PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 18, 2026

NEW ISSUE	**BOOK ENTRY ONLY**
BANK QUALIFIED	**S&P GLOBAL RATINGS RATING "A+"**

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

CITY OF GARNER, IOWA
$1,700,000*
General Obligation Storm Sewer Improvement Bonds, Series 2026A

Dated Date: Date of Delivery (Estimated to be September 23, 2026)

Interest Due: Each June 1 and December 1
Commencing June 1, 2027

Maturity	Amount	Rate	Yield	Price	Maturity	Amount	Rate	Yield	Price
6/1/2027	$135,000	_____	_____%	_____	6/1/2033	$155,000	_____%	_____	_____
6/1/2028	135,000	_____	_____	_____	6/1/2034	165,000	_____	_____	_____
6/1/2029	140,000	_____	_____	_____	6/1/2035	170,000	_____	_____	_____
6/1/2030	145,000	_____	_____	_____	6/1/2036	175,000	_____	_____	_____
6/1/2031	150,000	_____	_____	_____	6/1/2037	175,000	_____	_____	_____
6/1/2032	155,000	_____	_____	_____					

The Bonds maturing on June 1, 2035 and thereafter are subject to redemption, in whole or in part, on June 1, 2034 and on any date thereafter at a price of par plus accrued interest.

The General Obligation Storm Sewer Improvement Bonds, Series 2026A (the "Bonds" or the "Issue") are being issued by the City of Garner, Iowa (the "City" or the "Issuer") pursuant to Code of Iowa, Chapter 384, as amended, as well as all other laws amendatory thereof and supplemental thereto, and in conformity with a resolution of the City authorizing and approving the Loan Agreement and providing for the issuance and securing the payment of the Bonds. Proceeds of the Bonds will be used to finance storm sewer improvements and to pay costs associated with issuance of the Bonds. See *Authority and Purpose* herein for additional information.

Interest is exempt only for federal income tax purposes.

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.

Principal due with respect to the Bonds is payable annually on June 1, commencing June 1, 2027. Interest due with respect to the Bonds is payable semiannually on June 1 and December 1, commencing June 1, 2027. The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York. Individual purchases will be made in book-entry form only, in the principal amount of $5,000 or any whole multiple thereof. Purchasers will not receive physical delivery of Bonds. See "Book-Entry System" in *Description of the Bonds* herein for additional information. The Paying Agent/Registrar will be UMB Bank, N.A., West Des Moines, Iowa.

Proposals: Tuesday, August 25, 2026 10:30 A.M., Central Time
Award: Tuesday, August 25, 2026 5:30 P.M., Central Time

Bids may contain a maturity schedule providing for any combination of serial or term bonds. All term bonds shall be subject to mandatory sinking fund redemption and must conform to the maturity schedule set forth above at a price of par plus accrued interest. Bids must be for not less than $1,674,500 (98.50%) and accrued interest on the total principal amount of the Bonds. **Bids will not be subject to cancellation – see "Establishment of Issue Price" in the Notice of Sale herein for additional details.** *The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity.* A Good Faith Deposit (the "Deposit") in the amount of $34,000, in the form of a federal wire transfer payable to the order of the City, will only be required from the apparent winning bidder, and must be received within two hours after the receipt of bids. See Terms of Proposal for additional details. Award of the Bonds will be on the basis of True Interest Cost (TIC).

* Preliminary, subject to change.

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The Bonds are offered, subject to prior sale when, as and if accepted by the underwriter(s) named on the front cover of this official statement and subject to an opinion as to validity of the Bonds by Bond Counsel. Subject to applicable securities laws and prevailing market conditions, the underwriter(s) intends, but is not obligated, to effect secondary market trading for the Bonds. Closing Date is estimated to be September 23, 2026.

No person has been authorized to give any information or to make any representations other than those contained in this official statement in connection with the offers made hereby, and if given or made, such information or representations must not be relied upon as having been authorized by the Issuer or the underwriter(s). This official statement does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorized, or in which the person makes such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation.

The information set forth herein has been obtained from the Issuer and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the underwriter(s). Neither the delivery of this official statement nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer since the date hereof.

Within the meaning of Securities and Exchanges Commission Rule 15c2-12, the information included in the preliminary official statement is deemed final by the Issuer as of its date and is accurate and complete in all material respects, except for the omission of the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery date, rating(s), other terms of the issue depending on such matters, and the identity of the underwriter(s).

References herein to laws, rules, regulations, 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 Preliminary Official Statement or the Final Official Statement, they will be furnished upon request.

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

The Bonds are considered securities and have not been approved or disapproved by the Securities and Exchange Commission or any state or federal regulatory authority nor has any state or federal regulatory authority confirmed the accuracy or determined the adequacy of this Official Statement. Any representation to the contrary may be a criminal offense. Investors must rely on their own examination of this Official Statement, the security pledged to repay the Bonds, the Issuer and the merits and risks of the investment opportunity.

FORWARD-LOOKING STATEMENTS

This Official Statement, including its appendices, contains statements which should be considered "forward-looking statements," meaning they refer to possible future events or conditions. Such statements are generally identifiable by the words such as "plan," "expect," "estimate," "budget," "may," or similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause a deviation from the actual results, performance or achievements expressed or implied by such forward-looking statements. The Issuer does not expect or intend to update or revise any forward-looking statements contained herein if or when its expectations, or events, conditions, or circumstances on which such statements are based occur.

SUMMARY OF OFFERING

City of Garner, Iowa
$1,700,000
General Obligation Storm Sewer Improvement Bonds, Series 2026A
(Book-Entry Only)

AMOUNT -	$1,700,000*
ISSUER -	City of Garner, Iowa (the “City” or the “Issuer”)
AWARD DATE -	August 25, 2026
MUNICIPAL ADVISOR -	Northland Securities, Inc. (the “Underwriter”), 150 South 5th Street, Suite 3300, Minneapolis, Minnesota 55402, telephone: 612- 851-5900 or 800-851-2920 and 6903 Vista Drive, West Des Moines, IA 50266, Telephone: 515-657-4675
TYPE OF ISSUE -	General Obligation Storm Sewer Improvement Bonds, Series 2026A (the “Bonds” or the “Issue”)
AUTHORITY, PURPOSE & SECURITY -	The General Obligation Storm Sewer Improvement Bonds, Series 2026A (the “Bonds”) are being issued by the City of Garner, Iowa (the “City”) pursuant to Code of Iowa, Chapter 384, as amended, as well as all other laws amendatory thereof and supplemental thereto, and in conformity with a resolution of the City authorizing and approving the Loan Agreement (defined below) and providing for the issuance and securing the payment of the Bonds. Proceeds of the Bonds will be used to finance storm sewer improvements and to pay costs associated with issuance of the Bonds. 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. See *Authority and Purpose* as well as *Security/Sources and Uses of Funds* herein for additional information.
LOAN AGREEMENT -	The City and Underwriter will enter into a Loan Agreement (the “Loan Agreement”) providing for a loan to the City in a principal amount equal to the principal amount of the Bonds, and the Bonds will be issued in evidence of the City’s obligation to repay the amounts payable under the Loan Agreement.
DATE OF ISSUE -	Date of Delivery (Estimated to be September 23, 2026)
INTEREST PAID -	Semiannually on each June 1 and December 1, commencing June 1, 2027, to registered owners of the Bonds appearing of record in the bond register as of the close of business on the fifteenth day (whether or not a business day) of the calendar month next preceding such interest payment date (the “Record Date”).

MATURITIES* -

6/1/2027	$135,000	6/1/2030	$145,000	6/1/2033	$155,000	6/1/2036	$175,000
6/1/2028	135,000	6/1/2031	150,000	6/1/2034	165,000	6/1/2037	175,000
6/1/2029	140,000	6/1/2032	155,000	6/1/2035	170,000		

REDEMPTION -	The Bonds maturing on June 1, 2035 and thereafter are subject to redemption, in whole or in part, on June 1, 2034 and on any date thereafter at a price of par plus accrued interest. See *Description of the Bonds* herein for additional information.
BOOK-ENTRY -	The Bonds will be issued as fully registered and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, to which principal and interest payments will be made. Individual purchases will be made in book-entry form only, in the principal amount of $5,000 or any whole multiple thereof. Purchasers will not receive physical delivery of the Bonds.
PAYING AGENT/REGISTRAR -	UMB Bank, N.A., West Des Moines, Iowa
TAX DESIGNATIONS -	NOT Private Activity Bonds - The Bonds are not “private activity bonds” as defined in Section 141 of the Internal Revenue Code of 1986, as amended (the “Code”). Bank Qualified Tax-Exempt Obligations - The City will designate the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code.
LEGAL OPINION -	Dorsey & Whitney LLP, Des Moines, Iowa ("Bond Counsel")
BOND RATING -	The City received an underlying rating of “A+” from S&P Global Ratings (“S&P”).
CLOSING -	Estimated to be September 23, 2026.
PRIMARY CONTACTS -	Kelly White, City Administrator, City of Garner, Iowa, 641-923-2588 Rebecca Greenway, Director, Northland Securities, Inc., 515-657-4685

CITY OF GARNER, IOWA

PRINCIPAL CITY OFFICIALS

Elected Officials	**City Council**	
Name	*Position*	*Term Expires*
Tim Schmidt	Mayor	01/01/2030
Darrell Schumacher	Council Member	01/01/2030
Damon Quandt	Council Member	01/01/2028
Matt Graham	Council Member	01/01/2030
Marline Lewerke	Council Member	01/01/2028
Glen Juhl	Council Member	01/01/2028

Primary City Contacts

Kelly White	City Administrator

BOND COUNSEL

Dorsey & Whitney LLP
Des Moines, Iowa

MUNICIPAL ADVISOR

Northland Securities, Inc.
Minneapolis, Minnesota
and
West Des Moines, Iowa

TERMS OF PROPOSAL

$1,700,000*
GENERAL OBLIGATION STORM SEWER IMPROVEMENT BONDS, SERIES 2026A

CITY OF GARNER, IOWA
(Book-Entry Only)

NOTICE IS HEREBY GIVEN that these Bonds will be offered for sale according to the following terms:

TIME AND PLACE:

Proposals (also referred to herein as "bids") will be opened by the City's Administrator, or designee, on Tuesday, August 25, 2026, at 10:30 A.M., CT, at the offices of Northland Securities, Inc. (the City's "Municipal Advisor"), 150 South 5th Street, Suite 3300, Minneapolis, Minnesota 55402. Consideration of the Proposals for award of the sale will be by the City Council at its meeting at the City Offices beginning Tuesday, August 25, 2026 at 5:30 P.M., CT.

SUBMISSION OF PROPOSALS

Proposals may be:
a) submitted to the office of Northland Securities, Inc.,
b) emailed to PublicSale@northlandsecurities.com
c) submitted electronically.

Notice is hereby given that electronic proposals will be received via PARITY™, or its successor, in the manner described below, until 10:30 A.M., CT, on Tuesday, August 25, 2026. Proposals may be submitted electronically via PARITY™ or its successor, pursuant to this Notice until 10:30 A.M., CT, but no Proposal will be received after the time for receiving Proposals specified above. To the extent any instructions or directions set forth in PARITY™, or its successor, conflict with this Notice, the terms of this Notice shall control. For further information about PARITY™, or its successor, potential bidders may contact Northland Securities, Inc. or i-Deal® at 1359 Broadway, 2nd floor, New York, NY 10018, telephone 212-849-5021.

Neither the City nor Northland Securities, Inc. assumes any liability if there is a malfunction of PARITY™ or its successor. All bidders are advised that each Proposal shall be deemed to constitute a contract between the bidder and the City to purchase the Bonds regardless of the manner in which the Proposal is submitted.

BOOK-ENTRY SYSTEM

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Bonds will be issued in fully registered form and one bond certificate, representing the aggregate principal amount of the Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of Depository Trust Company ("DTC"), New York, New York, which will act as securities depository of the Bonds.

* The City reserves the right to increase or decrease the principal amount of the Bonds. Any such increase or decrease will be made in multiples of $5,000 and may be made in any maturity. If any maturity is adjusted, the purchase price will also be adjusted to maintain the same gross spread.

Individual purchases of the Bonds may be made in the principal amount of $5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the City through UMB Bank, N.A., West Des Moines, Iowa (the "Paying Agent/Registrar"), to DTC, or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The successful bidder, as a condition of delivery of the Bonds, will be required to deposit the bond certificates with DTC. The City will pay reasonable and customary charges for the services of the Paying Agent/Registrar.

DATE OF ORIGINAL ISSUE OF BONDS

Date of Delivery (Estimated to be September 23, 2026)

AUTHORITY/PURPOSE/SECURITY

The Bonds are being issued pursuant to Code of Iowa, Chapter 384, as amended. Proceeds will be used to finance storm sewer improvements and to pay costs associated with the issuance of the Bonds. The Bonds are payable from ad valorem taxes. The full faith and credit of the City is pledged to their payment and the City has validly obligated itself to levy ad valorem taxes in the event of any deficiency in the debt service account established for this issue.

INTEREST PAYMENTS

Interest is due semiannually on each June 1 and December 1, commencing June 1, 2027, to registered owners of the Bonds appearing of record in the Bond Register as of the close of business on the fifteenth day (whether or not a business day) of the calendar month next preceding such interest payment date.

MATURITIES

Principal is due annually on June 1, inclusive, in each of the years and amounts as follows:

Year	Amount	Year	Amount	Year	Amount
2027	$135,000	2031	$150,000	2035	$170,000
2028	135,000	2032	155,000	2036	175,000
2029	140,000	2033	155,000	2037	175,000
2030	145,000	2034	165,000		

Proposals for the Bonds may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above.

INTEREST RATES

All rates must be in integral multiples of 1/20th or 1/8th of 1%. *The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity.* All Bonds of the same maturity must bear a single uniform rate from date of issue to maturity.

ESTABLISHMENT OF ISSUE PRICE
(HOLD-THE-OFFERING-PRICE RULE MAY APPLY – BIDS NOT CANCELLABLE)

In order to establish the issue price of the Bonds for federal income tax purposes, the Issuer requires bidders to agree to the following, and by submitting a bid, each bidder agrees to the following.

If a bid is submitted by a potential underwriter, the bidder confirms that (i) the underwriters have offered or reasonably expect to offer the Bonds to the public on or before the date of the award at the offering price (the "initial offering price") for each maturity as set forth in the bid and (ii) the bidder, if it is the winning bidder, shall require any agreement among underwriters, selling group agreement, retail distribution agreement or other agreement relating to the initial sale of the Bonds to the public to which it is a party to include provisions requiring compliance by all parties to such agreements with the provisions contained herein. For purposes hereof, Bonds with a separate CUSIP number constitute a separate "maturity," and the public does not include underwriters of the Bonds (including members of a selling group or retail distribution group) or persons related to underwriters of the Bonds.

If, however, a bid is submitted for the bidder's own account in a capacity other than as an underwriter of the Bonds, and the bidder has no current intention to sell, reoffer, or otherwise dispose of the Bonds, the bidder shall notify the Issuer to that effect at the time it submits its bid and shall provide a certificate to that effect in place of the certificate otherwise required below.

If the winning bidder intends to act as an underwriter, the Issuer shall advise the winning bidder at or prior to the time of award whether (i) the competitive sale rule or (ii) the "hold-the-offering price" rule applies, as described in the following paragraph.

<u>If the Issuer advises the winning bidder that the requirements for a competitive sale have not been satisfied and that the hold-the-offering price rule applies</u>, the winning bidder shall (1) upon the request of the Issuer confirm that the underwriters did not offer or sell any maturity of the Bonds to any person at a price higher than the initial offering price of that maturity during the period starting on the award date and ending on the earlier of (a) the close of the fifth business day after the sale date or (b) the date on which the underwriters have sold at least 10% of that maturity to the public at or below the initial offering price; and (2) at or prior to closing, deliver to the Issuer a certification substantially in the form attached hereto as Exhibit A, together with a copy of the pricing wire.

<u>If the Issuer advises the winning bidder that the requirements for a competitive sale have been satisfied and that the competitive sale rule applies</u>, the winning bidder will be required to deliver to the Issuer at or prior to closing a certification, substantially in the form attached hereto as Exhibit B, as to the reasonably expected initial offering price as of the award date.

Any action to be taken or documentation to be received by the Issuer pursuant hereto may be taken or received on behalf of the Issuer by the Municipal Advisor.

Bidders should prepare their bids on the assumption that the Bonds will be subject to the "hold-the-offering-price" rule. Any bid submitted pursuant to the Notice of Sale shall be considered a firm offer for the purchase of the Bonds, and bids submitted will not be subject to cancellation or withdrawal.

ADJUSTMENTS TO PRINCIPAL AMOUNT AFTER PROPOSALS

The City reserves the right to increase or decrease the principal amount of the Bonds. Any such increase or decrease will be made in multiples of $5,000 and may be made in any maturity. If any maturity is adjusted, the purchase price will also be adjusted to maintain the same gross spread. Such adjustments shall be made promptly after the sale and prior to the award of Proposals by the City and shall be at the sole discretion of the City. The successful bidder may not withdraw or modify its Proposal once submitted to the City for any reason, including post-sale adjustment. Any adjustment shall be conclusive and shall be binding upon the successful bidder.

OPTIONAL REDEMPTION

Bonds maturing on June 1, 2035 through 2037 are subject to redemption and prepayment at the option of the City on June 1, 2034 and any date thereafter, at a price of par plus accrued interest. Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the maturities and principal amounts within each maturity to be redeemed shall be determined by the City and if only part of the Bonds having a common maturity date are called for prepayment, the specific Bonds to be prepaid shall be chosen by lot by the Bond Registrar.

CUSIP NUMBERS

If the Bonds qualify for assignment of CUSIP numbers such numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the successful bidder thereof to accept delivery of and pay for the Bonds in accordance with terms of the purchase contract. The CUSIP Service Bureau charge for the assignment of CUSIP identification numbers shall be paid by the successful bidder.

DELIVERY

Delivery of the Bonds will be within thirty days after award, subject to an approving legal opinion by Dorsey and Whitney LLP, Bond Counsel. The legal opinion will be paid by the City and delivery will be anywhere in the continental United States without cost to the successful bidder at DTC.

TYPE OF PROPOSAL

Proposals of not less than $1,674,500 (98.50%) and accrued interest on the principal sum of $1,700,000 must be filed with the undersigned prior to the time of sale. Proposals must be unconditional except as to legality. Proposals for the Bonds should be delivered to Northland Securities, Inc. and addressed to:

Kelly White, City Administrator
135 West 5th St.
Garner, IA 50438

A good faith deposit (the “Deposit”) in the amount of $34,000 in the form of a federal wire transfer (payable to the order of the City) is only required from the apparent winning bidder, and must be received within two hours after the time stated for the receipt of Proposals. The apparent winning bidder will receive notification of the wire instructions from the Municipal Advisor promptly after the sale. If the Deposit is not received from the apparent winning bidder in the time allotted, the City may choose to reject their Proposal and then proceed to offer the Bonds to the next lowest bidder based on the terms of their original proposal, so long as said bidder wires funds for the Deposit amount within two hours of said offer.

The City will retain the Deposit of the successful bidder, the amount of which will be deducted at settlement and no interest will accrue to the successful bidder. In the event the successful bidder fails to comply with the accepted Proposal, said amount will be retained by the City. No Proposal can be withdrawn after the time set for receiving Proposals unless the meeting of the City scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made.

AWARD

The Bonds will be awarded on the basis of the lowest interest rate to be determined on a true interest cost (TIC) basis. The City's computation of the interest rate of each Proposal, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Bonds will be awarded by lot. The City will reserve the right to: (i) waive non-substantive informalities of any Proposal or of matters relating to the receipt of Proposals and award of the Bonds, (ii) reject all Proposals without cause, and (iii) reject any Proposal which the City determines to have failed to comply with the terms herein.

INFORMATION FROM SUCCESSFUL BIDDER

The successful bidder will be required to provide, in a timely manner, certain information relating to the initial offering price of the Bonds necessary to compute the yield on the Bonds pursuant to the provisions of the Internal Revenue Code of 1986, as amended.

OFFICIAL STATEMENT

By awarding the Bonds to any underwriter or underwriting syndicate submitting a Proposal therefor, the City agrees that, no more than seven business days after the date of such award, it shall provide to the senior managing underwriter of the syndicate to which the Bonds are awarded, the Final Official Statement in an electronic format as prescribed by the Municipal Securities Rulemaking Board (MSRB).

LIMITED CONTINUING DISCLOSURE UNDERTAKING

The City will covenant in the resolution awarding the sale of the Bonds and in a Continuing Disclosure Undertaking to provide, or cause to be provided, annual financial information, including audited financial statements of the City, and notices of certain material events, as required by SEC Rule 15c2-12.

BANK QUALIFICATION

The City will designate the Bonds as qualified tax-exempt obligations for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

BOND INSURANCE AT UNDERWRITER'S OPTION

If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the successful bidder, the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole option and expense of the successful bidder of the Bonds. Any increase in the costs of issuance of the Bonds resulting from such purchase of insurance shall be paid by the successful bidder, except that, if the City has requested and received a rating on the Bonds from a rating agency, the City will pay that rating fee. Any other rating agency fees shall be the responsibility of the successful bidder. Failure of the municipal bond insurer to issue the policy after the Bonds have been awarded to the successful bidder shall not constitute cause for failure or refusal by the successful bidder to accept delivery on the Bonds.

The City reserves the right to reject any and all Proposals, to waive informalities and to adjourn the sale.

Dated: July 14, 2026 BY ORDER OF THE GARNER CITY COUNCIL

/s/ Kelly White
City Administrator

Additional information may be obtained from:
Northland Securities, Inc.
150 South 5th Street, Suite 3300
Minneapolis, Minnesota 55402
Telephone No.: 612-851-5900

EXHIBIT A

ISSUE PRICE CERTIFICATE – COMPETITIVE SALES WITH AT LEAST THREE BIDS FROM ESTABLISHED UNDERWRITERS

$[PRINCIPAL AMOUNT]
[BOND CAPTION]
ISSUE PRICE CERTIFICATE

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 [DESCRIBE ISSUER].

(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 [DATE].

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[and BORROWER (the "Borrower")] with respect to certain of the representations set forth in the [Tax Certificate][Tax Exemption Agreement] and with respect to compliance with the federal income tax rules affecting the Bonds, and by [BOND COUNSEL] 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][-GC][-TC], and other federal income tax advice that it may give to the Issuer[and the Borrower] from time to time relating to the Bonds.

[UNDERWRITER]

By:______________________________________
Name:____________________________________

Dated: [ISSUE DATE]

ISSUE PRICE CERTIFICATE – COMPETITIVE SALES WITH FEWER THAN THREE BIDS FROM ESTABLISHED UNDERWRITERS

$[PRINCIPAL AMOUNT]
[BOND CAPTION]
ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] (["[SHORT NAME OF UNDERWRITER]")][the "Representative")][, on behalf of itself and [NAMES OF OTHER UNDERWRITERS] (together, the "Underwriting Group"),] hereby certifies as set forth below with respect to the sale of the obligations named above (the "Bonds").

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

2. ***Hold the Offering Price Rule***. [SHORT NAME OF UNDERWRITER][Each member of the Underwriting Group] has agreed in writing that, (i) for each Maturity, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "Hold-the-Offering-Price Rule"), and (ii) any agreement among underwriters, selling group agreement, or third-party distribution agreement contains the agreement of each underwriter, dealer, or broker-dealer who is a party to such agreement to comply with the Hold-the-Offering-Price Rule. Based on the [Representative][SHORT NAME OF UNDERWRITER]'s own knowledge and, in the case of sales by other Members of the Distribution Group, representations obtained from the other Members of the Distribution Group, no Member of the Distribution Group has offered or sold any such Maturity at a price that is higher than the respective Initial Offering Price during the respective Holding Period.

3. ***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 ([DATE]), 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 [DESCRIBE ISSUER].

(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 [DATE].

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [NAME OF UNDERWRITING FIRM][the Representative'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[and BORROWER (the "Borrower")] with respect to certain of the representations set forth in the [Tax Certificate][Tax Exemption Agreement] and with respect to compliance with the federal income tax rules affecting the Bonds, and by [BOND COUNSEL] 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][-GC][-TC], and other federal income tax advice that it may give to the Issuer[and the Borrower] from time to time relating to the Bonds.

[UNDERWRITER][REPRESENTATIVE]

By:_______________________________________
Name:_____________________________________

Dated: [ISSUE DATE]

AUTHORITY AND PURPOSE

The General Obligation Storm Sewer Improvement Bonds, Series 2026A (the "Bonds" or the "Issue") are being issued by the City of Garner, Iowa (the "City" or the "Issuer") pursuant to Code of Iowa, Chapter 384, as amended, as well as all other laws amendatory thereof and supplemental thereto, and in conformity with a resolution of the City authorizing and approving the Loan Agreement and providing for the issuance and securing the payment of the Bonds. Proceeds of the Bonds will be used to finance storm sewer improvements and to pay costs associated with issuance of the Bonds.

SECURITY/SOURCES AND USES OF FUNDS

Security

Pursuant to the Resolution and the Act, the Bonds and the interest thereon are general obligations of the Issuer, and 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.

Section 76.2 of the Code of Iowa, 2025, as amended (the "Iowa Code"), provides that when an Iowa political subdivision issues general obligation bonds, the governing authority of such political subdivision shall, by resolution adopted before issuing the bonds, provide for the assessment of an annual levy upon all the taxable property in the political subdivision sufficient to pay the interest and principal of the bonds. A certified copy of this resolution shall be filed with the County Auditor in which the Issuer is located, giving rise to a duty of the County Auditor to annually enter this levy for collection from the taxable property within the boundaries of the Issuer, until funds are realized to pay the bonds in full.

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

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

Sources and Uses of Funds

Following are the sources and uses of funds in connection with the issuance of the Bonds.

Sources of Funds	
Par Amount of Bonds	$ 1,700,000*
Total Sources of Funds:	$ 1,700,000
Uses of Funds	
Deposit to Project Fund	$ 1,635,000
Costs of Issuance/Underwriter's Discount	64,900
Rounding Amount	100
Total Uses of Funds:	$ 1,700,000

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.

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, any 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.

Ratings Loss

S&P Global Ratings ("S&P") has assigned a rating of "A+" to the Bonds. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that the rating will continue for any given period of time, or that such rating will not be revised, suspended or withdrawn, if, in the judgment of S&P's, circumstances so warrant. A revision, suspension or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

Additional regulation of rating agencies could materially alter the methodology, rating levels, and types of ratings available, for example, and these changes, if ever, could materially affect the market value of the Bonds.

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

* Preliminary, subject to change.

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 Issuer to pay debt service when due on the Bonds.

Tax Matters, Bank Qualification and Loss of Tax Exemption

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

The Issuer will designate the Bonds as "qualified tax-exempt obligations" under the exception provided in Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and has further covenanted to comply with certain other requirements, which affords banks and certain other financial institutions more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code. However, the Issuer's failure to comply with such covenants could cause the Bonds not to be "qualified tax-exempt obligations" and banks and certain other financial institutions would not receive more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code.

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

Proposed Federal Tax Legislation

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals pending in Congress that could, if enacted, alter or amend one or more of the federal (or state) tax matters described herein in certain respects or would adversely affect the market value of the Bonds or otherwise prevent holders of the Notes 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.

Property Tax Legislation

During the 2019 legislative session, the Iowa General Assembly enacted Senate File 634 (the 2019 Act). This bill modifies the process for hearing and approval of the total maximum property tax dollars under certain levies in the Issuer's budget. The bill also includes a provision that will require the affirmative vote of 2/3 of the City Council when the maximum property tax dollars under these levies exceed an amount determined under a prescribed formula.

The 2019 Act does not change the process for hearing and approval of the Debt Service Levy pledged for repayment of the Bonds. It is too early to evaluate the affect the 2019 Act will have on the overall financial position of the Issuer or its ability to fund essential services.

Tax Levy Procedures

The Bonds are general obligations of the Issuer, payable from and secured by a continuing ad valorem tax levied against all of the property valuation within the Issuer. As part of the budgetary process each fiscal year, the Issuer will have an obligation to request a debt service levy to be applied against all of the taxable property within the Issuer. A failure on the part of the Issuer to make a timely levy request or a levy request by the Issuer 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 Issuer and certain other public officials to perform the terms of the resolution for the Bonds) may have to be enforced from year to year.

Federal Funds Orders, and State Funds Legislation

Various federal executive orders, and a law (SF 481) enacted in Iowa and effective July 1, 2018 (collectively "ICE Enforcement Initiatives"), impose requirements intended to ensure compliance with the federal immigration detainment processes. The ICE Enforcement Initiatives impose various penalties for non-compliance, including the loss of state and/or federal funding under certain circumstances. The loss of state and/or federal funds in any significant amount could negatively impact the Issuer's overall financial position and may affect its rating. However, the Bonds are secured by a debt service levy upon real property in the jurisdictional limits of the Issuer, and are not secured by state or federal funds.

Factors Beyond Issuer's Control

A combination of epidemic, pandemic, economic, climatic, political or civil disruptions outside of the control of the Issuer, including loss of major taxpayers or major employers, could affect the local economy and result in reduced tax collections and/or increased demands upon local governments. Real or perceived threats to the financial stability of the Issuer may have an adverse effect on the value of the Bonds in the secondary market.

Cybersecurity

The Issuer, 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 Issuer will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attacks could impact business operations and/or digital networks and systems and the costs of remedying any such damage could be significant.

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.

Risk of Audit

The Internal Revenue Service has an ongoing program to audit tax-exempt obligations to determine the legitimacy of the tax status of such obligations. No assurance can be given as to whether the Internal Revenue Service will commence an audit of the Bonds. Public awareness of any audit could adversely affect the market value and liquidity of the Bonds during the pendency of the audit, regardless of the ultimate outcome of the audit.

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.

DESCRIPTION OF THE BONDS

Details of Certain Terms

The Bonds will be dated, as originally issued, as of the date of delivery (estimated to be September 23, 2026), and will be issued as fully registered Bonds in the denominations of $5,000 or any integral multiple thereof. Principal, including mandatory redemptions on the Bonds, if applicable, will be payable annually June 1, commencing June 1, 2027. Interest on the Bond will be payable semiannually on each June 1 and December 1, commencing June 1, 2027. The Bonds when issued, will be registered in the name of Cede & Co. (the “Registered Holder”), as nominee of The Depository Trust Company, New York, New York (“DTC”), the initial custodian for the Bonds, to which principal and interest payments on the Bonds will be made so long as Cede & Co. is the Registered Holder of the Bonds. See “Book-Entry System” in *Description of the Bonds* herein for additional information. So long as the Book-Entry Only System is used, individual purchases of the Bonds will be made in book-entry form only, in the principal amount of $5,000 or any integral multiple thereof (“Authorized Denominations”). Individual purchasers (“Beneficial Owners”) of the Bonds will not receive physical delivery of bond certificates, and registration, exchange, transfer, tender and redemption of the Bonds with respect to Beneficial Owners shall be governed by the Book-Entry Only System.

So long as the Book-Entry Only System is used, payments from Cede & Co., as the Registered Holder, to the Beneficial Owners shall be governed by the Book-Entry Only System. If the Book-Entry Only System is discontinued, the principal of and premium, if any, on the Bonds will be payable upon presentation and surrender at the offices of the Paying Agent and Bond Registrar or a duly appointed successor. Interest on the Bonds will be paid by check or draft mailed by the Bond Registrar to the registered holders thereof as such appear on the registration books maintained by the Bond Registrar as of the close of business on the fifteenth day (whether or not a business day) of the calendar month next preceding such interest payment date (the “Record Date”).

Registration, Transfer and Exchange

So long as the Book-Entry Only System is used, payments from Cede & Co., as the Registered Holder, to the Beneficial Owners shall be governed by the Book-Entry Only System. If the Book-Entry Only System is discontinued, the Bonds may be transferred upon surrender of the Bonds at the principal office of the Bond Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his or her attorney duly authorized in writing. The Bonds, upon surrender thereof at the principal office of the Bond Registrar may also be exchanged for other Bonds of the same series, of any authorized denominations having the same form, terms, interest rates and maturities as the Bonds being exchanged. The Bond Registrar will require the payment by the Bond holder requesting such exchange or transfer of any tax or governmental charge required to be paid with respect to such exchange or transfer. The Bond Registrar is not required to (i) issue, transfer or exchange any Bond during a period beginning at the opening of business fifteen days before any selection of Bonds of a particular stated maturity for redemption in accordance with the provisions of the Bond resolution and ending on the day of the first mailing of the relevant notice of redemption or (ii) to transfer any Bonds or portion thereof selected for redemption.

Optional Redemption

The Bonds maturing on June 1, 2035 and thereafter are subject to redemption, in whole or in part, on June 1, 2034 and on any date thereafter at a price of par plus accrued interest. If redemption is in part, the selection of the amounts and maturities of the Bonds to be prepaid shall be at the discretion of the City. Notice of redemption shall be given by written notice to the registered owner of the Bonds not less than 30 days prior to such redemption date.

Book-Entry System

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds (the "Bonds"). The Bonds 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 certificate will be issued for the Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC.

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 Standard & Poor's 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 and www.dtcc.org.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bonds ("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 Bonds 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 Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds 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 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds 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.

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.

Redemption notices shall be sent to DTC. If less than all of the Bonds 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.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds 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 the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds 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 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 Bonds 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, 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 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.

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

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

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, certificates for the Bonds will be printed and delivered to DTC.

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 of Garner takes no responsibility for the accuracy thereof.

LIMITED CONTINUING DISCLOSURE

In order to assist the Underwriter(s) in complying with SEC Rule 15c2-12 (the "Rule"), pursuant to a resolution awarding the Issue and a Continuing Disclosure Certificate (the "Certificate") to be executed by the City on or before Bond closing, the City has and will covenant for the benefit of holders of the Bonds to annually provide certain financial and operating data, which information is customarily prepared by the City and is publicly available, to the Municipal Securities Rulemaking Board ("MSRB") in an electronic format prescribed by the MSRB, and to provide notices of the occurrence of certain events enumerated in the Rule to the MSRB. The specific nature of the Certificate, as well as the information to be contained in the annual report or the notices of material events is set forth in the Continuing Disclosure Certificate in substantially the form attached hereto as Appendix B.

To the best of its knowledge, the City has never failed to comply in all material respects with any previous undertakings under the Rule to provide annual reports or notices of material events within the past five years. A failure by the City to comply with the Certificate will not constitute an event of default on the Bonds (although holders will have an enforceable right to specific performance). Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price. Please see *Appendix B – Continuing Disclosure Certificate* herein for additional information.

The City has retained a Dissemination Agent for its continuing disclosure filings.

UNDERWRITING

The Bonds are being purchased by _______ (the "Underwriter") at a purchase price of $_______, which is the par amount of the Bonds of $_______ less the Underwriter's discount of $_______, plus the original issue premium of $_________.

MUNICIPAL ADVISOR

The Issuer has retained Northland Securities, Inc. as municipal advisor (the "Municipal Advisor") in connection with the issuance of the Bonds. Northland Securities, Inc. is registered as a municipal advisor with both the Securities and Exchange Commission (SEC) and the Municipal Securities Rulemaking Board (MSRB). In preparing the Official Statement, the Municipal advisor has relied upon governmental officials, and other sources that have access to relevant data to provide accurate information for the Official Statement, and the Municipal advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. The Municipal advisor is not a public accounting firm and has not been engaged by the Issuer to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards.

Northland Securities, Inc., is a subsidiary of Northland Capital Holdings, Inc. First National of Nebraska, Inc., is the parent company of Northland Capital Holdings, Inc and First National Bank of Omaha.

FUTURE FINANCING

The City does not anticipate the need to finance any additional general obligation debt within the next three months.

BOND RATING

The City received an underlying rating of "A+" from S&P Global Ratings ("S&P"). No application was made to any other rating agency for the purpose of obtaining an additional rating on the Bonds. This rating reflects only the opinion of S&P and any explanation of the significance of this rating may be obtained only from S&P. There is no assurance that a rating will continue for any given period of time, or that such rating will not be revised or withdrawn, if in the judgment of S&P, circumstances so warrant. A revision or withdrawal of the rating may have an adverse effect on the market price of the Bonds. This rating is not a recommendation to buy, sell or hold the Bonds, and such rating may be subject to revision or withdrawal at any time by the rating agency.

LITIGATION

As of the date of this Official Statement, the City is not aware of any threatened or pending litigation that questions the organization or boundaries of the City or the right of any of its officers to their respective offices or in any manner questioning their rights and power to execute and deliver the Bonds or otherwise questioning the validity of the Bonds.

CERTIFICATION

The City will furnish a statement to the effect that this Official Statement to the best of their knowledge and belief, as of the date of sale and the date of delivery, is true and correct in all material respects, and does not contain any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

The City has always promptly met all payments of principal and interest on its indebtedness when due.

LEGALITY

Legal matters incident to the authorization, issuance and sale of the Bonds and with regard to the taxability of interest thereon (see "Tax Exemption and Related Tax Matters" herein) are subject to the approving legal opinion of Dorsey & Whitney LLP, Des Moines, Iowa ("Bond Counsel"). 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. See *Appendix A – Form of Bond Counsel Opinion.*

The legal opinion to be delivered will express the professional judgment of Bond Counsel as of the date of closing 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 the *"Security"* portion of the "*Security/Sources and Uses of Funds"* section, and *"Tax Exemption"* 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 Appendices A and B.

TAX EXEMPTION AND RELATED TAX MATTERS

Federal Income Tax Exemption

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

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

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

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

Proposed Changes in Federal and State Tax Law

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

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

Qualified Tax-Exempt Obligations

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

Original Issue Premium

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

Original Issue Discount

The Bonds maturing in the years ________________ (collectively, the "Discount Bonds") are being sold at a discount from the principal amount payable on such Discount Bonds at maturity. The difference between the price at which a substantial amount of the Discount Bonds of a given maturity is first sold to the public (the "Issue Price") and the principal amount payable at maturity constitutes "original issue discount" under the Internal Revenue Code. The amount of original issue discount that accrues to a holder of a Discount Bond under section 1288 of the Internal Revenue 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 Bond (whether by sale, exchange, redemption or payment at maturity).

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

An owner of a Discount Bond who disposes of such Discount Bond prior to maturity should consult owner's tax advisor as to the amount of original issue discount accrued over the period held and the amount of taxable gain or loss upon the sale or other disposition of such Discount Bond prior to maturity. Owners who purchase Discount Bonds in the initial public offering but at a price different than the Issue Price should consult their own tax advisors with respect to the tax consequences of the ownership Discount Bonds.

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

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

PROPERTY TAX LEGISLATION

During the 2013 legislative session, the Iowa General Assembly enacted Senate File 295 (the "2013 Act"). Among other things, the Act (i) reduced the maximum annual taxable value growth percent, due to revaluation of existing residential and agricultural property to 3%, (ii) assigned a "rollback" (the percentage of a property's value that is subject to tax) to commercial, industrial and railroad property of

90%, (iii) created a new property tax classification for multi-residential properties (apartments, nursing homes, assisted living facilities and certain other rental property) and assigned a declining rollback percentage to such properties for each year until the residential rollback percentage is reached in the 2022 assessment year, after which the rollback percentage for such properties will be equal to the residential rollback percentage each assessment year, and (iv) exempted a specified portion of the assessed value of telecommunication properties.

During the 2021 Iowa Legislative session, House File 418 was signed into law on March 8, 2021, applicable to valuations beginning January 1, 2022 (the “2021 Act”). HF418 removes the multi-residential property classification by reclassifying certain properties as subdivision of “residential” property. The multi-residential classification was created as part of the January 1, 2015 valuations, and became unnecessary due to the equalization of the residential and multiresidential classifications as of January 1, 2022.

The 2013 Act included a standing appropriation to replace some of the tax revenues lost by local governments due to the rollback. Iowa Code section 441.21A established this standing appropriation for reimbursement to local governments (backfill). However, SF 619, passed by the legislature on May 19, 2021 and subsequently signed into law by Governor Reynolds, phases out backfill payments beginning with fiscal years beginning on or after July 1, 2022. For cities and counties, the backfill is eliminated through annual reductions over five or eight years, depending on assessed valuation growth from 2012 to 2019. School district backfill payments will be eliminated after fiscal year 2022. Taxing authorities that are not schools, cities, or counties will have their backfill payments phased out over eight years. SF 619 also implements a tax credit for property owned by persons who are at least 70 years of age and whose annual household income is not more than 250% of the federal poverty level guidelines published by the U.S. Department of Health and Human Services. The expanded credit is available for claims filed on or after January 1, 2022. The expanded credit is exempt from the provisions of Iowa Code section 25B.7(1), which imposes a State requirement to fully fund changes to property tax credits. The legislation is anticipated to result in reduced property tax revenues as a result of the phased out property tax replacement claims and also due to expansion of the Elderly Property Tax Credit.

Notwithstanding any decrease in property tax revenues that may result from the 2013 Act, the 2019 Act, HF 418 or SF 619, Iowa Code section 76.2 provides that 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 the auditors of the counties in which the political subdivision is located; and the filing shall make it a duty of the auditors 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."

CITY OF GARNER, IOWA

GENERAL INFORMATION

Location/Access/Transportation

Garner, the County Seat of Hancock County, is located in north central Iowa. Serving as the county seat gives the City fast access to a wide range of both county and state services, and brings a steady influx of people to the community. The City lies approximately 20 miles west of Mason City and 100 miles north of the City of Des Moines. Access is provided via State Highway 18 and 69 and I-35 is 11 miles west of Garner.

Area

1,318 Acres
(2.06 Square Miles)

Population

1990 Census	2,916	2020 Census	3,065
2000 Census	2,922	2026 Estimate*	3,100
2010 Census	2,922		

Labor Force Data[1]

Comparative average labor force and unemployment rate figures for 2026 (through March) and year-end 2025 are listed below. Figures are not seasonally adjusted and numbers of people are estimated by place of residence.

	March 2026		2025	
	Civilian Labor Force	*Unemployment Rate*	*Civilian Labor Force*	*Unemployment Rate*
Hancock County	5,463	3.1%	5,620	3.1%
State of Iowa	1,724,433	3.6	1,737,700	3.5

Income Data[2]

Comparative income levels are listed below for the City of Garner, the State of Iowa and the United States.

	Garner	*State of Iowa*	*United States*
Median Family Income	$80,655	$97,491	$99,999
Per Capita Income	36,545	40,877	44,673

City Government

Garner operates under a mayor-council form of government. It has a mayor elected at large for a two-year term and five council members elected at large for four-year staggered terms. The professional staff

* Source: City of Garner.

1 Source: Iowa Workforce Development.

2 Source: 2020-2024 American Community Survey, U.S. Census Bureau

is appointed and includes a city administrator and city clerk. The City provides numerous services to its citizens including public safety, public works, culture and recreation, community and economic development and general government services. The City also provides water and sewer utilities for its residents.

Bargaining Units/Labor Contracts

There were no reported labor unions representing City employee groups.

Employee Pension Programs

The City contributes to the Iowa Public Employees Retirement System (IPERS), which is a cost-sharing, multiple employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa 50306-9117.

In fiscal year 2025, regular plan members are required to contribute 6.29% of their annual covered salary and the City is required to contribute 9.44% of covered salary. Certain employees in special risk occupations and the City contribute an actuarially determined contribution rate. Contribution requirements are established by state statute.

Other Postemployment Benefits (OPEB)

Plan Description
The City operates a single-employer health benefit plan which provides medical/prescription drug benefits for employees and their spouses. There are 18 active and no retired members in the plan. Participants must be age 55 or older at retirement.

Funding Policy
The contribution requirements of plan members are established and may be amended by the City. The City currently finances the retiree benefit plan on a pay-as-you-go basis.

Estimated Cash/Investment Balances as of May 1, 2026 (unaudited)

Fund	
General Fund	$ 984,253
Special Revenue Funds	4,116,287
Debt Service Fund*	(616,495)
Capital Projects Funds	167,397
Enterprise Funds	1,754,586
Total Estimated Cash/Investment Balances	$ 6,406,028

*Debt Service Fund balance reflects pending year-end transfers from Special Revenue Funds that have not yet been completed as of the May Treasurer’s Report.

City Budget

Revenues	2025/26 Adopted Budget	2024/25 Re-Estimated	2023/24 Actual
Net Property Taxes	$ 1,767,055	$ 1,687,847	$ 1,899,694
TIF Revenues	841,779	484,658	449,341
Other City Taxes	549,985	491,376	564,311
License/Permits	9,475	8,970	10,902
Use of Money & Prop	208,967	140,765	403,042
Intergovernmental	1,082,438	562,421	1,053,931
Charges for Services	1,747,875	1,611,570	1,580,083
Special Assessments	15,000	15,000	7,715
Miscellaneous	182,434	355,949	362,027
Other	60,000	90,000	1,867,001
Transfers In	1,488,422	1,397,891	2,405,501
Subtotal	$ 7,953,430	$ 6,846,447	$10,603,548

Expenditures:	2025/26 Adopted Budget	2024/25 Re-Estimated	2023/24 Actual
Public Safety	$ 1,332,083	$1,096,753	$ 1,049,963
Public Works	825,584	960,553	671,499
Health & Social Services	6,000	6,000	0
Culture & Recreation	1,119,971	1,177,853	1,073,570
Community & Econ. Dev.	403,718	319,837	691,256
General Government	431,725	406,186	438,513
Debt Service	934,176	941,526	3,379,773
Capital Project	358,205	410,000	0
Business Type	1,283,309	886,364	996,333
Transfers Out	1,488,422	1,397,891	2,405,501
Subtotal	$ 8,183,193	$ 7,602,963	$10,706,408
Excess/Under of Revenue & Other Sources	(229,763)	(756,516)	(102,860)
Beginning Fund Balance July 1	6,115,499	6,872,015	6,974,875
Ending Fund Balance June 30	$ 5,885,736	$ 6,115,499	$ 6,872,015

Residential Development

There were 2 single-family homes constructed in 2025.

Subdivision Name	*Total Number of Lots/Units*	*Number of Lots/Units Completed*	*Remaining Lots/Units Available*
Hejlik III	24	10	14

Commercial/Industrial Development

Building construction and commercial/industrial development completed within the past three years has been as follows:

Name	*Product/Service*	*Description of Construction*
Cleaning Solutions	Cleaning Service	New Commercial Building
Zinpro Corp	Trace Minerals	Employee Amenities Addition
Iowa Mold Tolding	Service Trucks	Fence
Stellar Ind	Service Trucks	New Addition
Jay Larkin	Construction	New Commercial Building
JBR Storage	Storage	New Commercial Building
Hancock Co Courthouse	Government	New Maintenance Shed
GC4 Daycare	Daycare	New Daycare Facility
GHV School	School	Addition

Building Permits[1]

Building permits issued for the past five calendar years (January 1 through December 31) and a portion of the current year have been as follows:

Year	*Commercial/ Industrial Number of Permits*	*Residential Number of Permits*	*Total Number of Building Permits*	*Total Permit Valuation*
2026 (as of 5/28)	0	25	25	$1,075,273
2025	4	52	56	5,160,173
2024	6	46	52	8,356,335
2023	4	45	49	6,433,278
2022	3	61	64	4,453,178
2021	4	49	53	3,617,146

Banking/Financial Institutions

Banking/financial services in the City are provided by Clear Lake Bank and Trust Company and Reliance State Bank.

Education

City residents are served by Garner-Hayfield-Ventura Community School District.

[1] Building permits do not include sign, plumbing and electrical, or mechanical permits.

Major/Leading Employers[1]

Following are some of the major/leading employers within the City:

Name	*Product/Service*	*Number of Employees[2]*
Iowa Mold Tooling Co.	Truck Service bodies/cranes	400
Stellar Industries, Inc.	Truck Bodies/Cranes	251
Garner-Hayfield CSD	Education	90
Hancock County	Municipal Government	80
Concord Therapy Center	Nursing Care Facility	80
Zinpro	Trace Minerals	75
Hy-Vee	Grocery Store	50
Hueneman Farms LC	Agriculture	40
City of Garner	Municipal Government	20

Largest Taxpayers

Following are ten of the largest taxpayers within the City as provided by Hancock County:

Name	*Property Classification*	*2026/2027 Taxable Assessed Value*	*Percent of Total Taxable Valuation ($181,435,616)[2]*
Stellar Property Holdings, LLC	Commercial	$ 8,596,494	4.74%
Zinpro Corporation	Commercial	5,351,676	2.95
Iowa Mold Tooling Co, Inc	Commercial	4,141,975	2.28
JPG, LLC	Commercial	3,717,947	2.05
N&J Enterprises, LLC	Commercial	2,991,751	1.65
Kwik Trip, Inc	Commercial	2,811,216	1.55
CP Iowa Properties	Commercial	2,321,833	1.28
Iowa Motor Truck Transport, Inc	Commercial	1,839,530	1.01
Garner IA Property Holdings, LLC	Commercial	1,680,955	0.93
Christensen Farms Midwest, LLC	Commercial	1,615,684	0.89
		$ 35,069,061	19.33%

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[1] Source: City and Data Axle Reference Solutions

[2] Employees include full-and part-time as well as seasonal employees.

[2] After military exemption adjustment and tax increment value adjustment.

IOWA PROPERTY VALUATIONS; DEBT LIMITATIONS

Actual Value

The Code of Iowa uses the terms "actual value," "assessed value," "market value" and "actual assessed value" interchangeably. The actual value of all taxable property of a local jurisdiction, except utility property, is determined by the local county or city assessor, who must be certified by the State Department of Revenue. Utility property is assessed by the State Department of Revenue. The actual value of all property, with the exception of agricultural property, is determined by establishing the fair and reasonable market value of the property. The actual value of agricultural property is determined by its productivity and net earning capacity pursuant to the Code of Iowa, Section 441.21 (1)(e). The State Department of Revenue and Finance periodically adjusts inequities among the 99 county and 10 city assessing jurisdictions by issuing equalization orders pursuant to the Code of Iowa, Sections 441.47 to 441.49. The actual value of a jurisdiction is the value utilized for computing debt limitations of counties, municipalities, school districts, and other political subdivisions.

Taxable Value

The taxable value of counties, municipalities, school districts, or other political subdivisions is determined by adjusting or "rolling back" the assessed value of residential property, agricultural property, commercial property, industrial property, and other classes of property by applying percentages certified to the county auditors of each county by the Director of Revenue no later than November 1 of each fiscal year pursuant to the Code of Iowa, Section 441.21(10). These adjustments colloquially referred to as "rollbacks" are meant to provide an appropriate balance of market value fluctuation that might disproportionately impact the property tax burden placed on classes of property affected by those fluctuations. Following are classes of property that were adjusted by the corresponding percentages for 2025 assessed valuations collected in 2026/2027:

	Rollback
Agricultural (excluding agricultural dwellings)	59.4401%
Residential (rural and urban including agricultural dwellings)	44.5345
Commercial (excluding machinery and equipment)	90.0000*
Industrial (excluding machinery and equipment)	90.0000*
Railroad	90.0000*
Utility (pursuant to Chapter 437)	94.2059
Utility (pursuant to Chapters 428 and 438)	98.0000

Tax Levies and Collections

Property is assessed on a calendar year basis and valued as of January 1 of each year. Property owners are notified by the following April 15 if there has been any increase or decrease in valuation of the property. Assessments as of January 1, 2025 are used to determine tax levies and tax rates for collection in the fiscal year beginning July I, 2026.

Taxes are collected on a fiscal year running July 1 through June 30. A county collects all tax levies within its jurisdiction and remits, by the 10th of each month, the amount collected through the last day of the preceding month to underlying units of government. 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

* The residential taxable rollback rate of 44.5345% would apply to the value of each property unit of commercial, industrial and railroad property that exceeds zero dollars ($0), but does not exceed one hundred fifty thousand dollars ($150,000), with a taxable value rollback rate of 90.0000% to the value that exceeds one hundred fifty thousand dollars ($150,000).

installment becomes delinquent. If the second installment is not paid, it becomes delinquent on April 1. Delinquent taxes are subject to a penalty rate of 1.5% per month.

If taxes are not paid when due, the property may be offered at the regular tax sale on the third Monday 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 installment of taxes and assessments.

For properties that have previously been advertised, offered for one year or more, and remain unsold for want of bidders, a public sale is held which results in the county acquiring a tax sale certificate on such properties. After twelve months' time, and after proper notification of any interested parties, the county is issued the deed. The county may then resell the property for whatever price the market will bear and the proceeds of the sale are credited to the county general fund. The sale eliminates liens of past due installments of taxes and assessments but the property remains subject to future installments.

DEBT LIMITATIONS

Article XI, Section 3 of the Constitution of the State of Iowa limits the amount of debt outstanding at any time of any county, municipality, school district or other political subdivision to no more than 5% of the actual value, as shown by the last certified state or county tax list, of all taxable property within such county, municipality, school district or other political subdivision. For the purpose of computing the debt limitation, the term "actual value" is the actual value of taxable property without application of any percentage reduction or rollback, and after deduction of the military exemption on taxable property.

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CITY OF GARNER, IOWA

ECONOMIC AND FINANCIAL INFORMATION[1]

Valuations[2]

(As of January 1, 2025)	*2025 for FY 2026/2027 100% Actual Value*	*% Breakdown of Valuation*	*2025 for FY 2026/2027 Taxable Value (With Rollback)*	*% Breakdown of Valuation*
Residential	$269,677,846	80.15%	$ 118,437,937	74.31%
Agricultural Land & Building	476,450	0.14	283,208	0.18
Commercial	38,069,464	11.31	24,636,665	15.45
Industrial	16,375,536	4.87	13,336,738	8.37
Railroads	1,052,089	0.31	938,446	0.59
Utilities (with Gas & Electric)	10,836,333	3.22	1,752,126	1.10
Gross Valuation	$336,487,728	100.00%	$ 159,385,120	100.00%
Less Military Exemption	(2,908,145)		(2,908,145)	
Total Valuation	$333,579,583		$ 156,476,975[3]	
Add Captured Tax Increment Value	$ 24,958,641		$ 24,958,641	
Net Valuation	$358,538,224		$ 181,435,616	

Valuation Trends

Valuation Trends over the past five years have been as follows:

Assessment Year	*Fiscal Year Tax Levies*	*100% Actual Value*[4]	*Taxable Valuation (With Rollback)*[5]	*Captured Tax Increment Value*	*Total Taxable Value*
2025	2026/2027	$358,538,224	$156,476,975	$24,958,641	$181,435,616
2024	2025/2026	318,318,411	134,450,884	32,583,043	167,033,927
2023	2024/2025	312,920,310	134,612,426	26,251,419	160,863,845
2022	2023/2024	281,702,926	145,870,094	17,043,339	162,944,433
2021	2022/2023	247,916,766	132,069,358	16,768,863	148,838,221

1 Property valuations, tax rates and tax levies and collections are provided by the Iowa Department of Management unless otherwise noted.

2 January 1, 2025 valuations for taxes payable July 1, 2026 to June 30, 2027.

3 The Taxable Value after rollback and less military exemption is used to compute all tax rates with the exception of debt service and excludes captured tax increment value. The Net Taxable Value is used to compute the tax rate for debt service.

4 100% Actual Valuations, before rollback, are after military exemption and captured tax increment value adjustments.

5 Taxable Valuations, with rollback, are after the military exemption and before captured tax increment value adjustments.

Tax Rates[1]

Following are tax rates per thousand-dollar valuations for the past five-assessable/collection years:

Levy Year/ Collection Year	*2020 for FY 2021/2022*	*2021 for FY 2022/2023*	*2022 for FY 2023/2024*	*2023 for FY 2024/2025*	*2024 for FY 2025/2026*
Hancock County	3.69297	4.12847	3.72478	3.92812	4.15337
City of Garner	13.22873	13.20759	12.37749	12.38107	12.85927
Garner-Hayfield Ventura CSD	12.18622	10.99955	11.00341	9.87248	10.69520
North Iowa Community College	1.05736	.90520	.92871	1.06889	1.13675
Ag Extension	.23446	.25335	.25404	.25039	.23787
County Assessor	.47381	.45383	.43589	.45072	.50912
State	.00260	.00240	.00180	.00180	.00000
Totals:	30.87615	29.95039	28.72612	27.95347	29.59158

Tax Levies and Collections

Levy Year	*Collection Year*	*Total Tax Levy (in Dollars)*	*Total Tax Collections*	*Collections as Percent of Current Levy*
2025	2026/2027	$2,043,964	(In Process of Collection)	
2024	2025/2026	1,767,055	$1,767,055	100.00%
2023	2024/2025	1,687,847	1,771,087	104.93
2022	2023/2024	1,818,498	1,899,694	104.47
2021	2022/2023	1,773,374	1,739,701	98.10
2020	2021/2022	1,703,868	1,668,396	97.92

1 The 2025 for FY 2026/2027 Tax Rates are not available until June 1, 2026, six months after the 2026/2027 valuations are available from the State of Iowa Department of Valuations.

SUMMARY OF DEBT AND DEBT STATISTICS

Statutory Debt Limit

Article XI, Section 3 of the State of Iowa Constitution limits the amount of debt outstanding at any time of any county, municipality or other political subdivision to no more than five percent (5%) of the actual value of all taxable property within the corporate limits, as taken from the last certified state and county tax list. The debt limit for the County, based on its most recent certified (2025) valuation, is as follows:

Computation of Legal Debt Limit as of August 2, 2026:

2025 [2026/2027] Gross Valuation of 100% Actual Value of Property	$ 336,487,728
Less Military Exemption	(2,908,145)
Add Captured Tax Increment Value	24,958,641
Actual Value for Debt Limit Calculation	$ 358,538,224
Times 5% of Actual Value for Debt Limit Calculation	x .05
Legal Debt Limit	$ 17,926,911

Outstanding bonds applicable to debt limit:

$360,000 G.O. Library Notes of 2016	$ 36,000
$2,880,000 G.O. Storm Sewer Improvement Bonds, Series 2018A	1,970,000
$300,000 G.O. Notes of 2020	149,509
$2,500,000 G.O. Notes of 2021	1,930,863
$1,700,000 G.O. Storm Sewer Improvement Bonds, Series 2013B (this Issue)	1,700,000
Pay-as-you-go TIF Rebate Agreements	231,966
Total debt applicable to debt limit	$ 6,018,338
Legal Debt Margin	$ 11,908,573

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CITY OF GARNER, IOWA
GENERAL OBLIGATION DEBT PAYABLE FROM TAXES
(As of August 2, 2026, Plus This Issue)

Purpose:	G.O. Library Notes of 2016 (RDLG Loan)	G.O. Storm Sewer Improvement Bonds, Series 2018A	G.O. Notes of 2020	G.O. Notes of 2021	G.O. Storm Sewer Improvement Bonds, Series 2026A			
Dated:	08/18/16	03/27/18	07/31/20	05/11/21	09/23/26			
Original Amount:	$360,000	$2,880,000	$300,000	$2,500,000	$1,700,000			
Maturity:	1-Dec	1-Jun	1-Jun/1-Dec	1-Jun/1-Dec	1-Jun	TOTAL	TOTAL	
Interest Rates:	0.00%	2.10-3.00%	0.00%	2.85%		PRINCIPAL:	PRIN & INT:	
2026	$36,000	$305,000	$40,804	$151,849	$0	$533,653	$646,721	2026
2027	0	315,000	42,160	156,207	135,000	648,367	810,086	2027
2028	0	325,000	43,554	160,562	135,000	664,116	796,257	2028
2029	0	330,000	22,991	165,299	140,000	658,290	770,416	2029
2030	0	340,000	0	170,044	145,000	655,044	747,991	2030
2031	0	355,000	0	174,925	150,000	679,925	752,723	2031
2032	0	0	0	179,870	155,000	334,870	392,555	2032
2033	0	0	0	185,109	155,000	340,109	387,518	2033
2034	0	0	0	190,422	165,000	355,422	392,155	2034
2035	0	0	0	195,887	170,000	365,887	391,375	2035
2036	0	0	0	200,689	175,000	375,689	389,488	2036
2037	0	0	0	0	175,000	175,000	178,194	2037
	$36,000 (1)	$1,970,000	$149,509	$1,930,863	$1,700,000	$5,786,372	$6,655,479	

NOTE: 90% OF GENERAL OBLIGATION DEBT PAYABLE FROM TAXES WILL BE RETIRED WITHIN TEN YEARS.

(1) The final maturity on these bonds is August 18, 2026.

CITY OF GARNER, IOWA
REVENUE/SPECIAL OBLIGATION DEBT
(As of August 2, 2026)

Pupose:	**Sewer Revenue Note, Series 2010**			
Dated:	01/13/10			
Original Amount:	$2,640,000			
Maturity:	1-Jun	**TOTAL**	**TOTAL**	
Interest Rates:	3.25%	**PRINCIPAL:**	**PRIN & INT:**	
2026	$193,000	$193,000	$202,845	2026
2027	199,000	199,000	202,483	2027
	$392,000	$392,000	$405,328	
	(1)			
	TIF Rebate	$231,966	(2) (3)	
		$623,966		

NOTE: 100% OF REVENUE/SPECIAL OBLIGATION DEBT WILL BE RETIRED WITHIN TEN YEARS.

(1) These bonds are payable solely from net revenues generated from the municipal sewer utility system. The full faith and credit of the City IS NOT pledged to any payment of principal and interest or any other related costs on the bonds.
(2) These bonds are included for the computation of the City's debt limit, even though the bonds are special, limited obligations of the City.
(3) Urban renewal tax increment loans were issued for the purpose of defraying a portion of the costs of carrying out an urban renewal project of the City. The loans are payable solely from the income and proceeds of the City's Urban Renewal Tax Increment Fund and the taxes to be paid into the fund in accordance with Chapter 403.19 of the Code of Iowa. Proceeds of the urban renewal tax increment loans shall be expended only for purposes that are consistent with the plans of the City's urban renewal area. These represent internal borrowings within the City and are not considered a general obligation of the City, however, the loans do count against the City's statutory debt limit.

Indirect Debt*

Issuer	2026/2027 Taxable Value[1]	2026/2027 Taxable Value in City[1]	Percentage Applicable in City	Outstanding Debt[2]	Underlying Share of Debt
Hancock County	$1,350,406,290	$ 181,435,616	13.44%	$ 1,415,000	$ 190,176
North Iowa CC	10,898,584,233	181,435,616	1.66	5,790,000	96,114
				Total Underlying Debt:	$ 286,290

* Only those taxing jurisdictions with general obligation debt outstanding that is not payable from revenues are included. Debt figures do not include non-general obligation debt, short-term general obligation debt, general obligation debt payable from revenues, or general obligation tax/aid anticipation certificates of indebtedness.

[1] Taxable Value includes military, gas and electric utility, and tax increment adjustments.

[2] As of August 2, 2026, unless otherwise noted.

Direct Debt

Bonds secured primarily by tax levies (includes this Issue)	$ 5,786,372
Total Direct Debt	5,786,372
Add taxpayers' share of indirect debt	286,290
Direct and Indirect Debt	$ 6,072,662

Special Obligation Debt

$2,640,000 Sewer Revenue Note, Series 2010	$ 392,000
Pay-as-you-go TIF Rebate Agreements	231,966

Facts for Ratio Computations

2026/2027 100% Actual Value[1]	$358,538,224
2026/2027 Taxable Value with Rollback[1]	181,435,616
Population (2026 Estimate)	3,100

Debt Ratios

	Direct Debt	*Indirect Debt*	*Direct and Indirect Debt*
To Actual Value	1.61%	0.08%	1.69%
To Taxable Value	3.19%	0.16%	3.35%
Per Capita	$1,867	$92	$1,959

[1] After tax increment and military exemption adjustments.

APPENDIX A

Legal Opinion

***(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 Garner (the "Issuer"), in Hancock County, Iowa, passed preliminary to the issue by the Issuer of its General Obligation Storm Sewer Improvement Bonds, Series 2026A (the "Bonds") in the amount of $1,700,000, in the denomination of $5,000 each, or any integral multiple thereof, dated September 23, 2026, in evidence of the Issuer's obligation under a certain loan agreement (the "Loan Agreement"), dated as of September 23, 2026. The Bonds mature on June 1 in each of the respective years and in the principal amounts and bear interest payable semiannually on June 1 and December 1 in each year, commencing June 1, 2027, at the respective rates as follows:

Date	Principal	Interest Rate	Date	Principal	Interest Rate
2027	$135,000	_____%	2033	$155,000	_____%
2028	$135,000	_____%	2034	$165,000	_____%
2029	$140,000	_____%	2035	$170,000	_____%
2030	$145,000	_____%	2036	$175,000	_____%
2031	$150,000	_____%	2037	$175,000	_____%
2032	$155,000	_____%			

Principal of the Bonds maturing in the years 2035 through 2037, inclusive, are subject to optional redemption prior to maturity on June 1, 2034, or on any date thereafter on terms of par plus accrued interest.

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

1. The Proceedings show lawful authority for such issue under the laws of the State of Iowa.

2. The Bonds and the Loan Agreement are valid and binding general obligations of the Issuer.

3. All taxable property within the corporate boundaries of the Issuer is subject to the levy of taxes to pay the principal of and interest on the Bonds without constitutional or statutory limitation as to rate or amount.

4. The interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excluded from gross income for federal income tax purposes and is not treated as a preference item in calculating the federal alternative minimum tax imposed on noncorporate taxpayers under the Internal Revenue Code of 1986, as amended (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 continues to be, excluded from gross income for federal income tax purposes. The Issuer has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds.

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

We express no opinion regarding other federal tax consequences arising with respect to the Bonds. We note, however, that interest on the Bonds may be taken into account in determining adjusted financial statement income for purposes of the federal alternative minimum tax imposed on applicable corporations (as defined in Section 59(k) of the Code).

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

DORSEY & WHITNEY LLP

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

APPENDIX B

Continuing Disclosure Certificate

[Form of]

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Garner, Iowa (the "Issuer"), in connection with the issuance of $1,700,000 General Obligation Storm Sewer Improvement Bonds, Series 2026A (the "Bonds"), dated September 23, 2026. The Bonds are being issued pursuant to a resolution of the Issuer approved on September 8, 2026 (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 2025-2026 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 Issuer is not required under State of Iowa law to routinely cause the preparation of audited financial statements. In the event that the Issuer voluntarily causes the preparation of audited financial statements for a fiscal year, then the Annual Report shall include such audited financial statements, 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. For all fiscal years relative to which an audit is not conducted, the City shall provide its Unaudited Annual Financial Report to the State of Iowa.

(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. <u>Termination of Reporting Obligation</u>. 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. <u>Dissemination Agent</u>. 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 Northland Securities, Inc.

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

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

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

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

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

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

Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

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

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

Dated: September 23, 2026

CITY OF GARNER, IOWA

By___________________________________
Mayor

Attest:

By___________________________________
City Clerk

APPENDIX C

City's Financial Report

The following are audited financial reports, prepared pursuant to the cash basis of accounting, for the fiscal year ended June 30, 2025. The complete financial report for the year 2025 and the prior two years are available for inspection at the City Hall and the office of Northland Securities, Inc. The reader of this Official Statement should be aware that the complete financial report may have further data relating to the excerpts presented in the appendix which may provide additional explanation, interpretation or modification of the excerpts.

Independent Auditor's Report

To the Honorable Mayor and
Members of the City Council:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of City of Garner, Iowa, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of City of Garner as of June 30, 2025, and the respective changes in cash basis financial position for the year then ended in accordance with the cash basis of accounting described in Note 1.

Basis for Opinions

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

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management's for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Garner's basic financial statements. We previously audited, in accordance with the standards referred to in the Auditor's Responsibilities for the Audit of the Financial Statements section of this report, the financial statements for the nine years ended June 30, 2024 (which are not presented herein) and expressed unmodified opinions on those financial statements which were prepared on the cash basis of accounting. The supplementary information included in Schedules 1 through 3, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information in Schedules 1 through 3 is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Information

Management is responsible for the other information included in this report. The other information comprises the Budgetary Comparison Information; the Schedule of the City's Proportionate Share of the Net Pension Liability and the Schedule of City Contributions on pages 28 through 32 but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 23, 2026 on our consideration of City of Garner's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering City of Garner's internal control over financial reporting and compliance.

Fort & Schlegel, C.P.A., P.C.

March 23, 2026

Fort & Schlegel C.P.A., P.C.
Britt, Iowa

BASIC FINANCIAL STATEMENTS

City of Garner

Exhibit A

Cash Basis Statement of Activities and Net Position

As of and for the year ended June 30, 2025

	Disbursements	Program Receipts: Charges for Service	Program Receipts: Operating Grants, Contributions and Restricted Interest	Net (Disbursements) Receipts and Changes in Cash Basis Net Position: Governmental Activities	Business Type Activities	Total
Functions / Programs:						
Governmental activities:						
Public safety	$ 1,001,656		39,493	(962,163)		(962,163)
Public works	767,335	266,669	435,289	(65,377)		(65,377)
Health and social services	3,560			(3,560)		(3,560)
Culture and recreation	1,192,175	348,558	32,983	(810,634)		(810,634)
Community and economic development	227,540			(227,540)		(227,540)
General government	415,628			(415,628)		(415,628)
Debt service	941,572			(941,572)		(941,572)
Capital projects	891,273			(891,273)		(891,273)
Total governmental activities	5,440,739	615,227	507,765	(4,317,747)		(4,317,747)
Business type activities:						
Water	389,645	397,108			7,463	7,463
Sewer	535,560	490,547			(45,013)	(45,013)
Storm sewer	231,586	150,880			(80,706)	(80,706)
Total business type activities	1,156,791	1,038,535			(118,256)	(118,256)
Total	$ 6,597,530	1,653,762	507,765	(4,317,747)	(118,256)	(4,436,003)
General Receipts:						
Property tax levied for:						
General purposes				$ 1,209,174		1,209,174
Employee benefits and insurance				277,177		277,177
Debt service				284,736		284,736
Tax increment financing				675,187		675,187
Local option sales tax				461,800		461,800
Commercial/industrial tax replacement				31,601		31,601
Unrestricted interest on investments				191,486	70,629	262,115
Miscellaneous				597,437		597,437
Sale of assets				72,952		72,952
Transfers, net				90,000	(90,000)	
Total general receipts				3,891,550	(19,371)	3,872,179
Change in cash basis net position				(426,197)	(137,627)	(563,824)
Cash basis net position beginning of year				5,227,799	1,764,326	6,992,125
Cash basis net position end of year				$ 4,801,602	1,626,699	6,428,301
Cash Basis Net Position						
Restricted:						
Expendable:						
Streets				$ 307,472		307,472
Debt service				89,159	199,860	289,019
Other purposes				2,176,160		2,176,160
Unrestricted				2,228,811	1,426,839	3,655,650
Total cash basis net position				$ 4,801,602	1,626,699	6,428,301

See notes to financial statements.

Statements of Cash Receipts, Disbursements and Changes in Cash Balances
Governmental Funds

As of and for the year ended June 30, 2025

		Special Revenue						
	General	Local Option Tax	Employee Benefits	Road Use Tax	Capital Projects	Debt Service	Nonmajor	Total
Receipts:								
Property tax	$ 1,209,174		277,177			284,736		1,771,087
Local option sales tax		461,800						461,800
Tax increment financing							675,187	675,187
Other city tax	54,171		4,266			2,207		60,644
Licenses and permits	42,267							42,267
Use of money and property	148,542	55,913	8,366	13,432			36,921	263,174
Intergovernmental	93,643		4,875	435,289		5,559		539,366
Charges for service	615,227							615,227
Special assessments	5,895							5,895
Miscellaneous	203,185		6,503	17,552	76,626	37,866	75,211	416,943
Total receipts	**2,372,104**	**517,713**	**301,187**	**466,273**	**76,626**	**330,368**	**787,319**	**4,851,590**
Disbursements:								
Operating:								
Public safety	838,272		163,384					1,001,656
Public works	255,062		80,103	432,170				767,335
Health and social services	3,560							3,560
Culture and recreation	1,120,516		55,654				16,005	1,192,175
Community and economic development	82,478		235				144,827	227,540
General government	368,327		47,301					415,628
Debt service						941,572		941,572
Capital projects					891,273			891,273
Total disbursements	**2,668,215**		**346,677**	**432,170**	**891,273**	**941,572**	**160,832**	**5,440,739**
Excess (deficiency) of receipts over (under) disbursements	**(296,111)**	**517,713**	**(45,490)**	**34,103**	**(814,647)**	**(611,204)**	**626,487**	**(589,149)**
Other financing sources (uses):								
Transfers in	149,697				929,084	621,896		1,700,677
Transfers out	(17,962)	(796,467)		(264,352)			(531,896)	(1,610,677)
Sale of assets	72,952							72,952
Total other financing sources (uses)	**204,687**	**(796,467)**		**(264,352)**	**929,084**	**621,896**	**(531,896)**	**162,952**
Change in cash balances	**(91,424)**	**(278,754)**	**(45,490)**	**(230,249)**	**114,437**	**10,692**	**94,591**	**(426,197)**
Cash balances beginning of year	**2,320,235**	**1,100,094**	**242,761**	**537,721**	**168,366**	**78,467**	**780,155**	**5,227,799**
Cash balances end of year	**$ 2,228,811**	**821,340**	**197,271**	**307,472**	**282,803**	**89,159**	**874,746**	**4,801,602**
Cash Basis Fund Balances								
Restricted for:								
Debt service						89,159		89,159
Streets				307,472				307,472
Other purposes		821,340	197,271		282,803		874,746	2,176,160
Unassigned	$ 2,228,811							2,228,811
Total cash basis fund balances	**$ 2,228,811**	**821,340**	**197,271**	**307,472**	**282,803**	**89,159**	**874,746**	**4,801,602**

See notes to financial statements.

City of Garner

Exhibit C

Statement of Cash Receipts, Disbursements and Changes in Cash Balances
Proprietary Funds

As of and for the year ended June 30, 2025

	Enterprise Funds				Internal Service
	Water	Sewer	Storm Sewer	Total	Flex
Operating receipts:					
Charges for services	$ 397,108	490,547	150,880	1,038,535	
Total operating receipts	397,108	490,547	150,880	1,038,535	
Operating disbursements:					
Business type activities	389,645	336,980	231,586	958,211	13,880
Total operating disbursements	389,645	336,980	231,586	958,211	13,880
Excess of (deficiency) operating receipts over (under) operating disbursements	7,463	153,567	(80,706)	80,324	(13,880)
Non-operating receipts (disbursements):					
Interest on investments	21,329	36,307	12,993	70,629	
Miscellaneous					9,476
Total non-operating receipts (disbursements)	21,329	36,307	12,993	70,629	9,476
Excess (deficiency) of receipts over (under) disbursements	28,792	189,874	(67,713)	150,953	(4,404)
Other financing sources (uses):					
Debt service repayment		(198,580)		(198,580)	
Transfers out			(90,000)	(90,000)	
Total other financing sources (uses)		(198,580)	(90,000)	(288,580)	
Change in cash balances	28,792	(8,706)	(157,713)	(137,627)	(4,404)
Cash balances beginning of year	504,561	837,805	421,960	1,764,326	3,448
Cash balances end of year	$ 533,353	829,099	264,247	1,626,699	(956)
Cash Basis Fund Balances					
Restricted for debt service		199,860		199,860	
Unrestricted	$ 533,353	629,239	264,247	1,426,839	(956)
Total cash basis fund balances	$ 533,353	829,099	264,247	1,626,699	(956)

See notes to financial statements.

(1) Summary of Significant Accounting Policies

The City of Garner is a political subdivision of the State of Iowa located in Hancock County. It was first incorporated in 1881 and operates under the Home Rule provisions of the Constitution of Iowa. The City operates under the Mayor-Council form of government with the Mayor and Council Members elected on a non-partisan basis. The City provides numerous services to citizens including public safety, public works, culture and recreation, community and economic development and general government services. The City of Garner also provides water and sewer utilities for its citizens.

A. Reporting Entity

For financial reporting purposes, City of Garner has included all funds, organizations, agencies, boards, commissions and authorities. The City has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the City. The City has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organizations

The City participates in several jointly governed organizations that provide goods or services to the citizenry of the City but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. City officials are members of the following boards and commissions: Landfill of North Iowa Board, Hancock County Emergency Management Commission, E911 Board, Hancock County Assessor's Conference Board, Garner Area Community Betterment Association and Hancock County Economic Development Corporation.

B. Basis of Presentation

Government-wide Financial Statement – The Cash Basis Statement of Activities and Net Position reports information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from this statement. Governmental activities, which are supported by tax and intergovernmental receipts, are reported separately from business type activities, which rely to a significant extent on fees and charges for service.

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

Nonexpendable restricted net position is subject to externally imposed stipulations which require the cash balance to be maintained permanently by the City, including the City's Permanent Fund.

Expendable restricted net position results when constraints placed on the use of cash balances are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position consists of cash balances not meeting the definition of the preceding categories. Unrestricted net position is often subject to constraints imposed by management which can be removed or modified.

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

Fund Financial Statements - Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

The City reports the following major governmental funds:

The General Fund is the general operating fund of the City. All general tax receipts from general and emergency levies and other receipts not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating disbursements, the fixed charges and the capital improvement costs not paid from other funds.

Special Revenue:

The Local Option Fund is used to account for local option tax receipts and disbursements.

The Employee Benefits Fund is used to account for property tax collected and payment of employee benefits.

The Road Use Tax Fund is used to account for the road use tax allocations from the State of Iowa to be used for road construction and maintenance.

The Capital Projects Fund is used to account for all resources used in the acquisition and construction of capital facilities.

The Debt Service Fund is utilized to account for the payment of interest and principal on the City's general long-term debt. The City has chosen to report as a major fund.

The City reports the following major proprietary funds:

The Enterprise, Water Fund accounts for the operation and maintenance of the City's water system.

The Enterprise, Sewer Fund accounts for the operation and maintenance of the City's waste water treatment and sanitary sewer system.

The City also elected to report the following discretionary fund as a major fund.

The Enterprise, Storm Sewer Fund accounts for the operation and maintenance of the City's storm sewer system.

C. Measurement Focus and Basis of Accounting

The City of Garner maintains its financial records on the basis of cash receipts and disbursements and the financial statements of the City are prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable and accrued items. Accordingly, the financial statements do not present financial position and results of operations of the funds in accordance with U.S. generally accepted accounting principles.

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

Proprietary funds distinguish operating receipts and disbursements from non-operating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All receipts and disbursements not meeting this definition are reported as non-operating receipts and disbursements.

D. Property Taxes and Governmental Cash Basis Fund Balances:

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

Property tax revenues recognized in the governmental funds become due and collectible in September and March of the current fiscal year with a 1 ½% per month penalty for delinquent payments; is based on January 1, 2023 assessed property valuations; is for the tax accrual period July 1, 2024 through June 30, 2025 and reflects tax asking contained in the budget certified to the City Council in April 2024.

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

Nonspendable – Amounts which cannot be spent because they are legally or contractually required to be maintained intact.

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

Assigned – Amounts the City Council intends to use for specific purposes.

Unassigned – All amounts not included in the preceding classifications.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Other Information. During the year ended June 30, 2025, disbursements exceeded the amounts budgeted in the debt service function.

(2) Cash and Pooled Investments

The City's deposits in banks at June 30, 2025 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

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

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

The Henschen Library Trust investments at June 30, 2025 are as follows:

	Carrying Amount	Market Value
Donated stock and stock funds	$ 155,641	452,081

The donated stock and stock funds are included in the Trust Fund-Henschen Library Trust. The stock was bequeathed to the City in 1969 under the stipulation that the income is only to be used for the general purposes of the Garner Public Library for a period of fifty years. Part of the stock originally received was sold on February 22, 1996, and the entire proceeds were reinvested in mutual funds in accordance with the terms of the original bequest. All of the investments are registered in the name of the Garner Public Library. The Public Library Board has control over the funds, First Citizens Trust Company, N.A., is the trustee.

(3) Bonds and Notes Payable

A summary of changes in bonds and notes payable for the year ended June 30, 2025 is as follows:

	Beginning Balances	Increases	Decreases	Ending Balances	Due Within One Year
Governmental activities:					
General Obligation Bonds	$ 6,256,408		685,652	5,570,756	701,111
Urban Renewal Note	215,425		42,231	173,194	42,654
Governmental activities total	$ 6,471,833		727,883	5,743,950	743,765
Business type activities:					
Sewer Revenue Notes	$ 579,000		187,000	392,000	193,000
Business-type activities total	$ 579,000		187,000	392,000	193,000

General Obligation Bonds

A summary of the City's June 30, 2025, general obligation bonds payable are as follows:

Year Ending June 30,	Library Issued August 18, 2016			Storm Sewer Improvements Issued February 27, 2018		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
2026	0.00%	$ 36,000		3.00%	$ 305,000	59,100
2027	0.00	36,000		3.00	315,000	49,950
2028				3.00	325,000	40,500
2029				3.00	330,000	30,750
2030				3.00	340,000	20,850
2031				3.00	355,000	10,650
Total		$ 72,000			$ 1,970,000	211,800

Year Ending June 30,	Hejlik 111 Issued July 31, 2020			Street Improvements Issued January 6, 2022		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
2026	3.25%	$ 40,402	4,994	2.85%	$ 149,709	56,091
2027	3.25	41,726	3,670	2.85	154,007	51,793
2028	3.25	43,088	2,308	2.85	158,300	47,500
2029	3.25	38,428	890	2.85	162,972	42,828
2030	3.25			2.85	167,649	38,152
2031-2035				2.85	913,165	115,835
2036-2037				2.85	299,310	8,583
		$ 163,644	11,862		$ 2,005,112	360,782

Year Ending June 30,	Ball Fields Issued July, 2023			Total		
	Interest Rates	Principal	Interest	Principal	Interest	Total
2026	5.00%	$ 170,000	68,000	701,111	188,185	889,296
2027	5.00	170,000	59,500	716,733	164,913	881,646
2028	5.00	170,000	51,140	696,388	141,448	837,836
2029	5.00	170,000	42,500	701,400	116,968	818,368
2030	5.00	170,000	34,000	677,649	93,002	770,651
2031-2035	5.00	510,000	51,047	1,778,165	177,532	1,955,697
2036-2037				299,310	8,583	307,893
		$ 1,360,000	306,187	5,570,756	890,631	6,461,387

On August 18, 2016, the City issued $360,000 of general obligation bonds with an interest rate of 0.00% per annum. The bonds were issued for library improvements. During the year ended June 30, 2025, the City paid $36,000 of principal on the bonds.

On February 27, 2018, the City issued $2,880,000 of general obligation bonds with interest rates ranging from 2.10% to 3.00% per annum. The bonds were issued for storm sewer improvements. During the year ended June 30, 2025, the City paid $295,000 of principal and $67,950 of interest on the bonds.

On July 31, 2020, the City issued $300,000 of general obligation bonds with an interest rate of 3.25% per annum. The bonds were issued for constructing street, sanitary and storm sewer and water line improvements in Hejlik's 3rd Subdivision. During the year ended June 30, 2025, the City paid $39,120 in principal and $6,276 of interest on the bonds.

On January 6, 2022, the City issued $2,500,000 of general obligation bonds with an interest rate of 2.85% per annum. The bonds were issued for street improvements. During the year ending June 30, 2025, the City paid $145,532 of principal and $60,268 of interest on the bonds.

On July 1, 2023, the City issued $1,700,000 of general obligation bonds with an interest rate of 5.0% per annum. The bonds were issued for construction of ball fields. During the year ended June 30, 2025, the City paid $170,000 in principal and $76,546 of interest on the bonds.

Urban Renewal Note – Direct Borrowing

The City's June 30, 2025, urban renewal note is as follows:

Year Ending June 30,	Interest Rates	Principal	Interest	Total
2026	1.00%	$ 42,654	1,626	44,280
2027	1.00	43,082	1,198	44,280
2028	1.00	43,514	766	44,280
2029	1.00	43,944	330	44,274
		$ 173,194	3,920	177,114

On March 13, 2019, the City entered into an agreement with the Iowa Finance Authority (IFA) for the issuance of $360,000 general obligation urban renewal note with interest at 1.0% per annum. The notes were issued in order to finance a portion of the construction of two 6-unit single story apartment buildings under the Workforce Housing Loan Program. The loan is a valid and binding general obligation of the City. During the year ending June 30, 2025, the City paid principal of $42,231 and interest of $2,049 on the notes.

Revenue Notes

A summary of the City's June 30, 2025, revenue notes payable are as follows:

Year Ending June 30,	Sewer Issued January 13, 2010 Interest Rates	Principal	Interest	Total Principal	Interest	Total
2026	1.75%	$ 193,000	6,860	193,000	6,860	199,860
2027	1.75	199,000	3,482	199,000	3,482	202,482
		$ 392,000	10,342	392,000	10,342	402,342

The City has pledged future sewer customer receipts, net of specific operating disbursements to repay $2,935,000 of sewer revenue notes. Proceeds from the notes provided financing for the construction of the wastewater treatment plant and sewer trunkline. The notes are payable solely from sewer customer net receipts and are payable through 2027. Total principal and interest remaining to be paid on the notes is $402,343. For the current year, principal and interest paid and total customer receipts were $197,133 and $490,547, respectively.

The resolutions providing for the issuance of the revenue notes include the following provisions:

(a) The notes will only be redeemed from the future earnings of the enterprise activity, and the note holders hold a lien on the future earnings of the funds.

(b) Sufficient monthly transfers shall be made to a separate sewer revenue note sinking fund within the Enterprise Funds for the purpose of making the bond principal and interest payments when due.

(c) All funds remaining in the sewer account after the payment of all maintenance and operating expenses and required transfers shall be placed in a surplus fund within the Enterprise Funds. All money credited to the surplus fund shall be transferred and credited to the sinking fund whenever necessary to prevent or remedy a default on the payment of the principal of or interest on the notes.

Internal Loans

Advances of $88,627 were made from the Road Use Tax Fund and $59,085 from the Local Option Fund to the Touchstone – TIF Fund in order to pay for infrastructure. These advances, totaling $147,712, shall be treated as a loan (the "Loan") to the Touchstone TIF Fund and shall be repaid to the Road Use Tax Fund and the Local Option Fund.

Advances of $100,000 from the Road Use Tax Fund and $50,000 from the Water Fund and $50,000 from the Sewer Fund were made to the Kadrlik Touchstone-TIF Fund in order to pay the costs of the Hejlik III project. These advances, totaling $200,000, shall be treated as a loan (the "Loan") to the Kadrlik Touchstone-TIF Fund and shall be repaid to the Road Use Tax Fund, Water Fund and the Sewer Fund.

Payments on the loans are subject to annual appropriation by the City Council and to the Council's determination that there are incremental tax revenues available for such purpose which have been allocated to or accrued in the Tax Increment Fund.

Once appropriated, payments shall be made on the Loan on June 1 of each year to the extent there are incremental tax revenues available for such purpose which have been allocated to or accrued in the Tax Increment Fund. The right is hereby reserved to issue additional obligations, or to enter into additional loans, payable from the Tax Increment Fund, which may either rank on parity with the loan or may have a priority over the loan with respect to the revenues in the Tax Increment Fund.

(4) Pension Plan

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

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

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

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

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

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

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

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

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

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

In fiscal year 2025, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the City contributed 9.44% of covered payroll for a total rate of 15.73%. Protection occupation members contributed 6.21% of covered payroll and the City contributed 9.31% of covered payroll, for a total rate of 15.52%.

The City's contributions to IPERS for the year ended June 30, 2025 were $115,822.

Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2025, the City reported a liability of $149,882 for its proportionate share of the collective net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions to IPERS relative to the contributions of all IPERS participating employers. On June 30, 2024, the City's proportion was 0.004116%, which was an decrease of 0.002712% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the City's pension expense, deferred outflows of resources and deferred inflows of resources totaled $59,708, $356,410 and $289,834 respectively.

There were no non-employer contributing entities to IPERS.

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

Rate of inflation (effective June 30, 2017)	2.60% per annum.
Rates of salary increase (effective June 30, 2017)	3.25 to 16.25% average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 2017)	7.00% compounded annually, net of investment expense, including inflation.
Wage growth (effective June 30, 2017)	3.25% per annum, based on 2.60% inflation and 0.65% real wage inflation.

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of a quadrennial experience study covering the period of July 1, 2017 through June 30, 2021.

Mortality rates used in the 2024 valuation were based on the PubG-2010 mortality tables with future mortality improvements modeled using Scale MP-2021.

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

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	21.0%	3.52%
International equity	13.0	5.18
Global smart beta equity	5.0	4.12
Core plus fixed income	25.5	3.04
Public credit	3.0	4.53
Cash	1.0	1.69
Private equity	17.0	8.89
Private real assets	9.0	4.25
Private credit	5.5	6.62
Total	100.0%	

Discount Rate - The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the contractually required rate and that contributions from the City will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on IPERS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.00%) or 1% higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
City's proportionate share of the net pension liability	$ 864,339	149,882	(448,721)

IPERS Fiduciary Net Position - Detailed information about the IPERS' fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at www.ipers.org.

(5) Other Postemployment Benefits (OPEB)

Plan Description - The City operates a single-employer retiree benefit plan which provides medical/prescription drug and dental benefits for employees, retirees and their spouses. Group insurance benefits are established under Iowa Code Chapter 509A.13. The City currently finances the benefit plan on a pay-as-you-go basis. For the year ended June 30, 2025, the City contributed $159,826 to the plan. At June 30, 2025, no assets have been accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

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

Retired participants must be age 55 or older at retirement, with the exception of special service participants who must be age 50 with 22 years of services. At June 30, 2025, the following employees were covered by the benefit terms:

Active employees	18
Total	18

(6) Compensated Absences

City employees accumulate a limited amount of earned but unused vacation and comp time hours for subsequent use or for payment upon termination, retirement or death. Sick leave hours are accumulated for subsequent use but are not paid upon termination, retirement, or death. These accumulations are not recognized as disbursements by the city until used or paid. The City's approximate liability for earned vacation and comp time payable to employees at June 30, 2025, primarily relating to the General Fund, is as follows:

Type of Benefit	Amount June 30, 2025
Vacation	$ 72,951
Comp	7,249
	$ 80,200

This liability has been computed based on rates of pay in effect on June 30, 2025.

(7) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2025, is as follows:

Transfer to	Transfer from	Amount
General	Special Revenue:	
	Local Option	$ 138,447
Capital Projects	General	6,712
	Special Revenue:	
	Local Option	658,020
	Road Use Tax	264,352
		929,084
Debt Service	Tax Increment	531,896
	Enterprise:	
	Storm Sewer	90,000
		621,896
P & R Project Fund	General	11,250
Total		$ 1,700,677

Transfers generally move resources from the fund statutorily required to collect the resources to the fund statutorily required to disburse the resources.

(8) Risk Management

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

(9) Deferred Compensation Agreements

The City offers all City employees a deferred compensation plan created in accordance with the Internal Revenue Code, Section 457. The assets of the plan were held in trust, as described in IRC Section 457(g) for the exclusive benefit of the participants (employees) and their beneficiaries. The custodian thereof for the exclusive benefit of the participants holds the custodial account for the beneficiaries of this Section 457 plan, and the assets may not be diverted to any other use. The Administrators are agents of the employer for purposes of providing directions to the custodian of the custodial account from time to time for the investment of the funds held in the account, transfer of assets to or from the account and all other matters.

In accordance with the provisions of GASB Statement 32, plan balances and activities are not reflected in the City's financial statements. The City does not make any contributions under the agreement.

(10) Commitments and Contingencies

The City has entered into a construction contract for The State Street Reconstruction project totaling $2,278,199 with balance of $31,838 remaining on the contract on June 30, 2025, to be paid as work on the project progresses.

(11) Prairie Energy Development, LC

The City is one third partner in Prairie Energy Development, LC. The partnership owns Touchstone Energy Industrial Park land to be used for economic development.

(12) Development Agreement

The City has entered into a development agreement with CP Iowa Properties, LLC (developer) for the construction of two 6-unit single story apartment buildings with a minimum assessed value of $1,400,000. The City agreed to loan the developer an amount not to exceed $360,000. On June 30, 2025, the total amount has been advanced. The Iowa Finance Authority provided the low interest loan to the City through the Workforce Housing Loan Program. The developer agreed to repay the City in 20 equal semi-annual payments, including interest at a rate of 2%. The principal balance owed by the City on June 30, 2025, is $173,195. The City agreed to rebate the developer annual appropriation tax increment payments in a total not exceeding $200,000. Rebates of $11,042 were paid during the year ended June 30, 2025.

(13) Tax Abatements

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

<u>City Tax Abatements</u>

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

For the year ended June 30, 2025, $44,646 of property tax was diverted from the City under the urban renewal and economic development projects.

OTHER INFORMATION

City of Garner

Budgetary Comparison Schedule
of Receipts, Disbursements, and Changes in Balances –
Budget and Actual (Cash Basis) – All Governmental Funds and Proprietary Funds

Other Information

Year ended June 30, 2025

	Governmental Funds Actual	Proprietary Funds Actual	Less Funds not Required to be Budgeted	Total	Budgeted Amounts Original	Budgeted Amounts Final	Final to Total Variance
Receipts:							
Property tax	$ 1,771,087			1,771,087	1,687,847	1,687,847	83,240
Tax increment financing	675,187			675,187	484,658	484,658	190,529
Other city tax	522,444			522,444	526,376	526,376	(3,932)
Licenses and permits	42,267			42,267	8,970	8,970	33,297
Use of money and property	263,174	70,629	11,934	321,869	148,265	216,754	105,115
Intergovernmental	539,366			539,366	562,421	562,421	(23,055)
Charges for services	615,227	1,038,535		1,653,762	1,611,570	1,611,570	42,192
Special assessments	5,895			5,895	15,000	15,000	(9,105)
Miscellaneous	343,817			343,817	355,949	355,949	(12,132)
Total receipts	4,778,464	1,109,164	11,934	5,875,694	5,401,056	5,469,545	406,149
Disbursements:							
Public safety	1,001,656			1,001,656	1,098,753	1,098,753	97,097
Public works	767,335			767,335	960,553	960,553	193,218
Health and social services	3,560			3,560	6,000	6,000	2,440
Culture and recreation	1,192,175		16,005	1,176,170	1,204,532	1,320,350	144,180
Community and economic development	227,540			227,540	330,837	330,837	103,297
General government	415,628			415,628	408,586	422,386	6,758
Debt service	941,572			941,572	941,526	942,126	554
Capital projects	818,147			818,147	410,000	901,611	83,464
Business type activities		1,156,791		1,156,791	1,084,944	1,268,944	112,153
Total disbursements	5,367,613	1,156,791	16,005	6,508,399	6,445,731	7,251,560	743,161
Excess (deficiency) of receipts over (under) disbursements	(589,149)	(47,627)	(4,071)	(632,705)	(1,044,675)	(1,782,015)	1,149,310
Other financing sources, net	162,952	(90,000)		72,952	90,000	90,000	(17,048)
Change in balances	(426,197)	(137,627)	(4,071)	(559,753)	(954,675)	(1,692,015)	1,132,262
Balances beginning of year	5,227,799	1,764,326	123,557	6,868,568	6,497,921	6,497,921	370,647
Cash balances end of year	$ 4,801,602	1,626,699	119,486	6,308,815	5,543,246	4,805,906	1,502,909

See accompanying independent auditor's report.

City of Garner

Notes to Other Information – Budgetary Reporting

June 30, 2025

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

In accordance with the Code of Iowa, the City Council annually adopts a budget on the cash basis following required public notice and hearing for all funds except the Internal Service Fund. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures.

Formal and legal budgetary control is based upon nine major classes of disbursements known as functions, not by fund. These nine functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital projects and business type activities. Function disbursements required to be budgeted include disbursements for the General Fund, the Special Revenue Funds, the Debt Service Fund, the Capital Projects Funds and the Enterprise Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. During the year, one budget amendment increased budgeted disbursements by $805,829. The budget amendment is reflected in the final budgeted amounts.

City of Garner
Schedule of the City's Proportionate Share of the Net Pension Liability (Asset)

Iowa Public Employees' Retirement System
For the Last Ten Years*

Other Information

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
City's proportion of the net pension liability (asset)	0.004116%	0.006828%	0.005420%	0.0647267%	0.0083797%	0.0079522%	0.0079070%	0.0078831%	0.0080581%	0.0072189%
City's proportionate share of the net pension liability (asset)	$ 149,882	308,206	204,776	(223,454)	588,653	460,482	500,376	525,116	507,119	356,647
City's covered payroll	1,230,590	1,159,752	1,036,307	916,837	952,166	935,193	870,068	851,217	830,370	803,428
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	12.18%	26.58%	19.76%	(24.37%)	61.82%	49.24%	57.5%	61.7%	61.07%	44.39%
IPERS' net position as a percentage of the total pension liability (asset)	92.30%	90.13%	91.40%	100.81%	82.90%	85.45%	83.62%	82.21%	81.82%	85.19%

* In accordance with GASB Statement No. 68, the amounts presented for each fiscal year were determined as of June 30 of the preceding fiscal year.

See accompanying independent auditor's report.

City of Garner
Schedule of City Contributions

Iowa Public Employees' Retirement System
For the Last 10 Years

Other Information

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	$ 115,822	115,505	108,913	97,371	87,011	91,378	90,572	80,240	78,551	76,617
Contributions in relation to the statutorily required contribution	(115,882)	(115,505)	(108,913)	(97,371)	(87,011)	(91,378)	(90,572)	(80,240)	(78,551)	(76,617)
Contribution deficiency (excess)	$									
City's covered payroll	$ 1,233,324	1,230,590	1,159,752	1,036,307	916,837	952,166	935,193	870,068	851,217	830,370
Contributions as a percentage of covered payroll	9.39%	9.39%	9.39%	9.40%	9.49%	9.60%	9.68%	9.22%	9.23%	9.23%

See accompanying independent auditor's report.

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

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

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

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

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

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

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

SUPPLEMENTARY INFORMATION

City of Garner

Schedule of Cash Receipts, Disbursements and Changes in Cash Balances
Nonmajor Governmental Funds

As of and for the year ended June 30, 2025

	Special Revenue					Permanent	
	Housing Revolving Loan	Industrial Revolving Loan	Retail Revolving Loan	CDBG Housing Rehab	Urban Renewal Tax Increment	Henschen Library Trust	Total
Receipts:							
Tax increment financing					675,187		675,187
Use of money and property	$ 11,092	12,416	1,479			11,934	36,921
Miscellaneous	66,500		1,065	7,646			75,211
Total receipts	77,592	12,416	2,544	7,646	675,187	11,934	787,319
Disbursements:							
Operating:							
Culture and recreation						16,005	16,005
Community and economic development	5,299	18,764	4,612	7,646	108,506		144,827
Total disbursements	5,299	18,764	4,612	7,646	108,506	16,005	160,832
Excess (deficiency) of receipts over (under) disbursements	72,293	(6,348)	(2,068)		566,681	(4,071)	626,487
Other financing sources (uses):							
Transfers out					(531,896)		(531,896)
Total other financing sources (uses):					(531,896)		(531,896)
Change in cash balances	72,293	(6,348)	(2,068)		34,785	(4,071)	94,591
Cash balances beginning of year	236,776	315,659	38,887	40	65,236	123,557	780,155
Cash balances end of year	$ 309,069	309,311	36,819	40	100,021	119,486	874,746
Cash Basis Fund Balances							
Restricted for other purposes	$ 309,069	309,311	36,819	40	100,021	119,486	874,746
Total cash basis fund balances	$ 309,069	309,311	36,819	40	100,021	119,486	874,746

See accompanying independent auditor's report.

Schedule of Cash Receipts, Disbursements and Changes in Cash Balances
Capital Projects Funds

As of and for the year ended June 30, 2025

	Fire Station	Overlay Project	Hwy 18 Trail	Ball Field	Club House Comm. Center	Apt HSG Development	Reserve II	Total
Receipts:								
Miscellanious	$ 3,500			73,126				76,626
Total receipts	3,500			73,126				76,626
Disbursements:								
Capital projects	250,421	468,101	25,953	146,798				891,273
Total disbursements	250,421	468,101	25,953	146,798				891,273
Excess (deficiency) of receipts over (under) disbursements	(246,921)	(468,101)	(25,953)	(73,672)				(814,647)
Other financing sources (uses):								
General obligation bond								
Transfers in	250,000	414,352	160,000	98,020	6,712	683,703		1,612,787
Transfers out							(683,703)	(683,703)
Total other financing sources (uses):	250,000	414,352	160,000	98,020	6,712	683,703	(683,703)	929,084
Change in cash balances	3,079	(53,749)	134,047	24,348	6,712	683,703	(683,703)	114,437
Cash balances beginning of year		53,749	143,157	(21,828)	(6,712)	(683,703)	683,703	168,366
Cash balances end of year	$ 3,079		277,204	2,520				282,803

See accompanying independent auditor's report.

City of Garner

Schedule 3

Schedule of Receipts by Source and Disbursements by Function -
All Governmental Funds

For the Last Ten Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Receipts:										
Property tax	$ 1,771,087	1,834,863	1,755,370	1,739,701	1,668,397	1,520,936	1,504,860	1,368,078	1,283,473	1,289,291
Local option sales tax	461,800	463,912								
Tax increment financing	675,187	449,342	447,961	355,761	392,242	372,339	362,867	370,823	413,786	398,079
Other city tax	60,644	60,345	563,793	563,785	510,790	514,235	450,740	368,415	311,735	277,727
Licenses and permits	42,267	50,956	8,285	46,309	5,613	10,182	9,624	8,317	8,341	17,314
Use of money and property	263,174	324,013	298,528	97,717	86,958	133,475	170,656	152,912	101,370	103,071
Intergovernmental	539,366	1,118,801	799,704	861,584	700,825	966,018	516,929	677,940	733,976	715,327
Charges for service	615,227	579,586	579,715	588,725	477,131	423,613	440,051	459,824	458,944	457,090
Special assessments	5,895	7,715	11,507	12,904	22,992	34,732	23,188	40,615	16,491	27,870
Miscellaneous	416,943	335,513	359,190	156,349	167,865	84,744	209,892	350,534	1,228,815	283,415
Total	$ 4,851,590	5,225,046	4,824,053	4,422,835	4,032,813	4,060,274	3,688,807	3,797,458	4,556,931	3,569,184
Disbursements:										
Operating:										
Public safety	$ 1,001,656	1,049,963	875,409	911,384	677,147	667,874	633,246	579,206	577,730	552,837
Public works	767,335	671,492	654,842	597,212	942,170	667,577	488,737	555,196	560,447	468,679
Health and social services	3,560		6,000	6,000	6,000	6,000	6,000	6,000	6,430	5,145
Culture and recreation	1,192,175	1,092,340	1,067,872	769,348	751,876	742,322	763,959	863,961	645,906	663,207
Community and economic development	227,540	691,256	305,303	343,572	643,786	444,826	446,361	341,833	555,697	586,936
General government	415,628	438,513	327,207	322,966	303,321	263,848	261,743	231,647	228,430	220,135
Debt service	941,572	973,600	902,701	783,683	636,657	603,445	577,822	482,022	486,868	1,963,210
Capital projects	891,273	2,406,173	2,761,459	365,101	739,927	1,457,100	1,218,255	1,454,251	1,800,838	236,993
Total	$ 5,440,739	7,323,337	6,900,793	4,099,266	4,700,884	4,852,992	4,396,123	4,514,116	4,862,346	4,697,142

See accompanying independent auditor's report.

Fort & Schlegel C.P.A., P.C.
CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

Independent Auditor's Report on Internal Control
over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance
with Government Auditing Standards

To the Honorable Mayor and
Members of the City Council:

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of City of Garner, Iowa, as of and for the year ended June 30, 2025, and the related Notes to Financial Statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 23, 2026. Our report expressed unmodified opinions on the financial statements which were prepared on the basis of cash receipts and disbursements, a basis of accounting other than U.S. generally accepted accounting principles.

Report on Internal Control Over Financial Reporting

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

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

910 1st Ave. North
Fort Dodge, IA
515.955.5560

3131 Main St.
Emmetsburg, IA
712.852.4464

30 - 4th Street NW
Mason City, IA
641.423.7155

516 N. Water St.
Goldfield, IA
515.825.3339

4 Main Ave. S
Britt, IA
641.843.3729

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, significant deficiencies or material weaknesses may exist that were not identified. However, as described in the accompanying Schedule of Findings, we identified deficiencies in internal control we consider to be material weaknesses.

Report on Compliance and Other Matters

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

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2025, are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the City. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

City of Garner's Responses to the Findings

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

Purpose of this Report

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

We would like to acknowledge the many courtesies and assistance extended to us by personnel of City of Garner during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

Fort & Schlegel, C.P.A., P.C.

March 23, 2026

Fort & Schlegel C.P.A., P.C.
Britt, Iowa

City of Garner

Schedule of Findings

Year Ended June 30, 2025

Part I: Findings Related to the Financial Statements:

Internal Control Deficiencies:

I-A-25 Segregation of Duties

Criteria – Management is responsible for establishing and maintaining internal control. A good system of internal control provides for adequate segregation of duties so no one individual handles a transaction from its inception to completion. In order to maintain proper internal control, duties should be segregated so the authorization, custody and recording of transactions are not under the control of the same employee. This segregation of duties helps prevent losses from employee error or dishonesty and maximizes the accuracy of the City's financial statements.

Condition – Generally, one or two individuals may have control over the following areas for which no compensating controls exist:

(1) Accounting system – performing all general accounting functions, including journal entries and have custody of City assets.

(2) Cash – handling, reconciling and recording.

(3) Receipts – opening mail, collecting, depositing, posting and reconciling.

(4) Utility receipts – utility rates entered into the utility system are not independently reviewed and tested to ensure proper calculations.

(5) Disbursements – preparing checks, and access to the accounting records.

Cause – The City has a limited number of employees and procedures have not been designed to adequately segregate duties or provide compensating controls through additional oversight of transactions and processes.

Effect – Inadequate segregation of duties could adversely affect the City's ability to prevent or detect and correct misstatements, errors or misappropriation on a timely basis by employees in the normal course of performing their assigned functions.

Recommendation – We realize segregation of duties is difficult with a limited number of employees. However, the City should review its control procedures to obtain the maximum internal control possible under the circumstances utilizing currently available staff, including elected officials. Independent reviews of reconciliations should be documented by the signature or initials of the reviewer and the date of the review.

Part I: Findings Related to the Financial Statements (continued):

Response – The City will review its control procedures to obtain the maximum internal control possible with the limited staff available.

Conclusion – Response accepted.

I-B-25 Reconciliation of Utility Billings, Collections and Delinquent Accounts

Criteria – An effective internal control system provides for internal controls related to maintaining delinquent account listings, reconciling utility billings, collections and delinquent accounts and comparing utility collections to deposits to ensure proper recording of utility receipts, the propriety of adjustments and write-offs and the propriety of delinquent account balances.

Condition – Utility billings, collections and delinquent accounts were not reconciled throughout the year, and a delinquent accounts listing was not prepared. Also, utility collections were not reconciled to deposits.

Cause – Policies have not been established, and procedures have not been implemented to maintain delinquent account listings, reconcile utility billings, collections and delinquent account balances and to reconcile utility collections to deposits.

Effect – This condition could result in unrecorded or misstated utility receipts, improper or unauthorized adjustments and write-offs and/or misstate delinquent account balances.

Recommendation – A listing of delinquent accounts should be prepared on a monthly basis. Procedures should be established to reconcile utility billings, collections and delinquent accounts for each billing period and to reconcile collections to deposits. The City Council or a Council-designated independent person should review the reconciliations and monitor delinquents. The review of the reconciliations should be documented by the signature or initials of the reviewer and the date of review.

Response – These procedures have been implemented as recommended.

Conclusion – Response accepted.

Instances of Non-Compliance:

No matters were noted.

Part II: Other Findings Related to Required Statutory Reporting:

II-A-25 Certified Budget – Disbursements during the year ended June 30, 2025, did not exceed the amounts budgeted.

II-B-25 Questionable Disbursements – Except as noted below, no disbursements were noted that may not meet the requirements of public purpose as defined in the Attorney General's opinion dated April 25, 1979, or that were not properly documented. The City has established written policies and procedures, including the requirements for proper documentation, as part of their adopted administrative policies.

Sales tax was paid on certain credit card transactions.

Recommendation – The City should not be paying sales tax on any transactions.

Response – The City will request exemption from sales tax on credit card transactions.

Conclusion – Response accepted.

II-C-25 Travel Expense - No disbursements of City money for travel expenses of spouses of City officials or employees were noted.

II-D-25 Business Transactions – No business transactions between the City and City officials or employees were noted.

II-E-25 Restricted Donor Activity – No transactions were noted between the City, City officials, City employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.

II-F-25 Bond Coverage - Surety bond coverage of City officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.

Part II: Other Findings Related to Required Statutory Reporting (continued):

II-G-25 City Council Minutes – Except as noted below, no transactions were found that we believe should have been approved in the Council minutes but were not. Minutes were not always signed as required by Chapter 380.7 of the Code of Iowa.

Recommendation – The City should comply with Chapter 380.7 of the Code of Iowa and ensure all minutes are signed, as required.

Response – We will comply with requirement.

Conclusion – Response accepted.

II-H-25 Deposits and Investments - We noted no instances of noncompliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the City's investment policy.

II-I-25 Revenue Note – The City has complied with the revenue note provisions. Required Sewer Revenue Bond Sinking Fund has been created.

II-J-25 Annual Urban Renewal Report – The urban renewal annual report was properly approved and certified to the Iowa Department of Management on or before the due date and no exceptions were noted.

II-K-25 Donations – During the fiscal year ended June 30, 2025, the City donated $1,500 to the Hancock County Fair Board.

The Constitution of the State of Iowa prohibits governmental bodies from making a gift to private, nonprofit corporations. Article III, Section 31 of the Constitution of the State of Iowa states "…no public money or property shall be appropriated for local or private purposes, unless such appropriation, compensation or claim be allowed by two-thirds of the members elected to each branch of the General Assembly."

At least six official Iowa Attorney General Opinions since 1972 have consistently concluded "a governmental body may not donate public funds to a private entity, even if the entity is established for charitable educational purposes and performs work which the government can't perform directly. The Opinions further state, "Even if the function of a private nonprofit corporation fits within the scope of activities generally recognized as serving a public purpose, a critical question exits regarding whether funds or property transferred to a private entity will indeed be used for those public purposes."

"Political subdivisions and municipalities, including cities, counties, schools and townships are municipal – governmental – entities. As governmental entities they are governed by elected bodies, are directly responsible to the public as a whole, and are subject to the limitations imposed on them by the state. Although a private organization may be formed to provide and support 'public' services which are the same or similar to the services provided by government, the private organizations are not subjected to the same degree of public accountability and oversight as governmental entities."

Recommendation – We are not aware of any statutory authority for the City to donate public funds to private nonprofit organizations. If the nonprofit organization provides a service to the City, the City may enter into a contract for services. The agreement should detail the services provided and the cost of those services, as well as provide transparency for the City which allows confirmation the funds were spent as agreed and a clawback provision in the event they were not spent as agreed. If the donation is not providing a service to the City, the City should immediately cease making such donations.

Response – The Mayor and City Clerk have discussed approving resolutions regarding the disbursement to entities with documentation showing the need in our LMI (low to moderate income) community. Supporting these nonprofit organizations would meet the public purpose as our LMI is below 50%.

Conclusion – Response acknowledged. A low LMI in the City does not negate the requirements of the Iowa Constitution which prohibits donations to private organizations. The City should cease making future donations.

PROPOSAL FORM

TO: City of Garner, Iowa
C/O Northland Securities, Inc.
150 South 5th Street, Suite 3300
Minneapolis, Minnesota 55402
Email: PublicSale@northlandsecurities.com

Sale Date: August 25, 2026

For all or none of the $1,700,000* General Obligation Storm Sewer Improvement Bonds, Series 2026A, in accordance with the Notice of Sale, we will pay you $__________________________, (not less than $1,674,500) plus accrued interest, if any, to date of delivery (estimated to be September 23, 2026) for fully registered Bonds bearing interest rates and maturing on June 1 as follows:

Year	Interest Rate	Yield	Year	Interest Rate	Yield	Year	Interest Rate	Yield
2027	_____%	_____%	2031	_____%	_____%	2035	_____%	_____%
2028	_____%	_____%	2032	_____%	_____%	2036	_____%	_____%
2029	_____%	_____%	2033	_____%	_____%	2037	_____%	_____%
2030	_____%	_____%	2034	_____%	_____%			

True interest percentage:______________________%   Net interest cost: $_________________________

Term Bond Option: Bonds maturing in the years:	To be accumulated into a Term Bond maturing in year:
________ through ________	________.
________ through ________	________.
________ through ________	________.
________ through ________	________.
________ through ________	________.

This bid is a firm offer for the purchase of the Bonds identified in the Notice of Sale, on the terms set forth in the bid form and the Notice of Sale, and is not subject to any conditions, except as permitted by the Notice of Sale. By submitting this bid, we confirm that we have an established industry reputation for underwriting new issuances of municipal bonds.

As set forth in the Notice of Sale, this bid shall not be cancelled in the event that the competitive sale requirements are not satisfied. The City may determine to apply the Hold-the-Offering-Price Rule to the Bonds (such terms are used as described in the Notice of Sale).

We have received and reviewed the Preliminary Official Statement and have submitted our requests for additional information or corrections to the Official Statement. As Syndicate Manager, we agree to provide the City with the reoffering price of the Bonds within 24 hours of the bid acceptance.

A Good Faith Deposit in the amount as stated in the Notice of Sale in the form of a federal wire transfer payable to the order of the City will only be required from the apparent winning bidder, and must be received within two hours after the receipt of the bids. Award of the Bonds will be on the basis of True Interest Cost (TIC).

Account Members:

Account Manager: ______________________________ By: ___________________________________

The foregoing proposal is hereby duly accepted by and on behalf of the City of Garner, Iowa at 5:30 PM on August 25, 2026.

_____________________________________   _____________________________________

Administrator   Mayor

* The City reserves the right to increase or decrease the principal amount of the Bonds. Any such increase or decrease will be made in multiples of $5,000 and may be made in any maturity. If any maturity is adjusted, the purchase price will also be adjusted to maintain the same gross spread.