

CITY 2018 Audit Programs

June 30, 2018 or the _____ Months Ended _____

TAX INCREMENT FINANCING

PROCEDURE	DONE BY	W/P REF	N/A	REMARKS
Procedures: A. Determine tax increment financing (TIF) collections were properly recorded in a separate Special Revenue Fund (TIF fund) as required by Chapter 403.19 of the Code of Iowa. B. Determine the TIF collections in the TIF fund were disbursed or transferred to pay TIF obligations that qualify for payment (within the urban renewal plan) from TIF collections and such obligations were previously certified to the County Auditor as TIF debt and/or Low-Moderate Income (LMI) housing. C. Obtain a copy of the Urban Renewal Area TIF Indebtedness/Increment Tax Reconciliation prepared by the County Auditor. <ol style="list-style-type: none"> Review the Reconciliation to identify and document the City's certified TIF obligations. Scan the Reconciliation for unusual or unallowable obligations (i.e., debt certified more than once, projected costs, etc.). D. Determine the following regarding the Tax Increment Debt Certificate due December 1 of the fiscal year under examination: <ol style="list-style-type: none"> The amounts certified on Form 1 and Form 1.1, or equivalent documents, for TIF debt not previously certified are supported and represent loans, advances or other qualified indebtedness or bonds which qualify for payment from the TIF revenues for each urban renewal area in the City as required by Chapter 403.19(6)(a) of the Code of Iowa and the Certificate was filed by December 1. For annual appropriated debt, the amount certified should be limited to the amount appropriated to be paid in the next fiscal year. NOTE: In general, qualified TIF indebtedness must (1) be for a program in the urban renewal area, (2) be for an activity covered by the allowable list in Chapter 403.6(6) and 403.12(1) of the Code of Iowa, (3) be for a project covered by the plan and (4) further the goals of the plan. The City used Form 2, or an equivalent document, to properly reduce the TIF request if/when the total amount of the legally available TIF increment tax was not wanted. The City certified Form 3, or an equivalent document, to reduce the amount previously certified by December 1 in the year action was taken which resulted in the reduction, as required by Chapter 403.19(6)(b) of the Code of Iowa. 				

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<p>NOTE: Required reductions include payments from sources other than TIF revenue, interest on investments, site proceeds of TIF property, reduction of required principal and interest payments due to refunding or refinancing of the obligation or for any other reason (i.e. interest earned or property sales proceeds are required to be credited to the TIF fund).</p> <p>E. Annual Urban Renewal Report</p> <ol style="list-style-type: none"> 1. Obtain the urban renewal report due December 1 of the fiscal year under examination and determine the: <ol style="list-style-type: none"> a. Report was approved by the City Council. b. Report was filed on or before December 1. c. Amounts reported on the Levy Authority Summary agree with City records. d. Determine if TIF collections have ceased for TIF taxing districts that have statutorily ended. 2. Obtain and review the City's detailed TIF obligations (debt) listings and determine "TIF Debt Outstanding" on the Levy Authority Summary includes the following: <ol style="list-style-type: none"> a. <u>Certified Debt</u> – TIF obligations outstanding, including principal and interest, certified to the County Auditor as of July 1 of the period covered by the urban renewal report and, b. <u>Certifiable Debt</u> – Outstanding TIF obligations incurred during the fiscal year covered by the urban renewal report, including annual appropriation debt not yet certified. 3. Determine rebate agreements, if any, have been properly reported as project(s), including total debt and expense. 4. TIF collections remaining after an urban renewal area is no longer active, if any, were returned to the County Treasurer as required by Chapter 24.21 of the Code of Iowa. <p>F. For urban renewal areas with public improvements related to housing and residential development, determine if assistance for low and moderate income (LMI) housing was provided in accordance with Chapter 403.22 of the Code of Iowa.</p>				

