

**City of Norwalk, Iowa  
Annual Report**

Submitted June 30, 2015



**Financial Information and Operating Data  
Pursuant to Securities and Exchange Commission Rule 15c2-12  
For the Fiscal Year Ended June 30, 2014**

**General Obligation  
CUSIP Base: 669045**

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## IOWA PROPERTY VALUATIONS

In compliance with Section 441.21 of the Code of Iowa, the State Director of Revenue annually directs all County Auditors to apply prescribed statutory percentages to the assessments of certain categories of real property. The assessments finalized as of January 1 of each year are applied to the following fiscal year. The 2014 final Actual Values were adjusted by the Polk and Warren County Auditors. The reduced values, determined after the application of rollback percentages, are the Taxable Values subject to tax levy. For assessment year 2014, the Taxable Value rollback rate was 55.7335% of Actual Value for residential property; 44.7021% of Actual Value for agricultural property; 90% of Actual Value for commercial, industrial, and railroad property; and 100% for utility property.

The Legislature's intent has been to limit the growth of statewide taxable valuations for most classes of property to 3% annually; utility taxable valuation growth is limited to 8%. Political subdivisions whose taxable values are thus reduced or are unusually low in growth are allowed to appeal the valuations to the State Appeal Board, in order to continue to fund present services.

### 1/1/2014 VALUATIONS (Taxes Payable July 1, 2015 through June 30, 2016)

Class of Property	100% Actual Value	Taxable Value (With Rollback)
Residential	\$527,824,646	\$281,534,462
Commercial	28,151,719	22,444,105
Industrial	2,027,865	1,667,516
Utilities w/o Gas & Electric	<u>1,651,256</u>	<u>1,651,256</u>
Gross Valuation	\$559,655,486	\$307,297,339
Less Military Exemption	<u>(792,656)</u>	<u>(761,172)</u> <sup>1</sup>
Net Valuation	\$558,862,830	\$306,536,167
TIF Increment (used to compute debt service levies and constitutional debt limit)	\$59,055,800	\$59,024,316 <sup>1</sup>
Taxed Separately:		
Ag. Land & Buildings	\$5,886,755 <sup>2,3</sup>	\$2,661,279 <sup>4</sup>
Gas & Electric Utilities	\$28,409,492	\$19,489,721

<sup>1</sup> Excludes \$31,484 of TIF military exemption.

<sup>2</sup> Excludes \$108,925 of TIF Ag land.

<sup>3</sup> Includes \$5,380 of Ag land that lies within Polk County.

<sup>4</sup> Includes \$2,405 of Ag land that lies within Polk County.



## 2014 GROSS TAXABLE VALUATION BY CLASS OF PROPERTY

<u>Class of Property</u>	<u>Taxable Valuation<sup>5</sup></u>	<u>Percent Total</u>
Residential	\$281,534,462	86.15%
Commercial, Industrial and Utility	25,762,877	7.88%
Gas & Electric Utilities	<u>19,489,721</u>	<u>5.96%</u>
Total Gross Taxable Valuation	\$326,787,060	100.00%

## LARGER TAXPAYERS

The table below represents fifteen larger taxpayers in the City, based on tax entity, not based on ownership. A listing of aggregate holdings based on ownership may vary to some extent.

<u>Taxpayer</u>	<u>Property/ Business Type</u>	<u>1/1/2014 Taxable Valuation</u>
Midwest Power Systems Inc	Utility	\$19,489,486
MFR Partners VIII LLC	Commercial	7,393,216
TZVI Realty LLC	Commercial	5,918,040
Metropolitan Land Company, LC	Commercial	4,036,590
Echo Valley Investment CO LC	Commercial	2,509,380
Legacy Golf Club Inc	Commercial	2,301,840
Comito Real Estate LLC	Real-Estate	1,998,630
Fareway Stores Inc	Commercial	1,915,470
Eggers Bilt Homes Inc	Real-Estate	1,883,267
Individual	Private Trust	1,771,740
Corner/Advance Investments LLC	Commercial	1,602,000
Diligent Warrior Run LLC	Commercial	1,503,630
Graham Real Estate One LLC	Real-Estate	1,489,860
Plaza Food Center Inc	Commercial	1,353,690
RD Norwalk LLLP	Commercial	1,311,390

<sup>5</sup> Excludes Taxable TIF Increment and Ag. Land & Buildings.



## 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 5% of the actual value of all taxable property within the corporate limits, as taken from the last state and county tax list. For the purpose of computing the limitation, the actual value of taxable property is used; including tax increment, without application of rollback, and after the deduction of military exemption on taxable property. The debt limit for the City, based on its 2014 valuation applicable to the fiscal year 2015-2016 is as follows:

Fiscal Year 2016 Constitutional Debt Limit	
2014 Actual Valuation of Property	\$653,116,458
Less: Military Exemption	(792,656)
Net Valuation	\$652,323,802
Constitutional Debt Percentage	5.00%
Constitutional Debt Limit	\$32,616,190
Less: Applicable General Obligation Debt	(17,185,000)
Less: Debt Subject to Annual Appropriation <sup>6</sup>	(734,286)
Constitutional Debt Margin	\$14,696,904

## DIRECT DEBT

### General Obligation Debt Paid by Property Taxes

Date of Issue	Original Amount	Purpose	Final Maturity	Principal Outstanding As of 06/30/15
09/08A	780,000	Corporate Purpose	06/18	\$290,000
08/10B	5,320,000	Corporate Purpose	06/30	4,170,000
04/12A	1,095,000	Corporate Purpose	06/22	865,000
04/12B	1,050,000	Refunding	06/20	645,000
01/15A	3,950,000	Corporate Purpose	06/34	3,950,000
03/15B	945,000	Refunding	06/22	<u>945,000</u>
Subtotal				\$10,865,000

<sup>6</sup> Includes the appropriated FY2016 payments for various developer agreements.



## General Obligation Debt Abated by Tax Increment

Date of Issue	Original Amount	Purpose	Final Maturity	Principal Outstanding As of 06/30/15
08/10A	\$4,685,000	Urban Renewal Projects	06/30	\$3,830,000
09/10D	1,475,000	Urban Renewal Projects	06/30	1,210,000
04/12B	1,770,000	Refunding	06/20	<u>1,280,000</u>
Subtotal				\$6,320,000

Total General Obligation Debt **\$17,185,000**

## Annual Fiscal Year Debt Service

Fiscal Year	General Obligation Debt Paid by Taxes		General Obligation Debt Abated by Tax Increment	
	Principal	Principal and Interest	Principal	Principal and Interest
2015-16	990,000	1,331,649	\$500,000	\$676,530
2016-17	1,050,000	1,330,215	510,000	678,910
2017-18	960,000	1,217,733	525,000	685,590
2018-19	660,000	897,273	535,000	685,950
2019-20	680,000	902,373	555,000	695,060
2020-21	690,000	896,723	300,000	427,645
2021-22	715,000	904,635	315,000	434,220
2022-23	450,000	621,038	330,000	439,770
2023-24	470,000	627,725	340,000	439,540
2024-25	485,000	628,100	355,000	443,530
2025-26	505,000	632,475	375,000	451,545
2026-27	520,000	630,425	390,000	453,510
2027-28	540,000	632,850	410,000	459,565
2028-29	560,000	634,000	430,000	464,340
2029-30	585,000	639,413	<u>450,000</u>	467,780
2030-31	240,000	273,363		
2031-32	245,000	271,163		
2032-33	255,000	273,200		
2033-34	<u>265,000</u>	274,275		
Total	\$10,865,000		\$6,320,000	



## INDIRECT DEBT

<u>Taxing District<sup>7</sup></u>	<u>1/1/2014 Taxable Valuation<sup>8</sup></u>	<u>Taxable Valuation Within City</u>	<u>Percent Applicable</u>	<u>GO Debt on 06/30/2015</u>	<u>Debt Applicable To City Residents</u>
Norwalk CSD	\$534,082,656	\$387,728,003	72.60%	\$15,630,000	\$11,346,912
Warren County Des Moines Area Community College	1,992,607,671 40,089,928,553	387,728,003 387,730,408	19.46% 0.97%	366,263 59,725,000	71,269 <u>577,631</u>
Total Applicable Indirect Debt					\$11,995,812

## LEVIES AND TAX COLLECTIONS

<u>Fiscal Year</u>	<u>Taxes Levied</u>	<u>Taxes Collected</u>	<u>Collections as a % of Levies</u>
2010-11	\$3,477,042	\$3,508,222	100.90%
2011-12	3,933,263	3,888,543	98.86%
2012-13	4,297,896	4,310,453	100.29%
2013-14	4,212,230	4,255,483	101.03%
2014-15	4,345,280	-in process of collection--	

<sup>7</sup>Excludes Polk County and the Des Moines Independent School District, each with less than 0.01% applicable valuation in the City.

<sup>8</sup> Includes Taxable TIF Increment, Ag. Land & Buildings, and Utilities.

