



This training was attended on 3/28/23 by the Director of Budget and Administrative Services. Slides with "For Comment" in the upper right hand corner are determined to be significant to the Board of Supervisors and will be discussed during our training time.

Municipal Securities Disclosure

2023 Annual Training



Housekeeping

Today's program is 60 minutes.

Materials & Attendance Form

Are available for download from Dorsey's reminder email sent from Events@Dorsey.com.
Return completed attendance form to attendance@Dorsey.com.

Q&A

If you have questions, please email James Smith at smith.james@dorsey.com.

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Disclosure Training Agenda

- **Disclosure Basics**
- **Role of the SEC**
- **Policies and Procedures**
- **Questions and Answers**



Disclosure Basics

Glossary of Terms

Role of Counsel

Dorsey Opinions

Federal Regulatory Framework

2023 Annual Training

Glossary of Terms

Important Parties

- **Issuer** – Governmental entity that issues bonds
- **Underwriter** – Purchaser of bonds
- **Municipal Advisor** – Advises Issuer about municipal securities
- **SEC** – Federal Securities and Exchange Commission; enforces federal securities laws

Documents

- **OS** – Official Statement
- **CDC** – Continuing Disclosure Certificate
- **Dissemination Agent Agreement** – Issuer’s contract with company to post disclosures on Electronic Municipal Market Access (“EMMA”) website, <https://emma.msrb.org>

Role of Counsel

Bond Counsel

- **Assess tax qualifications** of the bond issue
- **Prepare operative and closing documents** (e.g. resolutions, bonds, loan agreement, CDC, closing certificates)
- **Deliver opinion** that bonds are valid and legal obligations of the Issuer
- **Deliver opinion** as to tax-exempt status of the bonds

Disclosure Counsel

- **Assess risks** associated with Issuer and bond offering
- **Prepare OS** (or closely review) in conjunction with Issuer and other finance team members
- **Review Issuer's compliance** with previous CDCs
- **Deliver “10b-5” opinion** to Issuer
- Does not prepare or confirm financial info

Role of Counsel

Underwriter Counsel

- **Relevant in a negotiated deal**
- **Represents the underwriter** (not the Issuer)
- **Assess risks** associated with Issuer and bond offering
- **Prepare OS** (or closely review)
- **Prepare bond purchase agreement**
- **Deliver “10b-5” opinion** to underwriter
- **Deliver opinion** as to CDC compliance to underwriter
- Does not prepare or confirm financial info

Opinions of Counsel; Other Professionals

- **What decides the content of the opinion Dorsey gives?**
 - Who is Dorsey representing?
 - What does the engagement letter say for the client?
 - The opinion content reflects the representation Dorsey has been hired to provide.

- **What about the other professionals involved in the financing?**
 - Just because the Issuer hires various professionals to aid in the process, the Issuer is not absolved of responsibility for the content of the OS.
 - The OS is the Issuer's document and the Issuer must review and sign off on it before the OS is used in connection with the marketing and sale of the bonds.

Federal Regulatory Framework

FOR COMMENT

- **Statutes:** 1933 Act and 1934 Exchange Act
- **Antifraud Rules:** SEC Rule 10b-5
 - No false or misleading statements or omissions of material fact
 - “Material” means a substantial likelihood that a reasonable investor would view a fact as significantly altering the “total mix” of info made available
 - Consequences of fraud allegations:
 - Civil or criminal penalties; reputational harm
 - Governing body, employees & officials may be personally liable
 - Underwriters: due diligence defense

Federal Regulatory Framework

FOR COMMENT

- **Disclosure rules: SEC Rule 15c2-12**
 - Regulates underwriters directly, Issuers indirectly (via CDC)
 - Underwriters must reasonably determine Issuers of certain bonds commit to provide the following disclosures on ongoing basis:
 - (1) **Annual financial info** (audited financials, operating data)
 - (2) **Material event notices** (10 business days)
- **Disclosing material noncompliance: SEC Rule 15c2-12**
 - Final OS must disclose material noncompliance with CDC duties
 - Material Noncompliance: 5-year lookback period
 - e.g. - failure to file/timely file financial info or material event notices
- **Disclosure documents are subject to Antifraud Rules**

Federal Regulatory Framework

FOR COMMENT

15c2-12: Listed Events

- 1) 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 determinations with respect to the tax status of the bonds
- 7) Modifications to rights of 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 Issuer
- 13) Merger, consolidation or acquisition involving Issuer, if material
- 14) Appointment of a successor or additional trustee or the change of name of a trustee, if material
- 15) Incurrence of financial obligation of Issuer or agreement to covenant, event of default, remedy, priority right or similar term, if material*
- 16) Default, acceleration, termination, modification or similar event under financial obligation of Issuer reflecting financial difficulties*

* Affect bonds issued after 02/27/2019

Overview of 2019 Amendments

FOR COMMENT

- **Context:** Increased use of private placements and bank loans
- **2019 listed events (affecting bonds issued after 02/27/2019)**
 - 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 the same, any of which affect security holders, **if material**
 - 16) Default, event of acceleration, termination event, modification of terms, or other similar events under terms of a **financial obligation** of the obligated person, any of which **reflect financial difficulties**
- **Definitions**
 - “Financial obligation” includes:
 - i. a **debt obligation**;*
 - ii. a **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. a **guarantee** of either (i) or (ii).*
 - A “financial obligation” does not include municipal securities for which a final OS has been provided to the MSRB consistent with Rule 15c2-12

Interpreting Events 15 & 16

- **SEC guidance on meaning of financial obligation**
 - **“Financial obligation”**
 - Debt, debt-like and debt-related obligations
 - Obligations that could impact liquidity, overall creditworthiness or an existing security holder’s rights
 - Not ordinary financial and operating liabilities
 - **“Debt obligation”**
 - Short- or long-term debt obligations of an Issuer under an indenture, loan agreement or similar contract to be repaid over time
 - Leases operating as vehicle to borrow money (i.e. capital leases)
 - May be broader than state law or accounting definitions of debt
 - **“Material”**
 - A financial obligation that a reasonable investor is substantially likely to view as significantly altering the “total mix” of info available
 - Flexible, facts-and-circumstances approach
 - Relevant factors include principal amount, security, priority rights, covenants, overall debt portfolio, etc.

Interpreting Events 15 & 16

- **SEC guidance on event number 16**
 - **“Default”**
 - Any default reflecting financial difficulties, even if not an event of default
 - Payment defaults and nonpayment defaults
 - **“Modification of terms”**
 - Includes written or verbal waivers or changes to non-material terms
 - **“Financial difficulties”**
 - Includes difficulties with pledged revenue streams
- **Material event notices**
 - Filing deadline: 10 business days from incurrence
 - Notices should include:
 - Material terms of financial obligation (event 15 notices only)
 - Summary of relevant default and financial difficulties (event 16 notices only)

Disclosure Considerations

- **The information in the OS is based on the type of security for the bonds**
 - **General Obligation**
 - **Utility Revenue**
 - Significant user
 - **Sales Tax**
 - **Tax Increment**
 - **SAVE**
 - **Road Use**
- **Materiality**
 - Applies to disclosure in the OS
 - Applies to assessment of financial obligations

Due Diligence Process

- **Why do we do this?**
- **Use of a due diligence questionnaire (DDQ)**
 - DDQ requests several documents, for example budgets, audited financial statements, etc.
 - DDQ poses several questions, for example, use of the bond proceeds, any Issuer operational or financial difficulties
- **Parties participate in a due diligence call**
 - Follow up questions about documents provided
 - Follow up questions about answers to questions
 - Check in with the financing team on draft disclosure in the OS
 - Review timeline for members of the financing team

Compliance Considerations

- **Adopt disclosure policies reflecting amended Rule**
 - Potentially broad scope of outstanding financial obligations
 - Fairly short timeframe for filing material event notices
- **Expect increased due diligence from underwriters**
- **Compliance depends upon**
 - Timely internal communication of incurrence of new obligations
 - Identification and tracking of covenants in existing obligations
 - Timely determinations of materiality and financial difficulties
 - Timely preparation and filing of material event notices
- **Role of bond or disclosure counsel**
 - When in doubt, ask counsel regarding potential financial obligations

CLE Code for

Attendees in States that Require a Code

(Tip: The CLE code is different than the event code assigned by states)



Role of the SEC

**Guidance on Public Statements
Enforcement Actions**

2023 Annual Training

Guidance on Public Statements

FOR COMMENT

- **2020 Staff Legal Bulletin: Office of Municipal Securities**
 - Antifraud rules apply to all Issuer statements reasonably expected to reach investors and the trading markets
 - Statements include:
 - **Information on municipal websites** (accurate; not misleading)
 - **Historical information online** (okay if dated)
 - **Hyperlinks** (beware of entanglement or adopting liabilities)
 - **Summaries of financial performance** (mark as summaries)
 - **Reports to state or local governments** (part of public record)
 - **Statements made by municipal officials**
 - Speeches, announcements, interviews, and social media posts
 - Only if reasonably expected to reach investors and made by person with apparent knowledge of financial condition and operation
 - Full text:
 - [SEC.gov | Application of Antifraud Provisions to Public Statements of Issuers and Obligated Persons of Municipal Securities in the Secondary Market: Staff Legal Bulletin No. 21 \(OMS\)](#)

SEC Enforcement Action Against School District and Former Chief Financial Officer

Sweetwater Union High School District (approximately 47,000 students)

- On September 16, 2021, the SEC entered an order against a school district in San Diego County, California and charged the school district's former CFO with misleading investors.
- The SEC claimed the school district and former CFO used stale and misleading financial information in connection with the bond offering.
- The school district was ordered to do several things as a result of the action, such as: implement various written policies and procedures, conduct staff training, retain an independent consultant to review the policies and procedures, implement recommendations of the independent consultant, disclose the settlement in future bond offerings, and provide certifications of compliance to the Staff of the SEC regarding these settlement conditions.
- The former CFO agreed not to participate in future municipal securities offers and to pay a \$28,000 penalty.
- [SEC Charges School District and the District's Former Chief Financial Officer with Violations of Securities Laws in a 2018 Bond Offering | News & Resources | Dorsey](#)

SEC Enforcement Action Against School District, Former Chief Financial Officer & Auditor

Crosby Independent School District (approximately 6,400 students)

- In March 2022, the SEC filed complaints against a school district in Texas, the district's CFO and the district's auditor alleging they included false and misleading audited financial statements in an official statement for a \$20 million bond offering.
- The SEC's order against the district found that it violated 1934 Act Section 10(b) and Rule 10b-5 and 1933 Act Section 17(a).
- The district was ordered to cease and desist from committing or causing any violations and any future violations of 1934 Act Section 10(b) and Rule 10b-5 and 1933 Act Section 17(a). The CFO agreed to settle with the SEC, including paying a \$30,000 penalty and not participating in any future municipal securities offerings.
- The SEC's order against the auditor found that she engaged in improper professional conduct pursuant to 1934 Act Section 4C(2) and SEC Rules of Practice Rule 102(e)(1)(ii). The SEC's order was effective immediately and denied the auditor the privilege of appearing or practicing before the SEC as an accountant.
- [SEC Charges School District, the District's Former Chief Financial Officer and the District's Auditor with Violations of Federal Securities Laws in a 2018 Bond Offering | News & Resources | Dorsey](#)

SEC Enforcement Action Against Town and Former Mayor

Sterlington, Louisiana (population approximately 2,600)

- On June 2, 2022, the SEC entered an order against the Town and charged the Town's former mayor, its municipal advisor and the municipal advisory firm's sole owner and employee with misleading investors who purchased bonds totaling \$5.8 million from private placement offerings in 2017 and 2018.
- The SEC noted that the Town issued the Bonds based on approvals by the Louisiana State Bond Commission which were premised on false financial projections created by the municipal advisor's owner and municipal advisor with the mayor's active participation and approval
- The SEC's order against the Town found that it violated 1934 Act Section 10(b) and Rule 10b-5 and 1933 Act Section 17(a). The Town was ordered to cease and desist from committing or causing any violations and any future violations of 1934 Act Section 10(b) and Rule 10b-5 and 1933 Act Section 17(a).
- The SEC's complaint alleges that the Mayor violated 1933 Act Section 17(a)(1) and (3) and 1934 Act Section 10(b) and Rule 10b-5 and aided and abetted in the Town's violations of 1933 Act Section 17(a)(2).
- [SEC.gov | SEC Charges Louisiana Town and Former Mayor with Fraud in Two Municipal Bond Deals](#)

SEC Enforcement Action Against City and City's Former Executives with Misleading Investors

Rochester City School District, New York (approximately 30,000 students)

- On June 14, 2022, the SEC filed complaints against the City of Rochester, New York, the City's former finance director, the City School District's former CFO and the City's municipal advisor and certain of its executives.
- The SEC claimed the parties mislead investors because the financial statements included for the District were outdated and did not reflect the financial difficulties the District was experiencing.
- The SEC claimed the city's former finance director was aware of the financial challenges of the District, but did not make appropriate inquiries.
- The SEC's complaint alleged that the district's former CFO violated Securities Act of 1933 Section 17(a)(1) and (a)(3) and Securities Exchange Act of 1934 Section 10(b) and Rule 10(b)(5). He agreed to settle the SEC's charges by consenting, without admitting or denying any findings, to a court order prohibiting him from future violations of the antifraud provisions and from participating in future municipal securities offerings, and to pay a \$25,000 penalty.
- SEC charges against the City, City's former finance director, municipal advisor and its executives varied depending on the defendant, but included fraud in the offer or sale of securities; fraud in connection with the purchase or sale of securities; engaging in deceptive, dishonest, or unfair practice; breach of duties of a non-solicitor municipal advisor; supervisory and compliance obligations of municipal advisors; breach of fiduciary duty; acts in contravention of any Rule of the MSRB; and certain alternative charges of aiding and abetting.
- [SEC.gov | SEC Charges Rochester, NY, and City's Former Executives and Municipal Advisor with Misleading Investors](#)

Policies and Procedures

Dorsey Compliance Program: Annual Training

- 1. New Bond Offerings**
- 2. Continuing Disclosure Requirements**
- 3. Systematic Training**
- 4. An EMMA Example**

Dorsey Compliance Program (the “Policy”)

FOR COMMENT

Overview

- **The Policy: three aspects**
 - I. **New bond offerings**: Preparing and approving OS when issuing bonds (Appendix I of Policy)
 - II. **Continuing disclosure compliance**: Complying with ongoing disclosure requirements under a CDC (Appendix II of Policy)
 - III. **Systematic training**: Educating key staff and elected officials regarding disclosure matters on regular basis

I. New Bond Offerings (Preparing and Approving OS)

5 steps for preparing and approving OS

- **Step 1—Establish plan and schedule**
 - At a financing’s outset, **Disclosure Officer** is to ensure there is (i) **a plan** for preparing OS and (ii) **a schedule** allowing sufficient time for all work, including **review and participation** by financing team and staff
- **Step 2—Manage process of preparing OS**
 - Disclosure Officer is to **manage preparation process**, obtaining assistance from other participants as necessary and appropriate
- **Step 3—Coordinate review and sign-off**
 - Disclosure Officer is to develop program for **coordinating staff review of, and sign-off on**, disclosure info and documents

I. New Bond Offerings (Preparing and Approving OS)

5 steps for preparing and approving OS (cont'd)

- **Step 4—Disclose any prior failures to comply**
 - Disclosure Officer is to ensure OS accurately discloses any failure to fully comply with CDC obligations within last 5 years.
- **Step 5—Give governing body time to review**
 - Governing body must have at least 7 days to review OS before voting on its approval (absent extenuating circumstances).
 - Elected officials on governing body must be directed to contact Disclosure Officer during review period to discuss potential issues or comments on the OS.

II. Continuing Disclosure Compliance (Meeting CDC Obligations)

Relevant Rule and Considerations

- **Under SEC Rule 15c2-12, the Issuer must**
 - file (or cause to be filed) necessary items under the CDC
 - in searchable electronic format (searchable pdf)
 - on EMMA (Electronic Municipal Market Access) portal (emma.msrb.org)
- **Adequate disclosure is responsibility of Issuer**
 - Role of dissemination agent (if any)
 - Effects of noncompliance on pricing and marketability of bonds

II. Continuing Disclosure Compliance (Meeting CDC Obligations)

FOR COMMENT

Six things to know

1. Who is responsible for compliance?

- Disclosure Officer has primary responsibility under the policy
 - CDC compliance, including (i) annual filings, (ii) material event notices, (iii) voluntary filings and (iv) other filings required by CDC
 - Accuracy of public statements that can be reasonably expected to reach investors (e.g. website updates, press releases, market notices, etc.)
- Key employees and elected officials also responsible

2. Understand CDC obligations

- Discuss new CDCs with (i) bond counsel, (ii) disclosure counsel, (iii) underwriter, and (iv) municipal advisor, if any

II. Continuing Disclosure Compliance (Meeting CDC Obligations)

3. Track disclosure obligations (Disclosure Officer)

- Maintain list of outstanding bonds subject to CDC, including filing deadlines, using “Disclosure Table, Part I” of Policy

Name of Bond Issue	Date of Issue	Final Maturity Date	Dissemination Agent?	CUSIP for Final Maturity	Deadline for Annual Report

- Maintain copies of OS, CDC, Dissemination Agent Agreements, and other disclosure documents for each bond issue
- Document any filing made on “Disclosure Table, Part II” of Policy

Description of Financial Information / Operating Data to file on EMMA [audit] [list applicable tables in Official Statement]	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025

- Register for email reminders on EMMA (emma.msrb.org)

II. Continuing Disclosure Compliance (Meeting CDC Obligations)

4. File annual or quarterly reports (Disclosure Officer)

- Coordinate with any outside professionals (e.g. dissemination agent, municipal advisor) hired to assist with filing reports
- **30 days before deadline:** compile information for filing
- **10 days before deadline:** confirm information ready to be filed
- **3 days before deadline:** ensure information filed on EMMA
- After filing: confirm info available on EMMA; update Table II

5. File notice of any Listed Events (Disclosure Officer)

- Determine if any Listed Events have occurred (see next slide)
- Consult with external legal and financial professionals, as appropriate
- File notice on EMMA within 10 business days

6. Other responsibilities of Disclosure Officer

- Primary contact for investor inquiries
- Maintain any investor-relations content on Issuer's website
- File any voluntary info on EMMA after consulting with outside professionals

II. Continuing Disclosure Compliance (Meeting CDC Obligations)

- 1) 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 determinations with respect to the tax status of the bonds
- 7) Modifications to rights of 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 Issuer
- 13) Merger, consolidation, or acquisition involving Issuer, if material
- 14) Appointment of a successor or additional trustee or the change of name of a trustee, if material
- 15) Incurrence of financial obligation of Issuer or agreement to covenant, event of default, remedy, priority right or similar term, if material*
- 16) Default, acceleration, termination, modification or similar event under financial obligation of Issuer reflecting financial difficulties*

* Affect bonds issued after 02/27/2019

II. Continuing Disclosure Compliance (Meeting CDC Obligations)

- **Timing of filing audited financials**

- Through the CDC, Issuer's frequently agrees to provide certain pieces of information on an annual basis, including the Issuer's audited financials
- The Issuer has the audited financials filed on EMMA when available
- When audited financials are not ready at the CDC's filing deadline, most CDC's permit the Issuer to file unaudited financials or other information (for example, the already-prepared annual financial report filed with the State) together with a notice describing that the audit is not available
- At the time the audit is approved by the Issuer, the Issuer should promptly file it on EMMA
- The date the audit gets approved starts the clock for getting the audit filed on EMMA

III. Systematic Training (Staff and Governing Body Members)

FOR COMMENT

Relevant Considerations

- **Staff and elected officials must follow procedures**
 - Regular training important
 - Educate new and existing individuals about obligations under federal securities laws and CDCs
- **Three training formats to aid in maintaining effective disclosure policies and procedures**
 - 1) Annual Training (certified by Disclosure Officer in writing)
 - 2) Specific Training (conduct as appropriate)
 - 3) Governing Body Training (at least biennially)
- **Office procedures that include training new staff**

FOR COMMENT

An EMMA Example

<https://emma.msrb.org/> – a portion of the landing page

Source: Municipal Securities Rulemaking Board website:
<https://emma.msrb.org/>
Screenshot image permission granted by the MSRB 2023.

An EMMA Example

City of Grimes, Iowa: Many ways to get to an Issuer's filings. You can click on the state (and search within that option), use the advanced search feature (portion below) or enter a cusip into the search bar

The screenshot displays the EMMA search interface. On the left, a sidebar contains 'Search Filters' with options for 'Security Information', 'Trade History', 'Disclosures', and 'Expand all Filters'. Below this is the 'Search with MyEMMA' section, which includes a search bar, a 'Save Search' button, and a 'Create a Group of Securities to Search' option. At the bottom of the sidebar is the 'EMMALabs' logo with the text 'Try out potential new search'. The main area is titled 'Security Information' and contains a form with the following fields: State (IA), Issuer Name (grimes), Issue Description, Closing Date, Dated Date, Interest Rate, CUSIP-6, Maturity Date, Purpose/Sector (All), Source of Repayment (All), Rate Type (All), Insured (All), Tax Status (All), Callable (All), Next Call Date, Next Call Price, and Security Type (All Securities). There are also checkboxes for 'Include Matured Municipal Bonds and Notes' and 'Include Fully Called or Redeemed Bonds and Notes', and a section for 'Current Long-Term Ratings' with dropdowns for Fitch, KBRA, Moody's, and S&P. A 'Run Search' button is located at the top right of the form area.

Source: Municipal Securities Rulemaking Board website: <https://emma.msrb.org/>
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An EMMA Example

Issuer Landing Page Example (portion shown below)



GRIMES IOWA (IA)

Click on a tab to access data and documents about this issuer's municipal securities.

Issuer's Contact Information

This issuer has not provided contact information.

Educational Resources

Customizing an Issuer Homepage

How Can Issuers Use EMMA?

Contact Us

- Issues
- Trade Activity
- Pre-Sale Documents
- Official Statements
- Refunded Issues
- Financial Disclosures
- Event-Based Disclosures

Click on the issue description to view details about the issue.

Display results | Search within list:

Issue Description	Dated Date	Maturity Dates
GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2022A	06/14/2022	2023 to 2037
GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2021A	06/23/2021	2022 to 2036
GENERAL OBLIGATION LOCAL OPTION SALES SERVICES AND USE TAX BONDS SERIES 2021B	06/23/2021	2022 to 2040
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020B	09/23/2020	2021 to 2032
GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2020A	06/25/2020	2021 to 2035

Source: Municipal Securities Rulemaking Board website: <https://emma.msrb.org/>
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An EMMA Example

Financial Disclosures Listed (portion shown below)

Issues Trade Activity Pre-Sale Documents Official Statements Refunded Issues **Financial Disclosures** Event-Based Disclosures

Financial and operational disclosures submitted by this issuer within the last five years are listed. Click on the disclosure description to view details about the disclosure.

Display 25 results Search within list:

First Previous 1 Next Last

Posting Date	Disclosure Description	Disclosure Document
02/01/2023	Audited Financial Statements or ACFR: City of Grimes, IA Independent Auditor's Report	
06/17/2022	Annual Financial Information and Operating Data: Grimes IA FY21 Annual Financial Report	
01/13/2022	Audited Financial Statements or ACFR: City of Grimes, IA Independent Auditor's Reports	
06/25/2021	Annual Financial Information and Operating Data: Grimes IA FY20 Annual Financial Report	
02/09/2021	Audited Financial Statements or ACFR: Grimes IA FY20 Independent Auditor's Report	
06/15/2020	Annual Financial Information and Operating Data: Grimes IA FY19 Financial and Operating Annual Report	
04/16/2020	Audited Financial Statements or ACFR: Grimes IA FY19 Independent Auditor's Reports	
05/08/2019	Annual Financial Information and Operating Data: annual financial information	
05/08/2019	Audited Financial Statements or ACFR: financial statements	
03/28/2018	Annual Financial Information and Operating Data: annual filing information	
03/28/2018	Audited Financial Statements or ACFR: financial statements	

Displaying 1 to 11 of 11 results

First Previous 1 Next Last

Source: Municipal Securities Rulemaking Board website: <https://emma.msrb.org/>
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An EMMA Example

Event-Based Disclosures Listed (portion shown below)

Issues Trade Activity Pre-Sale Documents Official Statements Refunded Issues Financial Disclosures **Event-Based Disclosures**

Event-based disclosures submitted by this issuer within the last five years are listed. Click on the disclosure description to view details about the disclosure.

Display results | Search within list:

First Previous **1** Next Last

Posting Date	Disclosure Description	Disclosure Document
12/01/2022	Financial Obligation - Incurrence or Agreement: City of Grimes, IA Notice of Financial Obligation - Signature Ernst Holdings LLC	
07/18/2022	Financial Obligation - Incurrence or Agreement: City of Grimes, IA - Notice of Financial Obligation - Rock Creek Investments	
05/24/2022	Financial Obligation - Incurrence or Agreement: City of Grimes IA - Notice of Financial Obligation - Sewer Revenue Bonds Series 2022	
09/23/2020	Bond Call: City of Grimes, IA Notice of Bond Call Series 2012	
05/06/2020	Financial Obligation - Incurrence or Agreement: City of Grimes, IA Financial Obligation - Development Agreement Anderson Four	
04/06/2020	Other Event-based Disclosures: Voluntary Notice of Grimes WRA Membership	
01/14/2020	Financial Obligation - Incurrence or Agreement: Financial Obligation - SRF Loan - City of Grimes IA	
10/25/2019	Financial Obligation - Incurrence or Agreement: City of Grimes, IA Second Amendment to Development Agreement	
10/17/2019	Financial Obligation - Incurrence or Agreement: Grimes IA Development Agreement - PMR Realty Group LLC	
07/15/2019	Change of Tender Agent, Remarketing Agent or Other On-going Party: CHANGE OF PAYING AGENT/REGISTRAR	

Displaying 1 to 10 of 10 results

First Previous **1** Next Last

Source: Municipal Securities Rulemaking Board website: <https://emma.msrb.org/>
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An EMMA Example

The Landing Page for a Specific Offering (portion shown below)

Issue Details

[Return to search results](#)



CITY OF GRIMES, IOWA GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2020A (IA)
GRIMES IOWA GO CORP PURP BDS 2020A (IA)*

Dated Date: 06/25/2020
Underwriting Spread Amount: Not Disclosed - Competitive Sale
Closing Date: 06/25/2020
Time of Formal Award: 06/10/2020 09:00 AM
Time of First Execution: 06/10/2020 01:00 PM

View issuer homepage:

[GRIMES IOWA](#)

Final Scale | Official Statement | Continuing Disclosure | Trade Activity

View other securities in this issue, which are listed in the official statement.

Display results | Search within list:

[First](#) [Previous](#) [1](#) [2](#) [Next](#) [Last](#)

CUSIP*	Principal Amount at Issuance (\$)	Security Description *	Coupon	Maturity Date	Initial Offering (%)			Current LT Rating			
					Price/Yield	Price	Yield	Fitch	KBRA	Moody's	S&P
398526LJ0	1,095,000	CORP PURP-SER A	2	06/01/2021	-	101.583	.3	-	-	-	-
398526LK7	495,000	CORP PURP-SER A	2	06/01/2022	-	103.176	.35	-	-	-	-

Source: Municipal Securities Rulemaking Board website: <https://emma.msrb.org/>
Screenshot image permission granted by the MSRB 2023.

An EMMA Example

Continuing Disclosure Filings for a Specific Offering (portion shown below)

View continuing disclosure or advance refunding document, which provides important information about the security after initial issuance.

FINANCIAL INFORMATION & DOCUMENTS Collapse▲

Most Recent City of Grimes, IA Independent Auditor's Report for the year ended 06/30/2022 posted 02/01/2023 (395 KB) [details](#)

Annual Financial Information and Operating Data

Grimes IA FY21 Annual Financial Report for the year ended 06/30/2021 posted 06/17/2022 (190 KB) [details](#)

Grimes IA FY20 Annual Financial Report for the year ended 06/30/2020 posted 06/25/2021 (187 KB) [details](#)

Grimes IA FY19 Financial and Operating Annual Report for the year ended 06/30/2019 posted 06/15/2020 (70 KB) [details](#)

Audited Financial Statements or ACFR

City of Grimes, IA Independent Auditor's Report for the year ended 06/30/2022 posted 02/01/2023 (395 KB) [details](#)

City of Grimes, IA Independent Auditor's Reports for the year ended 06/30/2021 posted 01/13/2022 (358 KB) [details](#)

Grimes IA FY20 Independent Auditor's Report for the year ended 06/30/2020 posted 02/09/2021 (455 KB) [details](#)

EVENT NOTICES Collapse▲

Most Recent City of Grimes, IA Notice of Financial Obligation - Signature Ernst Holdings LLC as of 11/22/2022 posted 12/01/2022 (8.5 MB) [details](#)

Financial Obligation - Incurrence or Agreement

City of Grimes, IA Notice of Financial Obligation - Signature Ernst Holdings LLC as of 11/22/2022 posted 12/01/2022 (8.5 MB) [details](#)

City of Grimes, IA - Notice of Financial Obligation - Rock Creek Investments as of 07/12/2022 posted 07/18/2022 (8.3 MB) [details](#)

City of Grimes IA - Notice of Financial Obligation - Sewer Revenue Bonds Series 2022 as of 05/27/2022 posted 05/24/2022 (13.3 MB) [details](#)

Source: Municipal Securities Rulemaking Board website:
<https://emma.msrb.org/>
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An EMMA Example

How the continuing disclosure review flows through a financing

- In the process of the initial offering of bonds, the continuing disclosure compliance is reviewed.
- Dorsey prepares a memo for the Issuer or underwriter (depending on who Dorsey is representing).
- The Issuer’s past compliance is disclosed in the OS; here is the statement as it appeared in the City of Grimes, Iowa General Obligation Corporate Purpose Bonds, Series 2022A:

CONTINUING DISCLOSURE

The Issuer will covenant in a Continuing Disclosure Certificate for the benefit of the Owners and Beneficial Owners of the Bonds to provide annually certain financial information and operating data relating to the Issuer (the “Annual Report”), and to provide notices of the occurrence of certain enumerated events. The Annual Report is to be filed by the Issuer no later than twelve months after the close of each fiscal year, commencing with the fiscal year ending June 30, 2022, with the Municipal Securities Rulemaking Board, at its internet repository named “Electronic Municipal Market Access” (“EMMA”). The notices of events, if any, are also to be filed with EMMA. See “APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE.” The specific nature of the information to be contained in the Annual Report or the notices of events, and the manner in which such materials are to be filed, are summarized in “APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE.” These covenants have been made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the “Rule”).

During the previous five years, the Issuer has not failed to comply, in all material respects, with any previous undertakings it has entered into with respect to the Rule.

Conclusion

- **Key Takeaways**

- Disclosure responsibilities do not end with closing
 - Annual report disclosure
 - Material event disclosure
- Increased SEC scrutiny of post-issuance compliance

- **Compliance considerations for amended Rule**

- Adopt or amend revised policies and procedures
- Review and catalogue existing debt obligations
- Consult bond or disclosure counsel for assistance



Municipal Securities Disclosure

Questions?

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Questions? If you have questions, you are welcome to follow-up directly with the presenters.

Materials and Sign-In are available for download from the reminder email sent yesterday from Events@Dorsey.com.

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He also advises state governments on federal and state program financings and has experience with all levels of federal tax exempt private activity financings. In addition, clients entrust David to provide general counsel with respect to debt restructurings, acquisitions, corporate governance issues and economic development projects.

David's practice includes representing national and regional investment banks and financial institutions.

David also counsels state agency and authority clients carrying out federal programs such as state revolving funds, housing programs, prison financings, highway trust fund financings, tobacco securitizations and USDA financings.



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James Smith is a Partner in Dorsey's Public Finance Group regularly serves as underwriters' counsel, disclosure counsel, bond counsel and trustee counsel on public finance matters, with an emphasis on state housing finance agency (HFA) transactions. Having worked for several years at the Iowa Finance Authority before joining Dorsey, James has a unique perspective of HFA work, including a thorough understanding of housing and state revolving fund programs. James applies this direct experience to help governmental Issuers and their finance professionals obtain necessary program funding.

In addition to his HFA-related work in numerous states, James also frequently serves as bond counsel, disclosure counsel and/or underwriter's counsel on general governmental, utility and economic development transactions.



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Jennifer Block's public finance practice is focused on municipal disclosure in light of MSRB and SEC regulation and oversight. She counsels municipal clients, conduit borrowers, underwriters, investment banking firms and other municipal market participants on primary and continuing disclosure matters. Her work includes drafting initial offering documents, conducting due diligence, developing primary and post-issuance disclosure procedures, providing compliance training to help clients navigate SEC and MSRB rules, and preparing bond purchase agreements.

She uses her financial services background working through various issues under the Securities Act of 1933, the Investment Company Act of 1940, and SEC rules adopted under both Acts, especially issues with investment company disclosure, to help her clients understand municipal disclosure. The complexity of her past practice assists her in navigating the technical details of public finance transactions.

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