



**Department of
Management**

Annual Reporting Update

Annual Financial Report - GASB 77

Annual Urban Renewal Report - Budget

Annual Financial Report Update

AFR Changes in HF718

- County & City Bond Issuance Report - COI 8.5(16)
 - DOM is to file a report with the General Assembly annually by January 1 including:
 - The use of each bond issuance procedure
 - General corporate purpose
 - Voted
 - Non-voted
 - Essential corporate purpose
 - Amount of each type of debt issued

AFR Changes in HF718

- Enhanced debt reporting – COI 384.22(1)
 - A requirement to increase the amount of debt reporting on city & county AFRs
 - Beginning with FY 2024-2025:
 - List of all outstanding “bonds, notes, or other obligations”
 - Amount of issue
 - Purpose of issue
 - Method of approval
 - Ties to other debts issued for the same purpose

Implementation

- New pages added to the AFR
- CITY DEBT DETAIL
 - Similar to the Long-Term Debt pages of the budget form
 - Requires a few extra pieces of debt information
 - Rate change
 - Principal outstanding as of beginning of FY
 - Method of approval – Voted
 - Tied to other debt?
 - Purpose of the debt issue – what was it used for?

City Debt Detail

CITY DEBT DETAIL

LT DEBT1 LT DEBT2 LT DEBT3 LT DEBT4 LT DEBT5 LT DEBT6

Debt Series Name		Type of Debt	Date of Issuance	Debt Resolution	Rate Range	Voted	Amount of Issue	Principal Outstanding July 1, 2024	Fiscal Year Principal Paid	Fiscal Year Interest Paid	Tied to Other Debt	Purpose of Debt	Projects Funded by Debt
TIF Rebates	1	TIF Agreement	06-30-2025	TIF REBATE	0-0 %	No Vote - Non-GO	\$10,000,000	\$2,500,000	\$125,000	\$0		TIF Revenue	TIF Rebates
2014 GO Street Bond	2	GO	09-01-2014	2014-75	1.25-5.00 %	No Vote - Essential GO	\$12,500,000	\$125,000	\$125,000	\$15,000		General Obligation (GO)	Street and sidewalk improvements - Main Street
2018 Water Revenue SRF	3	Revenue	06-15-2018	2018-30	3.00-3.00 %	No Vote - Non-GO	\$20,000,000	\$13,725,000	\$500,000	\$15,000	4	Water Utility	Water main replacement
2020 Water Revenue SRF	4	Revenue	04-30-2020	2020-25	3.25-3.25 %	No Vote - Non-GO	\$5,000,000	\$3,125,000	\$125,000	\$12,500	3	Water Utility	Water main replacement
2023 City Hall Renovations	5	GO	03-15-2023	2023-12	1.50-5.75 %	Voted	\$10,000,000	\$9,000,000	\$500,000	\$50,000		General Obligation (GO)	Renovation of City Hall
2023 Swimming Pool Improvements	6	GO	06-15-2023	2023-25	2.50-5.00 %	No Vote - Below Threshold	\$900,000	\$850,000	\$100,000	\$5,000		General Obligation (GO)	Improvements to changing areas and maintenance facility at city swimming pool

City Debt Detail

CITY DEBT DETAIL

LT DEBT1 LT DEBT2 LT DEBT3 LT DEBT4 LT DEBT5 LT DEBT6

Debt Series Name	Type of Debt	Date of Issuance	Debt Resolution	Rate Range	Voted	Amount of Issue	Principal Outstanding July 1, 2024	Fiscal Year Principal Paid	Fiscal Year Interest Paid	Tied to Other Debt	Purpose of Debt	Projects Funded by Debt
------------------	--------------	------------------	-----------------	------------	-------	-----------------	------------------------------------	----------------------------	---------------------------	--------------------	-----------------	-------------------------

- Debt Series Name
 - Enter the year of issuance, authorized repayment source, and purpose of debt as the name
- Type of Debt
 - Select the authorized repayment source of the debt
 - Sets the column of Other P10 into which ending balance data will appear

City Debt Detail

Debt Series Name	Type of Debt	Date of Issuance	Debt Resolution	Rate Range	Voted	Amount of Issue	Principal Outstanding July 1, 2024	Fiscal Year Principal Paid	Fiscal Year Interest Paid	Tied to Other Debt	Purpose of Debt	Projects Funded by Debt
------------------	--------------	------------------	-----------------	------------	-------	-----------------	------------------------------------	----------------------------	---------------------------	--------------------	-----------------	-------------------------

- Date of Issuance & Debt Resolution
 - Enter the number of the resolution which approved the issuance of the debt and the date that the resolution was passed
- Rate Range
 - Enter the lowest and highest interest rate being charged on this debt

City Debt Detail

Debt Series Name	Type of Debt	Date of Issuance	Debt Resolution	Rate Range	Voted	Amount of Issue	Principal Outstanding July 1, 2024	Fiscal Year Principal Paid	Fiscal Year Interest Paid	Tied to Other Debt	Purpose of Debt	Projects Funded by Debt
------------------	--------------	------------------	-----------------	------------	-------	-----------------	------------------------------------	----------------------------	---------------------------	--------------------	-----------------	-------------------------

- Voted
 - Select the approval method which was required under 384.24 through 384.26 for the type of debt issued from the dropdown
 - **Voted:** Debt was required to be approved by a vote of the citizens
 - **No Vote – Essential GO:** GO debt was approved by city council as an essential corporate purpose, which does not have a debt requirement.
 - **No Vote – Below Threshold:** GO debt was below threshold of principal issued over which a citizen vote would be required
 - **No Vote – Non-GO:** Debt is not a general obligation

City Debt Detail

Debt Series Name	Type of Debt	Date of Issuance	Debt Resolution	Rate Range	Voted	Amount of Issue	Principal Outstanding July 1, 2024	Fiscal Year Principal Paid	Fiscal Year Interest Paid	Tied to Other Debt	Purpose of Debt	Projects Funded by Debt
------------------	--------------	------------------	-----------------	------------	-------	-----------------	------------------------------------	----------------------------	---------------------------	--------------------	-----------------	-------------------------

- Amount of Issue
 - Enter the amount of principal originally borrowed with the approval of this debt
- Principal Outstanding July 1, 20XX
 - Enter the amount of principal remaining to be paid as of the beginning of the FY being reported
- Fiscal Year Principal Paid & Fiscal Year Interest Paid
 - Enter the amount of principal and/or interest paid on the debt in the FY being reported only

City Debt Detail

Debt Series Name	Type of Debt	Date of Issuance	Debt Resolution	Rate Range	Voted	Amount of Issue	Principal Outstanding July 1, 2024	Fiscal Year Principal Paid	Fiscal Year Interest Paid	Tied to Other Debt	Purpose of Debt	Projects Funded by Debt
------------------	--------------	------------------	-----------------	------------	-------	-----------------	------------------------------------	----------------------------	---------------------------	--------------------	-----------------	-------------------------

- Tied to Other Debt
 - If multiple debts funded the same project(s), use the dropdown to show that these debt lines are connected in purpose.
- Purpose of Debt
 - Select the purpose for which the debt was issued from the list in the dropdown.
 - If a GO debt was used for more than one purpose, select GO or break it into separate debt lines

City Debt Detail

Debt Series Name	Type of Debt	Date of Issuance	Debt Resolution	Rate Range	Voted	Amount of Issue	Principal Outstanding July 1, 2024	Fiscal Year Principal Paid	Fiscal Year Interest Paid	Tied to Other Debt	Purpose of Debt	Projects Funded by Debt
------------------	--------------	------------------	-----------------	------------	-------	-----------------	------------------------------------	----------------------------	---------------------------	--------------------	-----------------	-------------------------

- Projects Funded by Debt
 - Enter the project(s) funded by the debt
 - A character limit of 150 characters applies to each cell
 - Spaces and punctuation count as a character

Reminders

- TIF rebates / agreements
 - Aggregate totals onto one line
 - Amount of issue is the total of the original not to exceed amounts
 - Principal outstanding is the not to exceed minus amount paid to beginning of the fiscal year being reported
- 150 characters for “Purpose” cell – be concise
- All information will filter to Other P10
 - Selection of the dropdown items will tell the system where to show the totals

Other P10 – Long-Term Debt Matrix

- The Long-Term Debt Matrix will fill in from the City Debt Detail page
- The information will then flow from this matrix to the All Funds P1 page debt summary

Part V Debt Outstanding, Issued, and Retired									
Transit subsidies									
A. Long-Term Debt									
Purpose	Line	Debt During the Fiscal Year			Debt Outstanding JUNE 30, 2025				
		Debt Outstanding JULY 1, 2024	Issued	Retired	General Obligation	TIF Revenue	Revenue	Other	Interest Paid This Year
Water Utility	1.	16,850,000	0	625,000	0	0	16,225,000	0	27,500
Sewer Utility	2.	0	0	0	0	0	0	0	0
Electric Utility	3.	0	0	0	0	0	0	0	0
Gas Utility	4.	0	0	0	0	0	0	0	0
Transit-Bus	5.	0	0	0	0	0	0	0	0
Industrial Revenue	6.	0	0	0	0	0	0	0	0
Mortgage Revenue	7.	0	0	0	0	0	0	0	0
TIF Revenue	8.	0	0	0	0	0	0	0	0
Other Purposes / Miscellaneous	9.	0	0	0	0	0	0	0	0
GO	10.	10,475,000	500,000	725,000	9,250,000	0	500,000	0	70,000
Parking	11.	0	0	0	0	0	0	0	0
Airport	12.	0	0	0	0	0	0	0	0
Stormwater	13.	0	0	0	0	0	0	0	0
Section 108	14.	0	0	0	0	0	0	0	0
Total Long-Term		27,325,000	500,000	1,350,000	9,250,000	0	16,725,000	0	97,500

Other P10 – Short-Term Debt

B. Short-Term Debt	Amount
Outstanding as of July 1, 2023	\$22,900,000
Outstanding as of JUNE 30, 2024	\$0

- Short-term debt is debt that will have no more than one payment due over its life
 - Bridge loans
 - SRF planning and design loans
 - These debts are eventually rolled into the larger SRF project debt issuance
- Only beginning of year and end of year **principal** balances are required

CITY BUDGET

Budget Process

- No big changes to form or process for FY27
 - Change to hearing schedule
 - Senate File 588
 - Replaces 10/20 day prior to hearing publishing/posting window of notices with 4/20 day window
- Random Budget Facts
 - Late budgets
 - 2025: 59
 - 2026: 66 counting 4 that remain unsubmitted
 - Tax dollars
 - 2025: \$1,751,368,555 (12.64617 avg rate)
 - 2026: \$1,823,015,254 (12.71804 avg rate)
 - \$71.6M increase

Quick Budget Process Summary

- Mailing directly to property owners is required
 - Requires cooperation between local governments, County Auditor, and DOM
- Hearing on full property tax rate is required
 - Must have its own publication/posting and included in the mailed notice
 - Hearing must be separate and distinct from other hearings and other city budgets
- Budget adoption hearing & resolution still required prior to budget submission
- Budget submission deadline of April 30
 - Applies to all local governments who issue a tax

Budget Process Reminders

- Property tax requests and rates must be submitted in the system no later than March 5th @ 4pm
- Mailing of the hearing notices to occur by March 15th
 - Do not touch the Property Tax page of the budget between March 5th and March 15th or until mailing occurs
- Cities may not hold the Proposed Property Tax Hearing earlier than MARCH 20th
- Reminder – In addition to the mailing, a notice must be published / posted notice not less than 4 and not more than 20 days PRIOR to the date of the Proposed Property Tax Hearing

Budget Process Reminders

- Consolidated General Fund Levy (CGFL) Refresher
 - Limitation calculation put in place to reduce the property tax rate if growth in non-TIF taxable with gas & electric valuation surpasses certain percentage points from current year to budget year
 - Non-TIF TV Growth trigger points:
 - 0-2.74% growth – no change in rate from current year
 - 2.75-3.99% growth – 1% limitation factor applied
 - 4.00 – 5.99% growth – 2% limitation factor applied
 - 6.00% or more growth – 3% limitation factor applied

ANNUAL URBAN RENEWAL REPORT

Annual Urban Renewal Report (AURR)

- Report of the activity of a city's TIF fund during the previous fiscal year
- Goes into much more granular detail than other reports
 - Specific information on individual debts, payments, and projects
- Due December 1st
 - 49 cities & 10 counties submitted FY2023-2024 AURR after December 1, 2024 deadline

AURR 3 Link Chain



Enter the project approved or in progress. Projects must be shown on the report until the debt that funded them has been fully paid.

Enter the debt(s) which paid for the project. Show the balance of the principal and interest due to pay the debt in full at the beginning of the fiscal year being reported or at the time the debt was added, if added during the fiscal year being reported.

Show the amount paid to the debt which funded the project during the fiscal year. Some payments made to debts which funded multiple projects may need to be broken out by project.

AURR Reminders – Projects

- All projects that are in progress or were completed during FY must be listed.
 - In progress means...
 - Debt which funded the project was incurred during the fiscal year or is outstanding from issuance in a previous fiscal year.
 - Formal action was taken to start the project
 - Physical work was undertaken on a project.
- Projects have two completion targets that must be met to no longer be reported:
 - Project work is PHYSICALLY complete
 - Payments for the debt that funded the project are complete

Projects	Debts/Obligations	Non-Rebate Payments	Rebate Payments	Jobs	LMI Housing	Public Building Analysis	Financial Recap	Notes (Optional)
Urban Renewal Area Projects								
Project Name	Project Description	Classification	Project Physically Complete?	Project Payments Complete?				
			☐ Yes ☐ No	☐ Yes ☐ No				
					Remove			
					Add			

AURR Reminders – Debts/Obligations

- All debt that is reported must be paid or will be paid in a subsequent year by TIF Special Fund revenues
 - Includes outstanding certified debt and debt which has not yet been certified that is eligible for repayment from TIF revenues
 - Do not include portions of debts paid by other sources
- Rebates must be entered as a debt
- Administrative Expenses must be entered as a debt
 - Administrative Expenses should be an Internal Loan
- All debt input must be tied to a project or multiple projects

AURR Reminders – Debts/Obligations

- Principal and interest amounts outstanding for the remaining term of the debt, prior to any payments during FY, should be entered
 - Total amount outstanding to pay debt in full
 - **Even for annual appropriation debt**
 - Include fiscal fees with principal or interest of debt if fees have been certified and are paid from TIF revenues

Debt/Obligation Name	Debt/Obligation Type	Principal as of 7/1/2014	Interest as of 7/1/2014	Total	Annual Appropriation?	Date Incurred	FY of Final Payment	
2002 TIF Revenue Bonds	TIF Revenue Bond	750,000	150,000	900,000	☐ Yes ☒ No	12/01/2002	2015	Remove
2006 GO Bonds	Gen. Obligation B	1,500,000	750,000	2,250,000	☒ Yes ☐ No	06/01/2006	2020	Remove
ABC Corp Developer Agreement	Rebates	250,000	0	250,000	☒ Yes ☐ No	03/15/2009	2017	Remove
Administrative Fees	Internal Loans	5,000	0	5,000	☐ Yes ☒ No	01/01/2013	2015	Remove
LMI Requirement	Outstanding LMI	231,564	0	231,564	☐ Yes ☒ No	12/01/2002	2016	Remove
U.R. Debt Totals		2,736,564	900,000	3,636,564				Add

Include:

- Remaining principal and interest to term, as of July 1, 2014
- All installments of annual appropriation debt, with the assumption that all annual appropriations will be approved.
- The actual or projected total amount of rebate payments remaining.
- FY of Final Payment is the fiscal year in which the debt will be paid in full.

Non-Rebate Expenditure Tracking

- Non-rebate expenditures need to be reported by project in AURR
 - Payments going to debt that has funded several projects in the UR Area will need to be pro-rated to the project
 - Calculating the amount of payment:
 - $\text{Original Amount of Project} / \text{Amount of UR Abated Debt Issued} = \text{\% of payment allotted to the project}$
 - $\$25,000 \text{ (Project cost)} / \$5,000,000 \text{ (UR abated bonds)} = 0.5\%$
 - $0.5\% \times \$255,000 \text{ FY15 Payment} = \$1,275 \text{ (Project portion of payment)}$

Rebate Tab – Keys to Remember

- Covers all forms of developer agreements, not just tax rebate agreements
- Amount of payment will need to be re-entered yearly
 - Only shows the expenses related to developer agreements for the fiscal year being reported
 - The Rebate/Developer Agreement information aside from payment amount will be retained and will remain editable from year to year

AURR Reminders

- Point of the report is to track TIF usage by project
 - 3 link chain
- The AURR is required for all cities that have an open Urban Renewal Area
 - Even if you are not currently generating and receiving TIF
- The report **MUST** be approved by the city council prior to being submitted
 - Electronically submitted to the State only
 - <https://www.legis.iowa.gov/tif/>
 - No paper submissions

GASB 77

GASB 77 is Still Happening

- All cities that use TIF for developer/rebate agreements/one-off agreements or have tax abatements in place need to report
- Even non-audit cities
 - TIF Users must report the amount of abatement to schools, counties, and community colleges - all of which are audited yearly
 - <https://dom.iowa.gov/local-government/gasb-77>

GASB 77 Tools

Click the links below to download the tool.

GASB 77 Chapter 403 Reporting Letter Generator (TIF)



Download tool to calculate the amount of TIF abatement impact to be reported to each affected local taxing authority.

GASB 77 Chapter 404 Tax Abatement Letter Generator (Property Tax Abatement)



Download tool that assists local government calculate the revenue that has been abated by other taxing authorities.

GASB 77 Reporting Master List



Download file that tracks from whom a GASB 77 reporting letter should be received.

GASB 77 – CHAPTER 403 TIF

- Cities are required to report the payments made to one off, negotiated agreements during the FY reported
 - Rebate/developer agreements
 - Econ. Dev. Grants / Loans
 - Forgivable Loans
 - Organization Support (Chamber, Econ. Dev. Groups)

TIF AUTHORITY

Select TIF Authority...

UR #	Urban Renewal Area	Enter Amount of Qualifying Payments During Fiscal Year*

GASB 77 – CHAPTER 404 ABATEMENT

- Cities are required to report the tax dollars forgone on taxable valuation abated under Chapter 404 Urban Revitalization plans
 - Taxable valuation abated x tax rate = Amount to report
 - Only the amount forgone during the FY gets reported
- Cities only required to report for Chapter 404 abatements made which required preapproval from the city – **NO NEED TO REPORT IF PREAPPROVAL WASN'T REQUIRED**

GASB 77 REPORTING

- We ask that this be complete by September 30th, though there is no legal deadline
- Send \$0 letters if the city has a TIF or 404 abatement that isn't currently being used
- Keep a signed copy of the letter, as many letters get misplaced or lost in route to the entities that need it

Questions?

Ted Nellesen

Iowa Department of Management

515-281-3705

ted.nellesen@dom.iowa.gov