shall make it a duty of the auditor(s) to enter annually this levy for collection from the taxable property within the boundaries of the political subdivision until funds are realized to pay the bonds in full.”

Utility Property Tax Replacement

Property owned by entities involved primarily in the production, delivery, service and sale of electricity and natural gas (“Utilities”) pay a replacement tax based upon the delivery of energy by Utilities in lieu of property taxes. All replacement taxes are allocated among local taxing bodies by the State Department of Revenue and the Department of Management. This allocation is made in accordance with a general allocation formula developed by the Department of Management on the basis of general property tax equivalents. Utility properties paying the replacement tax are exempt from the levy of property tax by political subdivisions. In addition to the replacement tax, Utility property will continue to be valued by a special method as provided in the statute and taxed at the rate of three cents per one thousand dollars for the general fund of the State.

By statute, the replacement tax collected by the State and allocated among local taxing bodies (including the City) shall be treated as property tax when received and shall be disposed of by the county treasurer as taxes on real estate. It is possible that the general obligation debt capacity of the City could be adjudicated to be proportionately reduced in future years if Utility property were determined to be other than “taxable property” for purposes of computing the City’s debt limit under Article XI of the Constitution of the State of Iowa. There can be no assurance that future legislation will not (i) operate to reduce the amount of debt the City can issue or (ii) adversely affect the City’s ability to levy taxes in the future for the payment of the principal of and interest on its outstanding debt obligations, including the Bonds. Approximately 1% of the City’s levy year 2018 taxable valuation currently is utility property.

Tax Increment Financing

The Code of Iowa currently authorizes the use of two types of tax increment financing by local taxing districts in the State of Iowa. The first type allows local governments to establish TIF districts to be established for the purposes of financing designated urban renewal projects which contribute to the urban redevelopment and economic development of the immediate area. The taxable valuation for this type of TIF district in the City for levy year 2018 was \$29,071,320.

The second type of tax increment financing was authorized by state legislative action in the mid-1980’s. The area community colleges can establish TIF districts by contract with specific local businesses and industries to provide jobs training programming for new employees of existing expanding businesses or employees of new businesses. The revenues from these job training TIF districts then retires the debt incurred from the issuance of jobs training certificates which finance the cost of jobs training programming over a maximum of ten years. Upon payment of all jobs training certificates, the district dissolves and the incremental value from the new or expanded business reverts to the general tax base. There is no current valuation for this second type of TIF district.

From time to time the City, pursuant to Section 403.9 of the Code of Iowa and the City’s urban renewal plans, has entered into Development Agreements, Rebate Agreements, and the like, which contain payment obligations from the City to an external party. The City’s payment requirements under these contracts are not structured as general liabilities of the City, but rather are exclusively secured by and payable from a pledge of the City’s incremental property tax revenues (TIF) to be derived from the taxable properties (or some subset thereof) contained within an urban renewal area of the City pursuant to Section 403.19 of the Code of Iowa. The City’s payment obligations under these contracts are routinely contingent upon development or redevelopment performance requirements of the external party and are typically made subject to annual appropriation rights by the City Council. TIF Payments under these contracts are typically due and owing semi-annually on December 1 and June 1 of each fiscal year of the City. The City has nine of these Development Agreements in place, each with an aggregate remaining maximum payment liability less than \$100,000. The aggregated (and estimated) remaining payment liability of the City under these smaller contracts is approximately \$358,904, and the last of the payments thereunder is scheduled to be paid by June 1, 2031.

In addition, the City’s more significant Development Agreements, each with an estimated remaining payment liability of \$100,000 or more, and each subject to annual appropriation by the City, are listed in the following table:

<u>Third Party Agreement Name</u>	<u>Agreement Date</u>	<u>Maximum Amount Outstanding</u>	<u>Last Payment Date</u>
Behnke Family LLC	11/04/13	\$259,200	6/1/2027
LSI, LLP	08/20/12	168,000	6/1/2023
Top Grade Leasing, LLC	12/05/11	120,000	6/1/2023
Farley Industrial Development Corp.	12/04/17	1,000,000	6/1/2029
Farley Industrial Development Corp.	11/05/18	750,000	6/1/2034
Wildcat Investment Group	05/15/17	400,000	6/1/2039
Big River Cast Stone	10/08/18	300,000	6/1/2030
Triton Manufacturing	12/27/18	240,000	6/1/2030
JABC Properties(1)	06/03/19	125,000	6/1/2030

Note: (1) Approved by the City, but not yet signed by developer.

FINANCIAL INFORMATION

Financial Reports

The City is not required to undergo an annual audit. The City's financial statements are completed on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than generally accepted accounting principles. The City is required to file a Financial Report annually with the State of Iowa; see **APPENDIX A** for a copy of this Financial Report from the City's fiscal year ended June 30, 2018.

Summary Financial Information

The following tables are summaries and do not purport to be the complete audits, copies of which are available upon request. See **APPENDIX A** for the City's 2018 Audit. The City expects its General Fund balance for the fiscal year ending June 30, 2019 to decrease by approximately \$93,000. The City has approved a budget for fiscal year 2020 with an anticipated decrease to the General Fund balance of approximately \$130,000.

Statement of Revenues, Expenditures and Changes in Fund Balance General Fund(1)

	Audited Fiscal Year Ended June 30				
	2014	2015	2016	2017	2018
REVENUES:					
Property Taxes	\$140,266	\$260,564	\$250,012	\$225,336	\$315,023
Other City Taxes	193,396	198,443	218,496	226,464	202,543
Licenses and Permits	13,017	12,863	13,331	14,038	13,158
Use of Money and Property	21,912	22,627	20,280	20,763	30,093
Intergovernmental	50,435	54,054	58,279	61,707	64,142
Charges for Service.....	147,913	71,490	9,666	22,280	960
Miscellaneous.....	<u>14,262</u>	<u>91,815</u>	<u>169,806</u>	<u>140,564</u>	<u>139,821</u>
Total Revenue.....	<u>\$581,201</u>	<u>\$711,856</u>	<u>\$739,870</u>	<u>\$711,152</u>	<u>\$765,740</u>
EXPENDITURES:					
Current:					
Public Safety	\$123,266	\$148,551	\$209,271	\$153,652	\$184,219
Public Works	158,674	168,087	97,044	116,652	149,674
Culture and Recreation.....	154,994	156,288	218,394	217,820	238,765
Community and Economic Development	0	0	0	560	473
General Government.....	<u>151,919</u>	<u>172,649</u>	<u>181,533</u>	<u>301,494</u>	<u>238,879</u>
Total Expenditures.....	<u>\$588,853</u>	<u>\$645,575</u>	<u>\$706,242</u>	<u>\$790,178</u>	<u>\$812,010</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures.....	\$ (7,652)	\$ 66,281	\$ 33,628	\$(79,026)	\$(46,270)
Other Financing Sources (Uses) Transfers (Net)(2).....	<u>8,605</u>	<u>25,596</u>	<u>0</u>	<u>109,600</u>	<u>(18,053)</u>
Net Change in Fund Balances.....	<u>953</u>	<u>91,877</u>	<u>33,628</u>	<u>30,574</u>	<u>(64,323)</u>
Fund Balance - Beginning	\$492,882	\$493,811(2)	\$584,338(2)	\$617,967(2)	\$648,541
Fund Balance - Ending.....	\$493,835	\$585,688	\$617,966	\$648,541	\$584,218

Notes: (1) Source: Unaudited financial statements of the City for the fiscal years ended June 30, 2014 through 2018.
 (2) Prior Period Adjustment.

EMPLOYEE RETIREMENT AND OTHER POST EMPLOYMENT BENEFIT OBLIGATIONS

Pensions

The City participates in one public pension systems, Iowa Public Employee’s Retirement System (IPERS). Summary descriptions of each Plan follows.

Defined Benefit Pension Plan – Iowa Public Employee’s Retirement System

The City also contributes to the Iowa Public Employees’ Retirement System (“IPERS”). The City’s employees are provided with pensions through a cost-sharing multiple employer defined pension plan administered by IPERS. IPERS benefits are established under Iowa Code, Chapter 97B and the administrative rules thereunder. The City’s employee who completed seven years of covered service or has reached the age of 65 while in IPERS covered employment becomes vested. If the City’s employee retires before normal retirement age, the employee’s monthly retirement benefit will be permanently reduced by an early retirement reduction. IPERS provides pension benefits as well as disability benefits to City employees and benefits to the employees’ beneficiaries upon the death of the eligible employee. Additionally, copies of IPERS annual financial report may be obtained from www.ipers.org. However, the information presented in such financial reports or on such websites is not incorporated into this Official Statement by any reference.

Although the actuarial contribution rates are calculated each year, the contribution rates were set by state law through June 30, 2012 and did not necessarily coincide with the actuarially calculated contribution rate. As a result, from June 30, 2002 through June 30, 2013, the rate allowed by statute was less than the actuarially required rate. Effective July 1, 2012, as a result of a 2010 law change, IPERS contribution rates for the City and its employees are established by IPERS following the annual actuarial valuation (which applies IPERS’ Contribution Rate Funding Policy and Actuarial Amortization method.) State statute, however, limits the amount rates can increase or decrease each year to one (1) percentage point. Therefore, any difference between the actuarial contribution rates and the contributions paid is due entirely to statutorily set contributions that may differ from the actual contribution rates. As a result, while the contribution rate in the fiscal year ended June 30, 2017 equaled the actuarially required rate, there is no guarantee, due to this statutory limitation on rate increases, that the contribution rate will meet or exceed the actuarially required rate in the future.

The following table sets forth the contributions made by the City and employees to IPERS for the period indicated for Regular Members. The City contributed 10.21% and employees contributed 6.81% to IPERS for Protection Occupations for fiscal year 2019.

<u>Fiscal Year</u>	<u>% of Payroll Paid by the City</u>	<u>% of Payroll Paid by Employee</u>
2015.....	8.93%	5.95%
2016.....	8.93%	5.95%
2017.....	8.93%	5.95%
2018.....	8.93%	5.95%
2019.....	9.44%	6.29%

The City cannot predict the levels of funding that will be required in the future as any IPERS unfunded pension benefit obligation could be reflected in future years in higher contribution rates. The investment of moneys, assumptions underlying the same and the administration of IPERS is not subject to the direction of the City. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of IPERS (“UAALs”). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, adjustments, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAAL could be substantial in the future, requiring significantly increased contributions from the City which could affect other budgetary matters.

The following table sets forth certain information about the funding status of IPERS that has been extracted from the comprehensive annual financial reports of IPERS for fiscal years ended June 30, 2014 through, and including, 2018 (collectively, the “IPERS CAFRs (2014-2018)”), and the actuarial valuation reports provided to IPERS by Cavanaugh MacDonald Consulting, LLC (collectively, the “IPERS Actuarial Reports (2014-2018)”). Additional information regarding IPERS and its latest actuarial valuations can be obtained by contacting IPERS administrative staff.

Valuation Date	Actuarial Value of Assets [a]	Market Value of Assets [b]	Actuarial Accrued Liability [c]	Unfunded Actuarial Accrued Liability (Actuarial Value) [c]-[a]	Funded Ratio (Actuarial Value) [a]/[c]	Unfunded Actuarial Accrued Liability (Market Value) [c]-[b]	Funded Ratio (Market Value) [b]/[c]	Covered Payroll [d]	UAAAL as a Percentage of Covered (Actuarial Value) [(b-a)/[c]]
2014	\$26,460,428,085	\$28,038,549,893	\$32,004,456,088	\$5,544,028,003	82.68%	\$3,965,906,195	87.61%	\$7,099,277,280	78.09%
2015	27,915,379,103	28,429,834,829	33,370,318,731	5,454,939,628	83.65%	4,940,483,902	85.19%	7,326,348,141	74.46%
2016	29,033,696,587	28,326,433,656	34,619,749,147	5,586,052,560	83.86%	6,293,315,491	81.82%	7,556,515,720	73.92%
2017	30,472,423,914	30,779,116,326	37,440,382,029	6,967,958,115	81.39%	6,661,265,703	82.21%	7,863,160,443	88.62%
2018	31,827,755,864	32,314,588,595	38,642,833,653	6,815,077,789	82.36%	6,328,245,058	83.62%	7,983,219,527	85.37%

Source: IPERS Reports.

According to IPERS, the market value investment return on program assets is as follows:

Fiscal Year Ended June 30	Investment Return %
2014	15.88%
2015	3.96%
2016	2.15%
2017	11.70%
2018	7.97%

Source: IPERS Reports

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

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

REGISTRATION, TRANSFER AND EXCHANGE

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

The City shall cause books (the “Bond Register”) for the registration and for the transfer of the Bonds to be kept at the principal office maintained for the purpose by the Bond Registrar in Kansas City, Missouri. The City will authorize to be prepared, and the Bond Registrar shall keep custody of, multiple bond blanks executed by the City for use in the transfer and exchange of Bonds.

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

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

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

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

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

TAX EXEMPTION AND RELATED CONSIDERATIONS

Federal Income Tax Exemption

The opinion of Bond Counsel will state that under present laws and rulings, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed under the Internal Revenue Code of 1986 (the "Code").

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

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

Proposed Changes in Federal Tax Law

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

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

Qualified Tax-Exempt Qualification

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

Original Issue Premium

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

Original Issue Discount

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

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

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

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

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

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

CONTINUING DISCLOSURE

The City will covenant and agree, for the benefit of the registered holders or beneficial owners from time to time of the outstanding Bonds to provide reports of specified information and notice of the occurrence of certain events, as hereinafter described (the "Undertaking"). The information to be provided on an annual basis, and the events as to which notice is to be given, is set forth in "**APPENDIX D – Draft Form of Continuing Disclosure Certificate**". This Undertaking is being made by the City to assist the Underwriter(s) in complying with the Rule 15c2-12 of the Securities Exchange Commission, as amended and interpreted from time to time (the "Rule").

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

Pursuant to the Rule, in the last five years, the City has not failed to comply in all material respects with regard to its prior Disclosure Covenants.

OPTIONAL REDEMPTION

Bonds due June 1, 2020 - 2026 inclusive, are not subject to optional redemption. Bonds due June 1, 2027 - 2032, inclusive, are callable in whole or in part on any date on or after June 1, 2026, at a price of par and accrued interest. If selection by lot within a maturity is required, the Registrar shall designate the Bonds to be redeemed by random selection of the names of the registered owners of the entire annual maturity until the total amount of Bonds to be called has been reached.

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

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

LITIGATION

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

LEGAL MATTERS

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

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

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

OFFICIAL STATEMENT AUTHORIZATION

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

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

UNDERWRITING

The Bonds were offered for sale by the City at a public, competitive sale on Monday, July 1, 2019. The best bid submitted at the sale was submitted by _____ (the “Underwriter”). The City awarded the contract for sale of the Bonds to the Underwriter at a price of \$_____ (reflecting the par amount of \$_____, plus a reoffering premium of \$_____, and less an Underwriter’s discount of \$_____). The Underwriter has represented to the City that the Bonds have been subsequently re-offered to the public initially at the yields or prices set forth in the Final Official Statement.

MUNICIPAL ADVISOR

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

CERTIFICATION

We have examined this Official Statement dated June 18, 2019, for the \$2,550,000* General Obligation Corporate Purpose and Refunding Bonds, Series 2019, believe it to be true and correct and will provide to the purchaser of the Bonds at the time of delivery a certificate confirming to the purchaser that to the best of our knowledge, information and belief, information in the Official Statement was at the time of acceptance of the bid for the Bonds and, including any addenda thereto, was at the time of delivery of the Bonds true and correct in all material respects and does not include any untrue statement of a material fact, nor does it omit the statement of any material fact required to be stated therein, or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

/s/ **ASHLEY JASPER**
City Clerk
CITY OF FARLEY
Dubuque County, Iowa

/s/ **JEFFREY SIMON**
Mayor
CITY OF FARLEY
Dubuque County, Iowa

**Subject to change.*

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APPENDIX A

**CITY OF FARLEY
DUBUQUE COUNTY, IOWA**

**ANNUAL FINANCIAL REPORT OF THE CITY
FILED WITH THE STATE OF IOWA
FOR THE CITY'S FISCAL YEAR ENDED
JUNE 30, 2018**

STATE OF IOWA
2018
FINANCIAL REPORT
FISCAL YEAR ENDED
JUNE 30, 2018

16203101100000
City Clerk
114 1st Street N, PO Box 246
Farley, IA 52046

CITY OF FARLEY, IOWA
DUE: December 1, 2018

(Please correct any error in name, address, and ZIP Code)

WHEN COMPLETED, PLEASE RETURN TO
Mary Mosiman, CPA
Office of Auditor of State
Lucas State Office Building
321 E. 12th Street, 2nd Floor
Des Moines, IA 50319

NOTE - The information supplied in this report will be shared by the Iowa State Auditor's Office, the U.S. Census Bureau, various public interest groups, and State and federal agencies.

ALL FUNDS

Item description	Governmental (a)	Proprietary (b)	Total actual (c)	Budget (d)
Revenues and Other Financing Sources				
Taxes levied on property	684,587		684,587	672,764
Less: Uncollected property taxes-levy year	0		0	
Net current property taxes	684,587		684,587	672,764
Delinquent property taxes	0		0	
TIF revenues	459,823		459,823	431,968
Other city taxes	202,543	0	202,543	205,105
Licenses and permits	13,158	0	13,158	12,800
Use of money and property	42,656	6,521	49,177	42,405
Intergovernmental	449,309	0	449,309	266,372
Charges for fees and service	5,028	767,090	772,118	768,050
Special assessments	39,899	0	39,899	40,000
Miscellaneous	139,824	1,109	140,933	129,736
Other financing sources, including transfers in	510,956	684,992	1,195,948	1,077,910
Total revenues and other sources	2,547,783	1,459,712	4,007,495	3,647,110
Expenditures and Other Financing Uses				
Public safety	184,219	0	184,219	192,732
Public works	280,266	0	280,266	351,409
Health and social services	0	0	0	
Culture and recreation	238,765	0	238,765	279,720
Community and economic development	155,619	0	155,619	160,569
General government	238,879	0	238,879	254,864
Debt service	503,473	0	503,473	504,970
Capital projects	207,584	0	207,584	328,458
Total governmental activities expenditures	1,808,805	0	1,808,805	2,072,722
Business type activities	0	1,276,456	1,276,456	1,329,812
Total ALL expenditures	1,808,805	1,276,456	3,085,261	3,402,534
Other financing uses, including transfers out	482,752	104,398	587,150	468,910
Total ALL expenditures/And other financing uses	2,291,557	1,380,854	3,672,411	3,871,444
Excess revenues and other sources over (Under) Expenditures/And other financing uses	256,226	78,858	335,084	-224,334
Beginning fund balance July 1, 2017	1,037,727	517,468	1,555,195	
Ending fund balance June 30, 2018	1,293,953	596,326	1,890,279	-224,334

Note - These balances do not include \$ _____ held in non-budgeted internal service funds; \$ _____ held in Pension Trust Funds; \$ _____ held in Private Purpose Trust funds and \$ _____ held in agency funds which were not budgeted and are not available for city operations.

Indebtedness at June 30, 2018	Amount - Omit cents	Indebtedness at June 30, 2018	Amount - Omit cents
General obligation debt	\$ 2,320,000	Other long-term debt	\$ 0
Revenue debt	\$ 1,916,000	Short-term debt	\$ 0
TIF Revenue debt	\$ 0		
		General obligation debt limit	\$ 6,105,085

CERTIFICATION

THE FOREGOING REPORT IS CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF

Signature of city clerk	Date Published/Posted	Mark (x) one
	11/7/18	<input checked="" type="checkbox"/> Date Published <input type="checkbox"/> Date Posted
Printed name of city clerk	Area Code	Number
Ashley Jasper	563	744-3475
Signature of Mayor or other City official (Name and Title)	Telephone	Extension
	→	406
	Date signed	
	11/7/2018	

PLEASE PUBLISH THIS PAGE ONLY

Part I		REVENUE AND OTHER FINANCING SOURCES FOR YEAR ENDED JUNE 30, 2018					CITY OF FARLEY					<input type="checkbox"/> GAAP <input checked="" type="checkbox"/> NON-GAAP = CASH BASIS Indicate by entering an X in the appropriate box on this sheet ONLY	
Line No.	Item description	General (a)	Special revenue (b)	TIF special revenue (c)	Debt service (d)	Capital projects (e)	Permanent (f)	Total governmental (Sum of cols. (a) through (f)) (g)	Proprietary (h)	Code	GRAND TOTAL (Sum of cols. (g) and (h)) (i)	Line No.	
1	Section A - TAXES											1	
2	Taxes levied on property	315,023			369,564			684,587			684,587	2	
3	Less: Uncollected property taxes - Levy year							0			0	3	
4	Net current property taxes	315,023	0		369,564	0		684,587		T01	684,587	4	
5	Delinquent property taxes							0		T01	0	5	
6	Total property tax	315,023	0		369,564	0	0	684,587			684,587	6	
7	TIF revenues			459,823				459,823		T01	459,823	7	
8	Other city taxes							0		T15	0	8	
9	Utility tax replacement excise taxes							0		T15	0	9	
10	Utility franchise tax (Chapter 364.2, Code of Iowa)							0		C30	0	10	
11	Parimutuel wager tax							0		C30	0	11	
12	Gaming wager tax							0		T19	0	12	
13	Mobile home tax							0		T19	0	13	
14	Hotel/motel tax							0		T09	0	14	
15	Other local option taxes	202,543						202,543		T09	202,543	14	
16	TOTAL OTHER CITY TAXES	202,543	0		0	0	0	202,543	0		202,543	15	
16	Section B - LICENSES AND PERMITS	13,158						13,158		T29	13,158	16	
17	Section C - USE OF MONEY AND PROPERTY											17	
18	Interest	6,497		2,137	10,426			19,060	4,721	U20	23,781	18	
19	Rents and royalties	23,596						23,596	1,800	U40	25,396	19	
20	Other miscellaneous use of money and property							0		U20	0	20	
21								0			0	21	
22	TOTAL USE OF MONEY AND PROPERTY	30,093	0	2,137	10,426	0	0	42,656	6,521		49,177	22	
23												23	
24	Section D - INTERGOVERNMENTAL											24	
25												25	
26	Federal grants and reimbursements											26	
27	Federal grants							0		B89	0	27	
28	Community development block grants							0		B50	0	28	
29	Housing and urban development							0		B50	0	29	
30	Public assistance grants							0		B79	0	30	
31	Payment in lieu of taxes							0		B30	0	31	
32								0			0	32	
33	Total Federal grants and reimbursements	0	0		0	0	0	0	0		0	33	
34												34	
35												35	
36												36	
37												37	
38												38	
39												39	
40												40	

Continued on next page

Part I	REVENUE AND OTHER FINANCING SOURCES FOR YEAR ENDED JUNE 30, 2018 -- Continued						CITY OF FARLEY						<input type="checkbox"/> GAAP		<input checked="" type="checkbox"/> NON-GAAP = CASH BASIS	
Line No.	Item description	General (a)	Special revenue (b)	TIF special revenue (c)	Debt service (d)	Capital projects (e)	Permanent (f)	Total governmental (Sum of cols. (a) through (f)) (g)	Proprietary (h)	Code	GRAND TOTAL (Sum of cols. (g) and (h)) (i)	Line No.				
41	Section D - INTERGOVERNMENTAL - Continued											41				
42												42				
43	State shared revenues											43				
44	Road use taxes		196,106					196,106		C46	196,106	44				
45												45				
46												46				
47												47				
48	Other state grants and reimbursements											48				
49	State grants							0		C89	0	49				
50	Iowa Department of Transportation					174,616		174,616		C89	174,616	50				
51	Iowa Department of Natural Resources							0		C89	0	51				
52	Iowa Economic Development Authority							0		C89	0	52				
53	CEBA grants							0		C89	0	53				
54	Commercial & Industrial Replacement Claim	8,626			14,445			23,071		C89	23,071	54				
55								0			0	55				
56								0			0	56				
57								0			0	57				
58								0			0	58				
59								0			0	59				
60	Total state	8,626	196,106	0	14,445	174,616	0	393,793	0		393,793	60				
61												61				
62	Local grants and reimbursements											62				
63	County contributions							0			0	63				
64	Library service							0		D89	0	64				
65	Township contributions	25,808						25,808		D89	25,808	65				
66	Fire/EMT service	29,708						29,708		D89	29,708	66				
67								0		D89	0	67				
68								0			0	68				
69								0			0	69				
70	Total local grants and reimbursements	55,516	0	0	0	0	0	55,516	0		55,516	70				
71	TOTAL INTERGOVERNMENTAL (Sum of lines 33, 60, and 70)	64,142	196,106	0	14,445	174,616	0	449,309	0		449,309	71				
72	Section E - CHARGES FOR FEES AND SERVICE											72				
73	Water							0	396,728	A91	396,728	73				
74	Sewer							0	278,473	A8Ø	278,473	74				
75	Electric							0		A92	0	75				
76	Gas							0		A93	0	76				
77	Parking							0		A6Ø	0	77				
78	Airport							0		AØ1	0	78				
79	Landfill/garbage							0	91,889	A81	91,889	79				
80	Hospital							0		A36	0	80				

Part I	REVENUE AND OTHER FINANCING SOURCES FOR YEAR ENDED JUNE 30, 2018 -- Continued						CITY OF FARLEY						<input type="checkbox"/> GAAP		<input checked="" type="checkbox"/> NON-GAAP = CASH BASIS	
Line No.	Item description	General	Special revenue	TIF special revenue	Debt service	Capital projects	Permanent	Total governmental (Sum of cols. (a) through (f))	Proprietary	Code	GRAND TOTAL (Sum of cols. (g) and (h))	Line No.				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)		(i)					
81	Section E - CHARGES FOR FEES AND SERVICE - Continued											81				
82	Transit							0		A94	0	82				
83	Cable TV							0		T15	0	83				
84	Internet							0		A03	0	84				
85	Telephone							0		A03	0	85				
86	Housing authority							0		A50	0	86				
87	Storm water							0		A80	0	87				
88	Other:											88				
89	Nursing home							0		A89	0	89				
90	Police service fees	960						960		A89	960	90				
91	Prisoner care							0		A89	0	91				
92	Fire service charges							0		A89	0	92				
93	Ambulance charges							0		A89	0	93				
94	Sidewalk street repair charges							0		A44	0	94				
95	Housing and urban renewal charges							0		A50	0	95				
96	River port and terminal fees							0		A87	0	96				
97	Public scales							0		A89	0	97				
98	Cemetery charges							0		A03	0	98				
99	Library charges							0		A89	0	99				
100	Park, recreation, and cultural charges							0		A61	0	100				
101	Animal control charges							0		A89	0	101				
102	Other charges - <i>Specify</i>							0			0	102				
103	FIDC - 11th Ave NW Reimbursements					4,068		4,068			4,068	103				
104	TOTAL CHARGES FOR SERVICE	960	0	0	0	4,068	0	5,028	767,090		772,118	104				
105												105				
106	Section F - SPECIAL ASSESSMENTS				39,899			39,899		U01	39,899	106				
107	Section G - MISCELLANEOUS											107				
108	Contributions	18,150						18,150		U99	18,150	108				
109	Deposits and sales/fuel tax refunds	1,463			3			1,466	1,109	U99	2,575	109				
110	Sale of property and merchandise	82,937						82,937		U11	82,937	110				
111	Fines	2,463						2,463		U30	2,463	111				
112	Internal service charges							0		NR	0	112				
113	Other miscellaneous - <i>Specify</i>							0			0	113				
114	Reimbursements	22,029						22,029			22,029	114				
115	Refunds	3,676						3,676			3,676	115				
116	Benefit Continuation & Other	9,103						9,103			9,103	116				
117								0			0	117				
118								0			0	118				
119								0			0	119				
120	TOTAL MISCELLANEOUS	139,821	0	0	3	0	0	139,824	1,109		140,933	120				

Part I	REVENUE AND OTHER FINANCING SOURCES FOR YEAR ENDED JUNE 30, 2018 -- Continued						CITY OF FARLEY						<input type="checkbox"/> GAAP <input checked="" type="checkbox"/> NON-GAAP = CASH BASIS	
Line No.	Item description	General (a)	Special revenue (b)	TIF special revenue (c)	Debt service (d)	Capital projects (e)	Permanent (f)	Total governmental (Sum of cols. (a) through (f)) (g)	Proprietary (h)	Code	GRAND TOTAL (Sum of cols. (g) and (h)) (i)	Line No.		
121	TOTAL ALL REVENUES (Sum of lines 6, 7, 15,16,22 71, 104, 106, and 120)	765,740	196,106	461,960	434,337	178,684	0	2,036,827	774,720		2,811,547	121		
122												122		
123	Section H - OTHER FINANCING SOURCES											123		
124	Proceeds of capital asset sales	155,000						155,000		NR	155,000	124		
125	Proceeds of long-term debt (Excluding TIF internal borrowing)							0	453,798	NR	453,798	125		
126	Proceeds of anticipatory warrants or other short-term debt							0		A89	0	126		
127	Regular transfers in and interfund loans	21,669			75,290	173,053		270,012	104,398		374,410	127		
128	Internal TIF loans and transfers in				85,944			85,944	126,796		212,740	128		
129								0			0	129		
130								0			0	130		
131	TOTAL OTHER FINANCING SOURCES	176,669	0	0	161,234	173,053	0	510,956	684,992		1,195,948	131		
132	TOTAL REVENUES except for beginning balances (Sum of lines 121 and 131)	942,409	196,106	461,960	595,571	351,737	0	2,547,783	1,459,712		4,007,495	132		
133												133		
134	Beginning fund balance July 1, 2017	648,541	196,061	70,223	104,444	18,458		1,037,727	517,468		1,555,195	134		
135												135		
136	TOTAL REVENUES AND OTHER FINANCING SOURCES (Sum of lines 132 and 134)	1,590,950	392,167	532,183	700,015	370,195	0	3,585,510	1,977,180		5,562,690	136		
137												137		
138												138		
139												139		
140												140		
141												141		
142												142		
143												143		
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154												154		
155												155		
156												156		
157												157		
158												158		
159												159		

Part II		EXPENDITURES AND OTHER FINANCING USES FOR FISCAL YEAR ENDED JUNE 30, 2018					CITY OF FARLEY		<input type="checkbox"/> GAAP		<input checked="" type="checkbox"/> NON-GAAP = CASH BASIS	
Line No.	Item description	General (a)	Special revenue (b)	TIF special revenue (c)	Debt service (d)	Capital projects (e)	Permanent (f)	Total governmental (Sum of cols. (a) through (f)) (g)	Proprietary (h)	Code	GRAND TOTAL (Sum of col. (g)) (i)	Line No.
1	Section A — PUBLIC SAFETY											1
2	Police department/Crime prevention	95,227						95,227		E62	95,227	2
3	Jail							0		E04	0	3
4	Emergency management	3,122						3,122		E89	3,122	4
5	Flood control							0		E59	0	5
6	Fire department	53,399						53,399		E24	53,399	6
7	Ambulance	32,471						32,471		E32	32,471	7
8	Building inspections							0		E66	0	8
9	Miscellaneous protective services							0		E66	0	9
10	Animal control							0		E32	0	10
11	Other public safety							0		E89	0	11
12								0			0	12
13								0			0	13
14	TOTAL PUBLIC SAFETY	184,219	0					184,219			184,219	14
15	Section B — PUBLIC WORKS											15
16	Roads, bridges, sidewalks	132,930	103,551					236,481		E44	236,481	16
17	Parking meter and off-street							0		E60	0	17
18	Street lighting		27,041					27,041		E44	27,041	18
19	Traffic control safety	703						703		E44	703	19
20	Snow removal	16,041						16,041		E44	16,041	20
21	Highway engineering							0		E44	0	21
22	Street cleaning							0		E81	0	22
23	Airport (if not an enterprise)							0		E01	0	23
24	Garbage (if not an enterprise)							0		E81	0	24
25	Other public works							0		E89	0	25
26	Public Works Administration							0			0	26
27	Engineering Management Services							0			0	27
28	TOTAL PUBLIC WORKS	149,674	130,592					280,266			280,266	28
29	Section C — HEALTH AND SOCIAL SERVICES											29
30	Welfare assistance							0		E79	0	30
31	City hospital							0		E36	0	31
32	Payments to private hospitals							0		E36	0	32
33	Health regulation and inspections							0		E32	0	33
34	Water, air, and mosquito control							0		E32	0	34
35	Community mental health							0		E32	0	35
36	Other health and social services							0		E79	0	36
37								0			0	37
38								0			0	38
39	TOTAL HEALTH AND SOCIAL SERVICES	0	0					0			0	39
40	Section D — CULTURE AND RECREATION											40
41	Library services	52,110						52,110		E52	52,110	41
42	Museum, band, theater							0		E61	0	42
43	Parks	186,655						186,655		E61	186,655	43
44	Recreation							0		E61	0	44
45	Cemetery							0		E03	0	45
46	Community center, zoo, marina, and auditorium							0		E61	0	46
47	Other culture and recreation							0		E61	0	47
48								0			0	48
49								0			0	49
50	TOTAL CULTURE AND RECREATION	238,765	0					238,765			238,765	50

Part II		EXPENDITURES AND OTHER FINANCING USES FOR FISCAL YEAR ENDED JUNE 30, 2018 -- Continued					CITY OF FARLEY					<input type="checkbox"/> GAAP		<input checked="" type="checkbox"/> NON-GAAP = CASH BASIS	
Line No.	Item description	General	Special revenue	TIF special revenue	Debt service	Capital projects	Permanent	Total governmental (Sum of cols. (a) through (f))	Proprietary	Code	GRAND TOTAL (Sum of col. (g))	Line No.			
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)		(i)				
51	Section E — COMMUNITY AND ECONOMIC DEVELOPMENT											51			
52	Community beautification							0				E89	0	52	
53	Economic development			155,146				155,146				E89	155,146	53	
54	Housing and urban renewal							0				E50	0	54	
55	Planning and zoning	473						473				E29	473	55	
56	Other community and economic development							0				E89	0	56	
57	TIF Rebates							0				E89	0	57	
58								0					0	58	
59	TOTAL COMMUNITY AND ECONOMIC DEVELOPMENT	473	0	155,146	0	0	0	155,619					155,619	59	
60	Section F — GENERAL GOVERNMENT													60	
61	Mayor, council and city manager	7,704						7,704					E29	7,704	61
62	Clerk, Treasurer, financial administration	90,458						90,458					E23	90,458	62
63	Elections	778						778					E89	778	63
64	Legal services and city attorney	45,359						45,359					E25	45,359	64
65	City hall and general buildings	94,580						94,580					E31	94,580	65
66	Tort liability							0					E89	0	66
67	Other general government							0					E89	0	67
68								0						0	68
69								0						0	69
70	TOTAL GENERAL GOVERNMENT	238,879	0		0	0	0	238,879					238,879	70	
71	Section G — DEBT SERVICE				503,473			503,473					503,473	71	
72								0						0	72
73								0						0	73
74	TOTAL DEBT SERVICE	0	0	0	503,473	0	0	503,473					503,473	74	
75	Section H — REGULAR CAPITAL PROJECTS — Specify													0	75
76	Storm Sewer Repairs					18,458		18,458						18,458	76
77	11th Avenue NW - RISE Project					189,126		189,126						189,126	77
78	Subtotal Regular Capital Projects	0	0		0	207,584	0	207,584					207,584	78	
79	— TIF CAPITAL PROJECTS — Specify													0	79
80								0						0	80
81								0						0	81
82	Subtotal TIF Capital Projects	0	0		0	0	0	0					0	0	82
83	TOTAL CAPITAL PROJECTS	0	0		0	207,584	0	207,584					207,584	83	
84	TOTAL GOVERNMENTAL ACTIVITIES EXPENDITURES	812,010	130,592	155,146	503,473	207,584	0	1,808,805					1,808,805	84	
85	(Sum of lines 14, 28, 39, 50, 59, 70, 74, 83)														85
86															86

TIF Rebates are expended out of the TIF Special Revenue Fund within the Community and Economic Development program's activity "Other"

Part II		EXPENDITURES AND OTHER FINANCING USES FOR FISCAL YEAR ENDED JUNE 30, 2018 -- Continued					CITY OF FARLEY		<input type="checkbox"/> GAAP		<input checked="" type="checkbox"/> NON-GAAP = CASH BASIS	
Line No.	Item description	General (a)	Special revenue (b)	TIF Special revenue (c)	Debt service (d)	Capital projects (e)	Permanent Fund (f)	Total current governmental (Sum of cols. (a) through (f)) (g)	Proprietary (h)	Code	GRAND TOTAL (Sum of col. (h)) (i)	Line No.
87	Section I — BUSINESS TYPE ACTIVITIES											87
88	Water — Current operation							200,200	E91	200,200		88
89	Capital outlay							592,410	G91	592,410		89
90	Debt Service							118,253	F91	118,253		90
91	Sewer and sewage disposal — Current operation							136,181	E80	136,181		91
92	Capital outlay							36,694	G80	36,694		92
93	Debt Service							103,600	F80	103,600		93
94	Electric — Current operation								E92	0		94
95	Capital outlay								G92	0		95
96	Debt Service								F92	0		96
97	Gas Utility — Current operation								E93	0		97
98	Capital outlay								G93	0		98
99	Debt Service								F93	0		99
100	Parking — Current operation								E60	0		100
101	Capital outlay								G60	0		101
102	Debt Service								F60	0		102
103	Airport — Current operation								E01	0		103
104	Capital outlay								G01	0		104
105	Debt Service								F01	0		105
106	Landfill/Garbage — Current operation							89,118	E81	89,118		106
107	Capital outlay								G81	0		107
108	Debt Service								F81	0		108
109	Hospital — Current operation								E36	0		109
110	Capital outlay								G36	0		110
111	Debt Service								F36	0		111
112	Transit — Current operation								E94	0		112
113	Capital outlay								G94	0		113
114	Debt Service								F94	0		114
115	Cable TV, telephone, Internet — Current operation								E03	0		115
116	Capital outlay								G03	0		116
117	Housing authority — Current operation								E50	0		117
118	Capital outlay								G50	0		118
119	Debt Service								F50	0		119
120	Storm water — Current operation								E80	0		120
121	Capital outlay								G80	0		121
122	Debt Service								F80	0		122
123	Other business type — Current operation								E89	0		123
124	Capital outlay								G89	0		124
125	Debt Service								F89	0		125
126	Internal service funds — <i>Specify</i>											126
127											0	127
128											0	128
129	TOTAL BUSINESS TYPE ACTIVITIES							1,276,456			1,276,456	129

Part II		EXPENDITURES AND OTHER FINANCING USES FOR FISCAL YEAR ENDED JUNE 30, 2018 -- Continued					CITY OF FARLEY		<input type="checkbox"/> GAAP		<input checked="" type="checkbox"/> NON-GAAP = CASH BASIS	
Line No.	Item description	General	Special revenue	TIF special revenue	Debt service	Capital projects	Permanent	Total governmental (Sum of cols. (a) through (f))	Proprietary	Code	GRAND TOTAL (Sum of cols. (g) and (h))	Line No.
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)		(i)	
130	SUBTOTAL EXPENDITURES (Sum of lines 84 and 129)	812,010	130,592	155,146	503,473	207,584	0	1,808,805	1,276,456		3,085,261	130
131	Section J — OTHER FINANCING USES INCLUDING TRANSFERS OUT									NE		131
132	Regular transfers out	194,722	60,087		15,203			270,012	104,398		374,410	132
133	Internal TIF loans/repayments and transfers out			212,740				212,740			212,740	133
134								0			0	134
135	TOTAL OTHER FINANCING USES	194,722	60,087	212,740	15,203	0	0	482,752	104,398		587,150	135
136	TOTAL EXPENDITURES AND OTHER FINANCING USES (Sum of lines 130 and 135)	1,006,732	190,679	367,886	518,676	207,584	0	2,291,557	1,380,854		3,672,411	136
137												137
138	Ending fund balance June 30, 2018:											138
139	Governmental:											139
140	Nonspendable							0			0	140
141	Restricted		201,488	164,297	181,339	162,611		709,735			709,735	141
142	Committed							0			0	142
143	Assigned	66,112						66,112			66,112	143
144	Unassigned	518,106						518,106			518,106	144
145	Total Governmental	584,218	201,488	164,297	181,339	162,611	0	1,293,953			1,293,953	145
146	Proprietary								596,326		596,326	146
147	Total ending fund balance June 30, 2018	584,218	201,488	164,297	181,339	162,611	0	1,293,953	596,326		1,890,279	147
148	TOTAL REQUIREMENTS (Sum of lines 136 and 147)	1,590,950	392,167	532,183	700,015	370,195	0	3,585,510	1,977,180		5,562,690	148
149												149

Part III	INTERGOVERNMENTAL EXPENDITURES		CITY OF FARLEY							
Please report below expenditures made to the State or to other local governments on a reimbursement or cost sharing basis. Include these expenditures in part II. <i>Enter amount, omit cents.</i>										
Purpose		Amount paid to other local governments	Purpose							
Correction.....	M05	\$	Highways.....	L44 \$						
Health.....	M32		All other.....	L89 \$						
Highways.....	M44									
Transit subsidies.....	M94									
Libraries.....	M52	52,110								
Police protection.....	M62									
Sewerage.....	M80									
Sanitation.....	M81									
All other.....	M89	\$								
Part IV SALARIES AND WAGES										
Report here the total salaries and wages paid to all employees of your government before deductions of social security, retirement, etc. Include also salaries and wages paid to employees of any utility owned and operated by your government, as well as salaries and wages of municipal employees charged to construction projects.										
Total salaries and wages paid.....			Amount - Omit cents							
			200							
			\$	251,836						
Part V DEBT OUTSTANDING, ISSUED, AND RETIRED										
A. Long-term debt		Debt during the fiscal year			Debt Outstanding JUNE 30, 2018				Interest paid this year	
Purpose	Debt outstanding JULY 1, 2017 (a)	Issued (b)	Retired (c)	General obligation (d)	TIF revenue (e)	Revenue (f)	Other (g)			
1. Water utility	19U \$ 878,000	29U \$	39U \$ 77,000	49U \$	49U \$	49U \$ 801,000	49U \$	191 \$		15,365
2. Sewer utility	19U 780,000	29U	39U 88,000	49U	49U	49U 692,000	49U	189		13,650
3. Electric utility	19U	29U	39U	49U	49U	49U		192		
4. Gas utility	19U	29U	39U	49U	49U	49U		193		
5. Transit-bus	19U	29U	39U	49U	49U	49U		194		
6. Industrial Revenue	19T	24T	34T		44T	44T		189		
7. Mortgage revenue	19T	24T	34T		44T	44T		189		
8. TIF revenue	19U	29U	39U	49U	49U	49U	49U	189		
9. Other-Specify 9th ANE nw 1st Street	19U 410,000	29U	39U 45,000	49U 365,000	49U	49U	49U	189		13,625
10. 2013 Dump Truck	19U 1,380,000	29U	39U 150,000	49U 1,230,000	49U	49U	49U	189		49,745
11. 2012 GO Refunding	19U 8,000	29U	39U 8,000	49U	49U	49U	49U	189		178
12. Radium Removal Well	19U 950,000	29U	39U 225,000	49U 725,000	49U	49U	49U	189		16,325
13. Radium Removal Wells	19U 646,115	29U 330,899	39U 754,014	49U	49U	49U 223,000	49U	189		11,322
14. Radium Removal Wells	19U 73,100	29U 126,900	39U	49U	49U	49U 200,000	49U	189		
Total long-term debt	5,125,215	457,799	1,347,014	2,320,000	0	1,916,000	0			120,210
B. Short-term debt					Amount - Omit cents					
Outstanding as of JULY 1, 2017					61V \$					
Outstanding as of JUNE 30, 2018					64V \$					
Part VI DEBT LIMITATION FOR GENERAL OBLIGATION BONDS					Amount - Omit cents					
Assessed Valuations by Levy Authority and County, AY2016/FY2018										
Actual valuation -- January 1, 2016					\$	122,101,706	x .05 = \$	6,105,085		
Part VII CASH AND INVESTMENT ASSETS AS OF JUNE 30, 2018										
Type of asset	Bond and interest funds (a)		Bond construction funds (b)		Pension/retirement funds (c)		all other funds (d)		Total (e)	
Cash and investments - Include cash on hand, CD's, time, checking and savings deposits, Federal securities, Federal agency securities, State and local government securities, and all other securities. Exclude value of real property.	W01	W31			W61					
	\$	1,890,279	\$						1,890,279	
REMARKS	V98									

APPENDIX B

DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

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

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

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

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

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

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

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

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

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

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

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

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

APPENDIX C

DRAFT FORM OF BOND COUNSEL OPINION

We hereby certify that we have examined certified copies of the proceedings (the “Proceedings”) of the City Council of the City of Farley (the “Issuer”), in Dubuque County, State of Iowa, passed preliminary to the issue by the Issuer of its General Obligation Corporate Purpose and Refunding Bonds, Series 2019 (the “Bonds”) in the amount of \$2,550,000, in the denomination of \$5,000 each, or any integral multiple thereof, dated July 30, 2019 in evidence of the Issuer’s obligation under a certain loan agreement (the “Loan Agreement”), dated as of July 30, 2019 and pursuant to a resolution of the Issuer adopted on July 15, 2019. The Bonds mature on June 1 in each of the respective years and in the principal amounts and bear interest payable semiannually, commencing December 1, 2019, at the respective rates as follows:

<u>Date</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Date</u>	<u>Principal</u>	<u>Interest Rate</u>
2020	\$175,000	____%	2027	\$140,000	____%
2021	\$175,000	____%	2028	\$140,000	____%
2022	\$235,000	____%	2029	\$145,000	____%
2023	\$270,000	____%	2030	\$150,000	____%
2024	\$325,000	____%	2031	\$155,000	____%
2025	\$345,000	____%	2032	\$160,000	____%
2026	\$135,000	____%			

Principal of the Bonds maturing in the years 2027 to 2032, inclusive, are subject to optional redemption prior to maturity on June 1, 2026, or on any date thereafter on terms of par plus accrued interest.

Based upon our examination, we are of the opinion, as of the date hereof, that:

1. The Proceedings show lawful authority for such issue under the laws of the State of Iowa.
2. The Bonds and the Loan Agreement are valid and binding general obligations of the Issuer.
3. All taxable property within the corporate boundaries of the Issuer is subject to the levy of taxes to pay the principal of and interest on the Bonds without constitutional or statutory limitation as to rate or amount.
4. The interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excluded from gross income for federal income tax purposes and is not treated as a preference item in calculating the federal alternative minimum tax imposed under the Internal Revenue Code of 1986 (the “Code”). The opinions set forth in the preceding sentence are subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Issuer has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds.

5. The Bonds are “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that the Bonds be, or continue to be, qualified tax-exempt obligations. The Issuer has covenanted to comply with each such requirement.

We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights heretofore or hereafter enacted to the extent constitutionally applicable, and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

DORSEY & WHITNEY LLP

***This form of bond counsel opinion is subject to change pending the results of the sale of the Bonds contemplated herein.**

APPENDIX D

DRAFT CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the City of Farley, Iowa (the “Issuer”), in connection with the issuance of \$2,550,000 General Obligation Corporate Purpose and Refunding Bonds, Series 2019 (the “Bonds”), dated July 30, 2019. The Bonds are being issued pursuant to a resolution of the Issuer approved on July 15, 2019 (the “Resolution”). The Issuer covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12.

Section 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Dissemination Agent” shall mean the Dissemination Agent, if any, designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

“EMMA” shall mean the MSRB’s Electronic Municipal Market Access system available at <http://emma.msrb.org>.

“Financial Obligation” shall mean a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or, (iii) guarantee of either (i) or (ii). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB pursuant to the Rule.

“Holders” shall mean the registered holders of the Bonds, as recorded in the registration books of the Registrar.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“Municipal Securities Rulemaking Board” or “MSRB” shall mean the Municipal Securities Rulemaking Board, 1300 I Street NW, Suite 1000, Washington, DC 20005.

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

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

“State” shall mean the State of Iowa.

Section 3. Provision of Annual Reports.

(a) To the extent such information is customarily prepared by the Issuer and is made publicly available, not later than June 30 (the “Submission Deadline”) of each year following the end of the of the 2018-2019 fiscal year, the Issuer shall, or shall cause the Dissemination Agent (if any) to, file on EMMA an electronic copy of its Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate in a format and accompanied by such identifying information as prescribed by the MSRB. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the Submission Deadline if they are not available by that date. If the Issuer’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c), and the Submission Deadline beginning with the subsequent fiscal year will become one year following the end of the changed fiscal year.

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

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

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

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

(b) other financial information and operating data regarding the Issuer of the type presented in the final official statement distributed in connection with the primary offering of the Bonds; provided, however, other than information included in its audited financial statements, the Issuer does not customarily prepare or make publicly available, most of the information in the final official statement, and accordingly no financial information or operating data (other than that normally included in the audited financial statements) will be provided by the Issuer in the Annual Report other than the following:

None

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

Section 5. Reporting of Significant Events.

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

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

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

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

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Dated: July 30, 2019

CITY OF FARLEY, IOWA

By _____
Mayor

Attest:

By _____
City Clerk

OFFICIAL BID FORM

City of Farley
114 First St. N.
Farley, Iowa 52046

Monday, July 1, 2019
Speer Financial, Inc.
Facsimile: (319) 291-8628

Dear City Council Members:

For the \$2,550,000* General Obligation Corporate Purpose and Refunding Bonds, Series 2019 (the "Bonds"), of the City of Farley, Dubuque County, Iowa (the "City"), as described in the annexed Official Terms of Offering, which is expressly made a part of this bid, we will pay you \$_____ (no less than \$2,529,600). The Bonds are to bear interest at the following respective rates (each a multiple of 1/8 or 1/100 of 1%) for the Bonds of each designated maturity.

AMOUNTS* AND MATURITIES – JUNE 1

\$175,000	2020 _____%	\$325,000	2024 _____%	\$145,000	2029 _____%
175,000	2021 _____%	345,000	2025 _____%	150,000	2030 _____%
235,000	2022 _____%	135,000	2026 _____%	155,000	2031 _____%
270,000	2023 _____%	140,000	2027 _____%	160,000	2032 _____%
		140,000	2028 _____%		

Any consecutive maturities may be aggregated into term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

Maturities: _____ Term Maturity _____ Maturities: _____ Term Maturity _____
Maturities: _____ Term Maturity _____ Maturities: _____ Term Maturity _____

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

In submitting this bid, we represent that (i) this bid constitutes a firm offer to purchase the Bonds, and (ii) we have an established industry reputation for underwriting new issuances of municipal bonds and notes.

The Bonds are to be executed and delivered to us in accordance with the terms of this bid accompanied by the approving legal opinion of Dorsey & Whitney LLP, Des Moines, Iowa. The City will pay for the legal opinion. **The Purchaser agrees to** pay the fee charged by the CUSIP Service Bureau and will accept the Bonds with the CUSIP numbers as entered on the Bonds.

As evidence of our good faith, if we are the winning bidder, we will wire transfer the amount of **TWO PERCENT OF PAR** (the "Deposit") **WITHIN TWO HOURS** after the bid opening time to the City's good faith bank and under the terms provided in the Official Terms of Offering for the Bonds. Alternatively, we have wire transferred or enclosed herewith a check payable to the City in the amount of the Deposit under the terms provided in the Official Terms of Offering for the Bonds.

Attached hereto is a list of members of our account on whose behalf this bid is made.

Form of Deposit (Check One)

Prior to Bid Opening:
 Certified/Cashier's Check
 Wire Transfer
 Within TWO Hours of Bid Opening:
 Wire Transfer
 Amount: \$51,000

Account Manager Information

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

Bidders Option Insurance

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

The foregoing bid was accepted and the Bonds sold by resolution of the City on Monday, July 1, 2019, and receipt is hereby acknowledged of the good faith Deposit which is being held in accordance with the terms of the annexed Official Terms of Offering.

ATTEST:

CITY OF FARLEY
DUBUQUE COUNTY, IOWA

City Clerk

Mayor

-----NOT PART OF THE BID-----
(Calculation of true interest cost)

Gross Interest	\$
Less Premium/Plus Discount	\$
True Interest Cost	\$
True Interest Rate	%
TOTAL BOND YEARS	15,952.08
AVERAGE LIFE	6.2564 Years

OFFICIAL TERMS OF OFFERING

\$2,550,000*

**CITY OF FARLEY
Dubuque County, Iowa**

General Obligation Corporate Purpose and Refunding Bonds, Series 2019

The City of Farley, Dubuque County, Iowa, (the “City”), will receive electronic bids on the SpeerAuction (“SpeerAuction”) website address “www.SpeerAuction.com” for its \$2,550,000* General Obligation Corporate Purpose and Refunding Bonds, Series 2019 (the “Bonds”), on an all or none basis between 10:30 A.M. and 11:00 A.M., C.D.T., Monday, July 1, 2019. To bid electronically, bidders must have: (1) completed the registration form on the SpeerAuction website, and (2) requested and received admission to the City’s sale (as described below). The City will also receive sealed bids for the Bonds, on an all or none basis, at the City Hall, 114 First Street N., Farley, Iowa, before 11:00 A.M., C.D.T., Monday, July 1, 2019. The City will also receive facsimile bids at (319) 291-8628 for the Bonds, on an all or none basis, before 11:00 A.M., C.D.T., Monday, July 1, 2019. Upon receipt, facsimile bids will be sealed and treated as sealed bids, and along with all other sealed bids will be publicly opened and, together with any electronic bids, read.

Award will be made or all bids rejected at a meeting of the City on that date. The City reserves the right to reject all bids, to reject any bid proposal not conforming to this Official Terms of Offering, and to waive any irregularity or informality with respect to any bid. Additionally, the City reserves the right to modify or amend this Official Terms of Offering; however, any such modification or amendment shall not be made less than twenty-four (24) hours prior to the date and time for receipt of bids on the Bonds and any such modification or amendment will be announced on the Amendments Page of the SpeerAuction webpage and through *Thomson Municipal News*.

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

**ADJUSTMENTS TO PRINCIPAL AMOUNT AFTER DETERMINATION OF BEST BID. The aggregate principal amount of the Bonds, and each scheduled maturity thereof, are subject to increase or reduction by the City or its designee after the determination of the Winning Bidder. The City may increase or decrease each maturity in increments of \$5,000, but the total amount to be issued will not exceed \$2,550,000. Interest rates specified by the Winning Bidder for each maturity will not change. Final adjustments shall be in the sole discretion of the City.*

The dollar amount of the purchase price proposed by the Winning Bidder will be changed if the aggregate principal amount of the Bonds is adjusted as described above. Any change in the principal amount of any maturity of the Bonds will be made while maintaining, as closely as possible, the Winning Bidder’s net compensation, calculated as a percentage of bond principal. The Winning Bidder may not withdraw or modify its bid as a result of any post-bid adjustment. Any adjustment shall be conclusive, and shall be binding upon the Winning Bidder.

Establishment of Issue Price (10% Test May Apply if Competitive Sale Requirements are Not Satisfied)

- (a) The winning bidder shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at closing an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the Public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as **Exhibit A** to this Notice of Sale, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the City and Dorsey & Whitney LLP (“Bond Counsel”). All actions to be taken by the City under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the City by the City’s municipal advisor and any notice or report to be provided to the City may be provided to Speer Financial, Inc., Chicago, Illinois (“Speer”).

- (b) The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “competitive sale requirements”) because:
- (i) the City shall disseminate this Notice of Sale to potential Underwriters in a manner that is reasonably designed to reach potential Underwriters;
 - (ii) all bidders shall have an equal opportunity to bid;
 - (iii) the City may receive bids from at least three Underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
 - (iv) the City anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the lowest true interest cost, as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

- (c) In the event that the competitive sale requirements are not satisfied, the City shall so advise the winning bidder. **The City will not require bidders to comply with the “hold-the-offering-price rule” and therefore does not intend to use the initial offering price to the Public as of the Sale Date of any maturity of the Bonds as the issue price of that maturity, though the winning bidder may elect to apply the “hold the offering price rule” (as described below). Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied. Unless a bidder intends to apply the “hold-the-offering-price rule” as described below, bidders should prepare their bids on the assumption that all of the maturities of the Bonds will be subject to the 10% test (as described below) in order to establish the issue price of the Bonds.** If the competitive sale requirements are not satisfied, the 10% test shall apply to determine the issue price of each maturity of the Bonds unless the winning bidder shall request that the “hold-the-offering-price rule” (as described below) shall apply. The winning bidder must notify Speer of its intention to apply the “hold-the-offering-price rule” at or prior to the time the Bonds are awarded.

- (i) If the winning bidder does not request that the “hold-the-offering-price rule” apply to determine the issue price of the Bonds, the following two paragraphs shall apply:

The City shall treat the first price at which 10% of a maturity of the Bonds (the “10% test”) is sold to the Public as the issue price of that maturity, applied on a maturity-by-maturity basis. The winning bidder shall advise the City if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds.

Until the 10% test has been satisfied as to each maturity of the Bonds, the winning bidder agrees to promptly report to the City the prices at which the unsold Bonds of that maturity have been sold to the Public. That reporting obligation shall continue, whether or not the closing date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the Public. In addition, if the 10% test has not been satisfied with respect to any maturity of the Bonds prior to closing, then the purchaser shall provide the City with a representation as to the price of prices, as of the date of closing, at which the purchaser reasonably expects to sell the remaining Bonds of such maturity.

- (ii) If the winning bidder does request that the “hold-the-offering-price rule” apply to determine the issue price of the Bonds, the following three paragraphs shall apply:

The City may determine to treat (i) pursuant to the 10% test, the first price at which 10% of a maturity of the Bonds is sold to the Public as the issue price of that maturity and/or (ii) the initial offering price to the Public as of the Sale Date of any maturity of the Bonds as the issue price of that maturity (the “hold-the-offering-price rule”), in each case applied on a maturity-by-maturity basis. The winning bidder shall advise the City if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds. The City shall promptly advise the winning bidder, at or before the time of award of the Bonds, which maturities of the Bonds shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule or both. Bids will *not* be subject to cancellation in the event that the City determines to apply the hold-the-offering-price rule to any maturity of the Bonds.

By submitting a bid, the winning bidder shall (i) confirm that the Underwriters have offered or will offer the Bonds to the Public on or before the date of award at the offering price or prices (the “*initial offering price*”), and (ii) agree, on behalf of the Underwriters participating in the purchase of the Bonds, that the Underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the Public during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth business day after the Sale Date; or
- (2) the date on which the Underwriters have sold at least 10% of that maturity of the Bonds to the Public at a price that is no higher than the initial offering price to the Public.

The City acknowledges that, in making the representation set forth above, the winning bidder will rely on (i) the agreement of each Underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among Underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the Public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the Public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The City further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price applicable to the Bonds.

- (d) By submitting a bid, each bidder confirms that: (i) any agreement among Underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (a) report the prices at which it sells to the Public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public and (b) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires which shall be at least until the 10% test has been satisfied as to the Bonds of that maturity or until the close of the fifth business day following the date of the award, and (ii) any agreement among Underwriters relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each broker-dealer that is a party to such retail distribution agreement to (a) report the prices at which it sells to the Public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder or such Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public and (b) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder or such Underwriter and as set forth in the related pricing wires, which shall be at least until the 10% test has been satisfied as to the Bonds of that maturity or until the close of the fifth business day following the date of the award.
- (e) Sales of any Bonds to any person that is a Related Party to an Underwriter shall not constitute sales to the Public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:
- (i) “Public” means any person other than an Underwriter or a Related Party,
 - (ii) “Underwriter” means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public including, specifically, the purchaser, and (b) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public),
 - (iii) a purchaser of any of the Bonds is a “Related Party” to an Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
 - (iv) “Sale Date” means the date that the Bonds are awarded by the City to the winning bidder.

Bond Details

The Bonds will be in fully registered form in the denominations of \$5,000 and integral multiples thereof in the name of Cede & Co. as nominee of The Depository Trust Company (“DTC”), New York, New York, to which principal and interest payments on the Bonds will be paid. Individual purchases will be in book-entry form only. Interest on each Bond shall be paid by check or draft of the Bond Registrar to the person in whose name such Bond is registered at the close of business on the fifteenth day of the month next preceding an interest payment date on such bond. The principal of the Bonds shall be payable in lawful money of the United States of America at the principal office maintained for the purpose by the Bond Registrar in Kansas City, Missouri. Semiannual interest is due June 1 and December 1 of each year, commencing December 1, 2019 and is payable by UMB Bank, n.a., Kansas City, Missouri (the “Bond Registrar”). The Bonds are dated the date of delivery (expected to be on or about Tuesday, July 30, 2019).

AMOUNTS* AND MATURITIES – JUNE 1

\$175,000	2020	\$325,000	2024	\$145,000	2029
175,000	2021	345,000	2025	150,000	2030
235,000	2022	135,000	2026	155,000	2031
270,000	2023	140,000	2027	160,000	2032
		140,000	2028		

Any consecutive maturities may be aggregated into term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

The Bonds due June 1, 2020 - 2026, inclusive, are non-callable. The Bonds due June 1, 2027 - 2032, inclusive, are callable in whole or in part and on any date on or after June 1, 2026, at a price of par and accrued interest. If less than all the Bonds are called, they shall be redeemed in any order of maturity as determined by the City and within any maturity by lot.

Method of Bidding Electronically

Notwithstanding the fact that the City permits receiving bids electronically using SpeerAuction, all bidders must have a signed, but uncompleted, Official Bid Form delivered to Speer Financial, Inc., Suite 608, 531 Commercial Street, Waterloo, Iowa, (319) 291-8628 facsimile, prior to the close of bidding to which a printout of the electronic bid will be attached and delivered to the City.

All-or-none bids must be submitted via the internet address www.SpeerAuction.com. The use of SpeerAuction shall be at the bidder’s risk and expense and the City shall have no liability with respect thereto, including (without limitation) liability with respect to incomplete, late arriving and non-arriving bids.

To bid via the SpeerAuction webpage, bidders must first visit the SpeerAuction webpage where, if they have not previously registered with either SpeerAuction, Grant Street Group (the “Auction Administrator”) or any other website administered by the Auction Administrator, they may register and then request admission to bid on the Bonds. Bidders will be notified prior to the scheduled bidding time of their eligibility to bid. Only registered broker-dealers and dealer banks with DTC clearing arrangements will be eligible to bid electronically.

The “Rules” of the SpeerAuction bidding process may be viewed on the SpeerAuction webpage and are incorporated herein by reference. Bidders must comply with the Rules of SpeerAuction in addition to the requirements of the City’s Official Terms of Offering. In the event the Rules of SpeerAuction and this Official Terms of Offering conflict, this Official Terms of Offering shall be controlling.

All electronic bids must be submitted on the SpeerAuction webpage. Electronic bidders may change and submit bids as many times as they choose during the sale period but may not delete a submitted bid. The last bid submitted by an electronic bidder before the deadline for receipt of bids will be compared to all other final bids to determine the winning bidder. During the bidding, no bidder will see any other bidder’s bid nor the status of their bid relative to other bids (e.g., whether their bid is a leading bid). The electronic bidder bears all risk of transmission failure. Any questions regarding bidding on the SpeerAuction website should be directed to Grant Street Group at (412) 391-5555 x 370.

Each bidder shall be solely responsible for making necessary arrangements to access SpeerAuction for purposes of submitting its internet bid in a timely manner and in compliance with the requirements of the Terms of Offering. The City is permitting bidders to use the services of the SpeerAuction solely as a communication mechanism to conduct the internet bidding and the SpeerAuction is not an agent of the City. Provisions of the Terms of Offering and Official Bid Form shall control in the event of conflict with information provided by the Internet Bid System.

Electronic Facsimile Bidding: Bids may be submitted via facsimile at (319) 291-8628. Electronic facsimile bids will be sealed and treated as sealed bids. Neither the City nor its agents will assume liability for the inability of the bidder to reach the above named fax number prior to the time of sale specified above. Transmissions received after the deadline will be rejected. Bidders electing to submit bids via facsimile transmission bear full and complete responsibility for the transmission of such bid. Neither the City nor its agents will assume responsibility for the inability of the bidder to reach the above specified fax number prior to the time of sale. Time of receipt shall be the time recorded by the person receiving the facsimile and shall be conclusive.

Bidding Parameters and Award of the Bonds

All interest rates must be in multiples of one-eighth or one one-hundredth of one percent (1/8 or 1/100 of 1%), and not more than one rate for a single maturity shall be specified. The rates bid shall be in non-descending order. The differential between the highest rate bid and the lowest rate bid shall not exceed six percent (6%). All bids must be for all of the Bonds and must be for not less than \$2,529,600.

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

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

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

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

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

Good Faith Deposit and Other Matters

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

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

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

Credit To: 3281 Speer Bidding Escrow
RE: City of Farley, Dubuque County, Iowa bid for
\$2,550,000* General Obligation Corporate Purpose and Refunding Bonds, Series 2019

If the wire shall arrive in such account prior to the date and time of the sale of the Bonds. Contemporaneously with such wire transfer, the prospective purchaser shall send an email to biddingscrow@aboc.com with the following information: (1) indication that a wire transfer has been made, (2) the amount of the wire transfer, (3) the issue to which it applies, and (4) the return wire instructions if such prospective purchaser is not awarded the Bonds. The City and any prospective purchaser who chooses to wire the Deposit hereby agree irrevocably that Speer Financial, Inc. ("Speer") shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: (i) if the bid is not accepted, Speer shall, at its expense, promptly return the Deposit amount to the unsuccessful prospective purchaser; (ii) if the bid is accepted, the Deposit shall be forwarded to the City, (iii) Speer shall bear all costs of maintaining the escrow account and returning the funds to the prospective purchaser; (iv) Speer shall not be an insurer of the Deposit amount and shall have no liability except if it willfully fails to perform, or recklessly disregards, its duties specified herein; and (v) income earned on the Deposit, if any, shall be retained by Speer.

The City covenants and agrees to enter into a written agreement, certificate or contract, constituting an undertaking (the "Undertaking") to provide ongoing disclosure about the City for the benefit of the beneficial owners of the Bonds on or before the date of delivery of the Bonds as required under Section (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The Undertaking shall be as described in the Official Statement, with such changes as may be agreed in writing by the Underwriter.

The Underwriter's obligation to purchase the Bonds shall be conditioned upon the City delivering the Undertaking on or before the date of delivery of the Bonds.

The Bonds will be delivered to the successful purchaser against full payment in immediately available funds as soon as they can be prepared and executed, which is expected to be on or about Tuesday, July 30, 2019. Should delivery be delayed beyond sixty (60) days from the date of sale for any reason beyond the control of the City except failure of performance by the purchaser, the City may cancel the award or the purchaser may withdraw the good faith deposit and thereafter the purchaser's interest in and liability for the Bonds will cease.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts, and interest rates of the Bonds, and any other information required by law or deemed appropriate by the City, shall constitute a “Final Official Statement” of the City with respect to the Bonds, as that term is defined in the Rule. By awarding the Bonds to any underwriter or underwriting syndicate, the City agrees that, no more than seven (7) business days after the date of such award, it shall provide, without cost to the senior managing underwriter of the syndicate to which the Bonds are awarded, up to 50 copies of the Final Official Statement to permit each “Participating Underwriter” (as that term is defined in the Rule) to comply with the provisions of such Rule. The City shall treat the senior managing underwriter of the syndicate to which the Bonds are awarded as its designated agent for purposes of distributing copies of the Final Official Statement to each Participating Underwriter. Any underwriter executing and delivering an Official Bid Form with respect to the Bonds agrees thereby that if its bid is accepted by the City it shall enter into a contractual relationship with all Participating Underwriters of the Bonds for purposes of assuring the receipt by each such Participating Underwriter of the Final Official Statement.

By submission of its bid, the senior managing underwriter of the successful purchaser agrees to supply all necessary pricing information and any Participating Underwriter identification necessary to complete the Official Statement within 24 hours after award of the Bonds. Additional copies of the Final Official Statement may be obtained by Participating Underwriters from the printer at cost.

The City will, at its expense, deliver the Bonds to the purchaser in New York, New York (or arrange for “FAST” delivery) through the facilities of DTC and will pay for the bond attorney’s opinion. At the time of closing, the City will also furnish to the purchaser the following documents, each dated as of the date of delivery of the Bonds: (1) the legal opinion of Dorsey & Whitney LLP, Des Moines, Iowa, that the Bonds are lawful and enforceable obligations of the City in accordance with their terms; (2) the opinion of said attorneys that the interest on the Bonds is exempt from federal income taxes as and to the extent set forth in the Official Statement for the Bonds; and (3) a no litigation certificate by the City.

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

The City has authorized the printing and distribution of an Official Statement containing pertinent information relative to the City and the Bonds. Copies of such Official Statement or additional information may be obtained from Ashley Jasper, City Clerk, 114 First Street N., Farley, Iowa 52046 or an electronic copy of this Official Statement is available from the www.speerfinancial.com website under “Official Statement Sales/Competitive Calendar” or from the Registered Municipal Advisor to the City, Speer Financial, Inc., 531 Commercial Street, Suite 608, Waterloo, Iowa 50701 (telephone (319) 291-2077), and One North LaSalle Street, Suite 4100, Chicago, Illinois 60602 (telephone (312) 346-3700).

/s/ **ASHLEY JASPER**
City Clerk
CITY OF FARLEY
Dubuque County, Iowa

EXHIBIT A

EXAMPLE ISSUE PRICE CERTIFICATE

[from bond counsel]

\$2,550,000
General Obligation Corporate Purpose and Refunding Bonds, Series 2019

ISSUE PRICE CERTIFICATE
(Form - Fewer than 3 bids)

The undersigned, on behalf of [NAME OF UNDERWRITER ([“[SHORT NAME OF UNDERWRITER]”])] hereby certifies as set forth below with respect to the sale of the obligations named above (the “Bonds”).

1. **Initial Offering Price of the Bonds.** [SHORT NAME OF UNDERWRITER] offered the Bonds to the Public for purchase at the specified initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire for the Bonds is attached to this certificate as Schedule B.

2. **First Price at which Sold to the Public.** On the Sale Date, at least 10% of each Maturity [listed in Schedule C] was first sold to the Public at the respective Initial Offering Price [or price specified [therein][in Schedule C], if different].

3. **Hold the Offering Price Rule.** [SHORT NAME OF UNDERWRITER] has agreed in writing that, (i) for each Maturity less than 10% of which was first sold to the Public at a single price as of the Sale Date, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “Hold-the-Offering-Price Rule”), and (ii) any agreement among underwriters, selling group agreement, or retail distribution agreement contains the agreement of each underwriter, dealer, or broker-dealer who is a party to such agreement to comply with the Hold-the-Offering-Price Rule. Based on the [SHORT NAME OF UNDERWRITER]’s own knowledge and, in the case of sales by other Members of the Distribution Group, representations obtained from the other Members of the Distribution Group, no Member of the Distribution Group has offered or sold any such Maturity at a price that is higher than the respective Initial Offering Price during the respective Holding Period.

4. **Defined Terms.** For purposes of this Issue Price Certificate:

(a) **Holding Period** means the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (July 8, 2019), or (ii) the date on which Members of the Distribution Group have sold at least 10% of such Maturity to the Public at one or more prices, none of which is higher than the Initial Offering Price for such Maturity.

(b) **Issuer** means the City of Farley, Iowa.

(c) **Maturity** means Bonds with the same credit and payment terms. Any Bonds with different maturity dates, or with the same maturity date but different stated interest rates, are treated as separate Maturities.

(d) **Member of the Distribution Group** means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

(e) *Public* means any person (*i.e.*, an individual, trust, estate, partnership, association, company, or corporation) other than a Member of the Distribution Group or a related party to a Member of the Distribution Group. A person is a “related party” to a Member of the Distribution Group if the Member of the Distribution Group and that person are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(f) *Sale Date* means the first day on which there is a binding contract in writing for the sale of the respective Maturity. The Sale Date of each Maturity was July 1, 2019.

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

[UNDERWRITER]

By: _____
Name: _____

Dated: July 30, 2019

SCHEDULE A
INITIAL OFFERING PRICES OF THE BONDS
(Attached)

SCHEDULE B
PRICING WIRE

(Attached)

SCHEDULE C

**SALES OF AT LEAST 10% OF MATURITY TO THE PUBLIC ON THE SALE DATE
AT THE INITIAL OFFERING PRICE**

(Attached)

\$2,550,000

General Obligation Corporate Purpose and Refunding Bonds, Series 2019

ISSUE PRICE CERTIFICATE

(Form – 3 or more bids)

The undersigned, on behalf of [NAME OF UNDERWRITER] (“[SHORT NAME OF UNDERWRITER]”), hereby certifies as set forth below with respect to the sale of the obligations named above (the “Bonds”).

1. Reasonably Expected Initial Offering Price.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.

2. Defined Terms. For purposes of this Issue Price Certificate:

(a) *Issuer* means the City of Farley, Iowa.

(b) *Maturity* means Bonds with the same credit and payment terms. Any Bonds with different maturity dates, or with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) *Member of the Distribution Group* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

(d) *Public* means any person (*i.e.*, an individual, trust, estate, partnership, association, company, or corporation) other than a Member of the Distribution Group or a related party to a Member of the Distribution Group. A person is a “related party” to a Member of the Distribution Group if the Member of the Distribution Group and that person are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(e) *Sale Date* means the first day on which there is a binding contract in writing for the sale of the respective Maturity. The Sale Date of each Maturity was July 1, 2019.

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

[UNDERWRITER]

By: _____

Name: _____

Dated: July 30, 2019

SCHEDULE A
EXPECTED OFFERING PRICES

(Attached)

SCHEDULE B
COPY OF UNDERWRITER'S BID

(Attached)