

**City of Creston, Iowa
Annual Report**

Submitted January 25, 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: 226237**

Issuer Contact:

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VALUATION BY CLASS OF PROPERTY

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 2013 final Actual Values were adjusted by the Union County Auditor. The reduced values, determined after the application of rollback percentages, are the Taxable Values subject to tax levy. For assessment year 2013, the Taxable Value rollback rate was 54.4002% of Actual Value for residential property; 43.3997% of Actual Value for agricultural property; 95% of Actual Value for commercial, industrial, and railroad property, and 100% of Actual Value for utility property.

Class of Property	January 1, 2013 Valuations (Taxes Payable July 1, 2014 through June 30, 2015)	
	100% Actual Value	Taxable Value (With Rollback)
Residential	\$203,237,862	\$104,586,351
Commercial	58,286,749	54,876,596
Industrial	10,457,675	9,794,774
Railroads	2,299,068	2,184,115
Utilities w/o Gas & Electric	<u>667,914</u>	<u>667,914</u>
Gross Valuation	\$274,949,268	\$172,109,750
Less Military Exemption	<u>(801,577)</u>	<u>(801,577)</u>
Net Valuation	\$274,147,691	\$171,308,173
TIF Increment (used to compute debt service levies and constitutional debt limit)	\$25,824,701	\$25,824,701
Taxed Separately:		
Ag. Land & Buildings	\$764,242	\$331,677
Gas & Electric Utilities	\$14,728,339	\$5,721,643



TREND OF VALUATIONS

The 100% Actual Valuation is stated before rollback and after reduction of military exemption, include Ag. Land, Ag. Buildings, TIF Increment, and Gas & Electric Utilities. The Taxable Valuations, with the rollback and after the reduction of military exemption, excludes the Taxable TIF Increment and Ag. values. Iowa cities certify operating levies against Taxable Valuation excluding the Taxable TIF Increment and debt service levies are certified against Taxable Valuations including the Taxable TIF Increment.

<u>Assessment</u> <u>Year</u>	<u>Payable</u> <u>Fiscal Year</u>	<u>100%</u> <u>Actual Valuation</u>	<u>Taxable Valuation</u> <u>(With Rollback)</u>	<u>Taxable</u> <u>TIF Increment</u>	<u>Total Taxable</u> <u>Valuation</u>
2010	2011-12	\$311,237,549	\$164,180,041	\$28,793,845	\$192,973,886
2011	2012-13	314,278,424	174,272,309	25,160,612	199,432,921
2012	2013-14	313,857,443	175,943,913	27,221,052	203,164,965
2013	2014-15	315,464,973	177,029,816	25,824,701	202,854,517
2014	2015-16	318,746,250	176,913,411	25,551,317	202,464,728

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 2013 valuation currently applicable to the Fiscal Year 2014-15 is as follows:

Fiscal Year 2015 Constitutional Debt Limit	
2013 Actual Valuation of Property	\$316,266,550
Less: Military Exemption	<u>(801,577)</u>
Net Valuation	\$313,464,973
Constitutional Debt Percentage	5.00%
Constitutional Debt Limit	\$15,773,249
Less: Applicable General Obligation Debt	<u>(\$3,748,189)</u>
Constitutional Debt Margin	\$12,025,061
% Capacity Remaining	76.24%



DIRECT DEBT

General Obligation Debt

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 01/25/15</u>
11/08	\$329,500	Sewer Truck	06/15	\$47,071
04/10	210,342	Street Truck	04/15	46,118
06/10	1,280,000	Street Improvements	06/23	1,010,000
04/12A	1,720,000	Current Refunding, Fire Truck	06/22	1,350,000
04/12B	1,815,000	Advance Refunding	06/19	<u>1,295,000</u>
Total				\$3,748,189

Annual Fiscal Year Debt Service ¹

<u>Fiscal Year</u>	<u>General Obligation Debt Paid by Taxes</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Principal and Interest</u>
2014-15	\$633,189	\$38,674	\$671,863
2015-16	550,000	63,853	613,853
2016-17	560,000	55,803	615,803
2017-18	565,000	46,563	611,563
2018-19	570,000	36,460	606,460
2019-20	240,000	25,470	265,470
2020-21	245,000	19,315	264,315
2021-22	255,000	12,555	267,555
2022-23	<u>130,000</u>	<u>4,940</u>	<u>134,940</u>
Total	\$3,748,189	\$303,633	\$4,051,822

¹ Interest as of January 25, 2015.



OTHER CITY DEBT

Sanitary Sewer System Debt

Date of Issue	Original Amount	Purpose	Final Maturity	Principal Outstanding As of 01/25/15
11/95	\$810,000	Sanitary Sewer Improvements	06/15	\$60,000
06/97	2,383,000	Sanitary Sewer Improvements	06/17	505,000
03/98	829,000	Sanitary Sewer Improvements	06/18	225,000
09/09	945,000	Sanitary Sewer Improvements	06/29	<u>756,000</u>
Total				\$1,546,000

TAX RATES

Taxing District	FY 2010/11 \$/\$1,000	FY 2011/12 \$/\$1,000	FY 2012/13 \$/\$1,000	FY 2013/14 \$/\$1,000	FY 2014/15 \$/\$1,000
City Levies:					
General	\$8.10000	\$8.10000	\$8.10000	\$8.10000	\$8.10000
Outside \$8.10000	1.74044	1.64454	1.54356	1.52890	1.67452
Emergency	0.27000	0.26999	0.27000	0.27000	0.27000
Debt Service	0.00000	0.00000	0.00000	0.00000	0.00000
Employee Benefit	<u>3.74211</u>	<u>3.83802</u>	<u>3.60853</u>	<u>3.05545</u>	<u>3.90187</u>
Total City	\$13.85255	\$13.85255	\$13.52209	\$12.95435	\$13.94639
City Ag Land	\$3.00375	\$3.00375	\$3.00375	\$3.00375	\$3.00375
All Jurisdictional Levies:					
City of Creston	\$13.85255	\$13.85255	\$13.52209	\$12.95435	\$13.94639
Union County	11.40947	11.44254	10.82120	10.10774	9.96302
Creston Community School District	16.36622	15.96018	15.49934	15.05393	15.18238
County Hospital	2.94408	2.80970	2.61729	2.54011	2.55430
County Assessor	0.61610	0.52569	0.62665	0.58074	0.67000
County Ag Extension	0.30000	0.30000	0.30000	0.30000	0.30000
Southwest Community College	0.70806	0.79481	0.79424	0.79675	0.79617
State of Iowa	<u>0.00340</u>	<u>0.00320</u>	<u>0.00330</u>	<u>0.00330</u>	<u>0.00330</u>
Consolidated Rate:					
City Resident	\$46.19988	\$45.68867	\$44.18411	\$42.33692	\$43.41556

