

Debt Service Fund

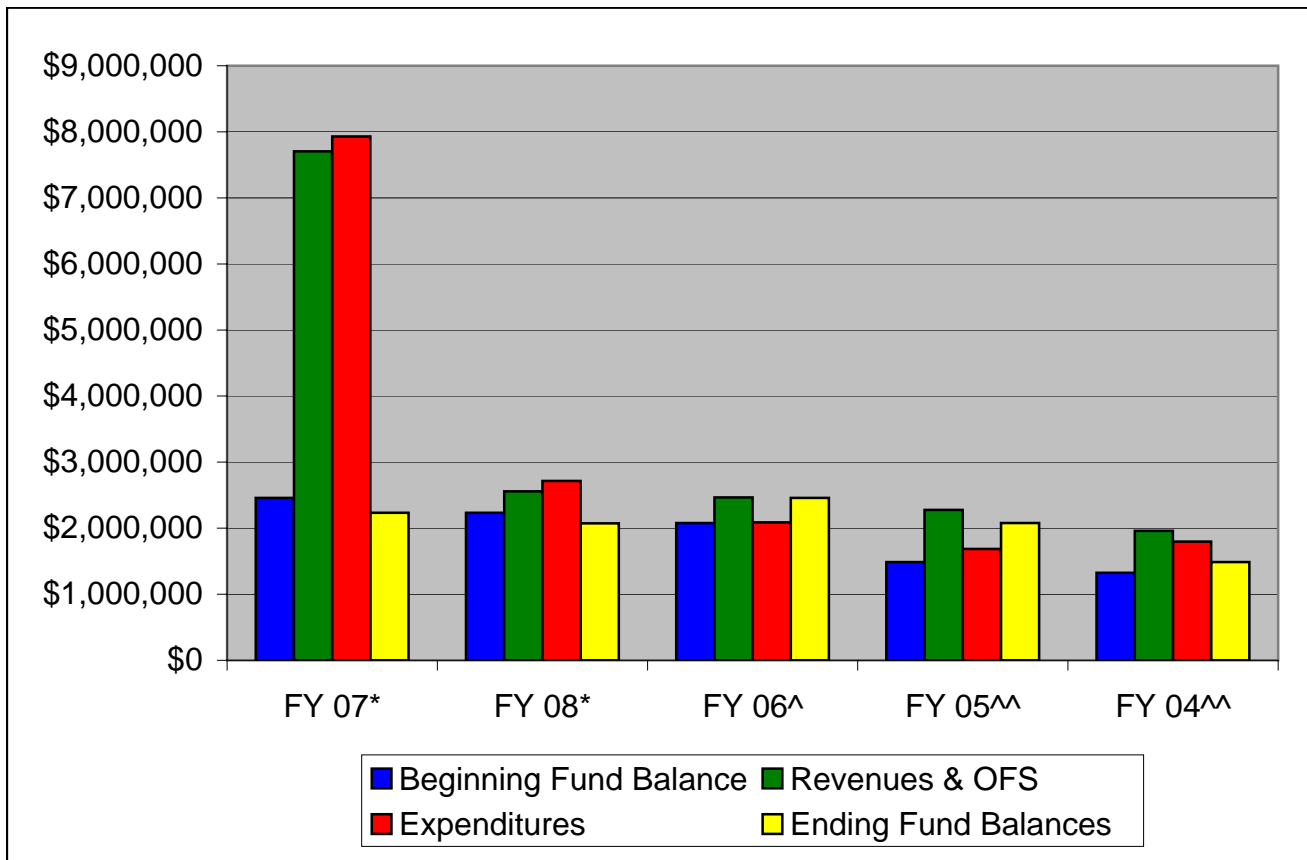
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City of Auburn

Description of and Trends in Debt Service Fund

Debt service funds are used to account for the payment of principal and interest on long-term debt. Debt service revenues are from taxes and other operating revenues, some of which are pledged specifically to repay certain outstanding bond issues. For more information on the City's debt policies, please refer to the Overview of Debt Policy and Outstanding Debt in the General Information Section of this document. The City of Auburn budgets for the following debt service fund:

Special 5-Mill Tax Fund accounts for revenues received from five mills of ad valorem tax dedicated to the payment of principal and interest on bonds approved by the Citizens of Auburn in a special election.



* Budgeted

^ Actual, Unaudited

^^ Audited

City of Auburn

Debt Service Fund

Comparative Revenue, Expenditures, and Changes in Fund Balances

	Budgeted		Actual (Unaudited)	Actual (Audited)		Five Year Percent Change
	FY 08	FY 07	FY 06	FY 05	FY 04	
Revenues:						
General property tax	\$ 2,458,210	\$ 2,363,663	\$ 2,326,314	\$ 2,109,363	\$ 1,910,566	28.7%
Interest	100,000	90,000	138,530	72,101	48,939	104.3%
Total revenues	<u>2,558,210</u>	<u>2,453,663</u>	<u>2,464,844</u>	<u>2,181,464</u>	<u>1,959,505</u>	30.6%
Other financing sources (OFS):	-	5,250,000	-	96,341	-	n/a
Total revenues and OFS	<u>2,558,210</u>	<u>7,703,663</u>	<u>2,464,844</u>	<u>2,277,805</u>	<u>1,959,505</u>	30.6%
Expenditures:						
General Operations						
Tax Administration Fee	111,184	105,893	100,189	74,385	69,710	59.5%
Debt Service						
Principal	1,630,000	1,465,000	1,095,000	732,661	930,000	75.3%
Interest	968,001	1,100,586	887,419	775,356	790,256	22.5%
Fiscal fees	7,000	7,000	4,300	102,667	6,871	1.9%
Total expenditures	<u>2,716,185</u>	<u>2,678,479</u>	<u>2,086,908</u>	<u>1,685,069</u>	<u>1,796,837</u>	51.2%
Other financing uses (OFU):						
Transfers out	-	5,250,000	-	-	-	n/a
Total expenditures and OFU	<u>2,716,185</u>	<u>7,928,479</u>	<u>2,086,908</u>	<u>1,685,069</u>	<u>1,796,837</u>	51.2%
Excess (deficit) of revenue and OFS over expenditures and OFU	(157,975)	(224,816)	377,936	592,736	162,668	-197.1%
Fund balance, beginning of year	<u>2,232,296</u>	<u>2,457,112</u>	<u>2,079,176</u>	<u>1,486,440</u>	<u>1,323,772</u>	68.6%
Fund balance, end of year	<u>\$ 2,074,321</u>	<u>\$ 2,232,296</u>	<u>\$ 2,457,112</u>	<u>\$ 2,079,176</u>	<u>\$ 1,486,440</u>	39.5%

Beginning and ending fund balances for budgeted years have been updated from the budget ordinance to reflect unaudited ending fund balances at September 30, 2006.

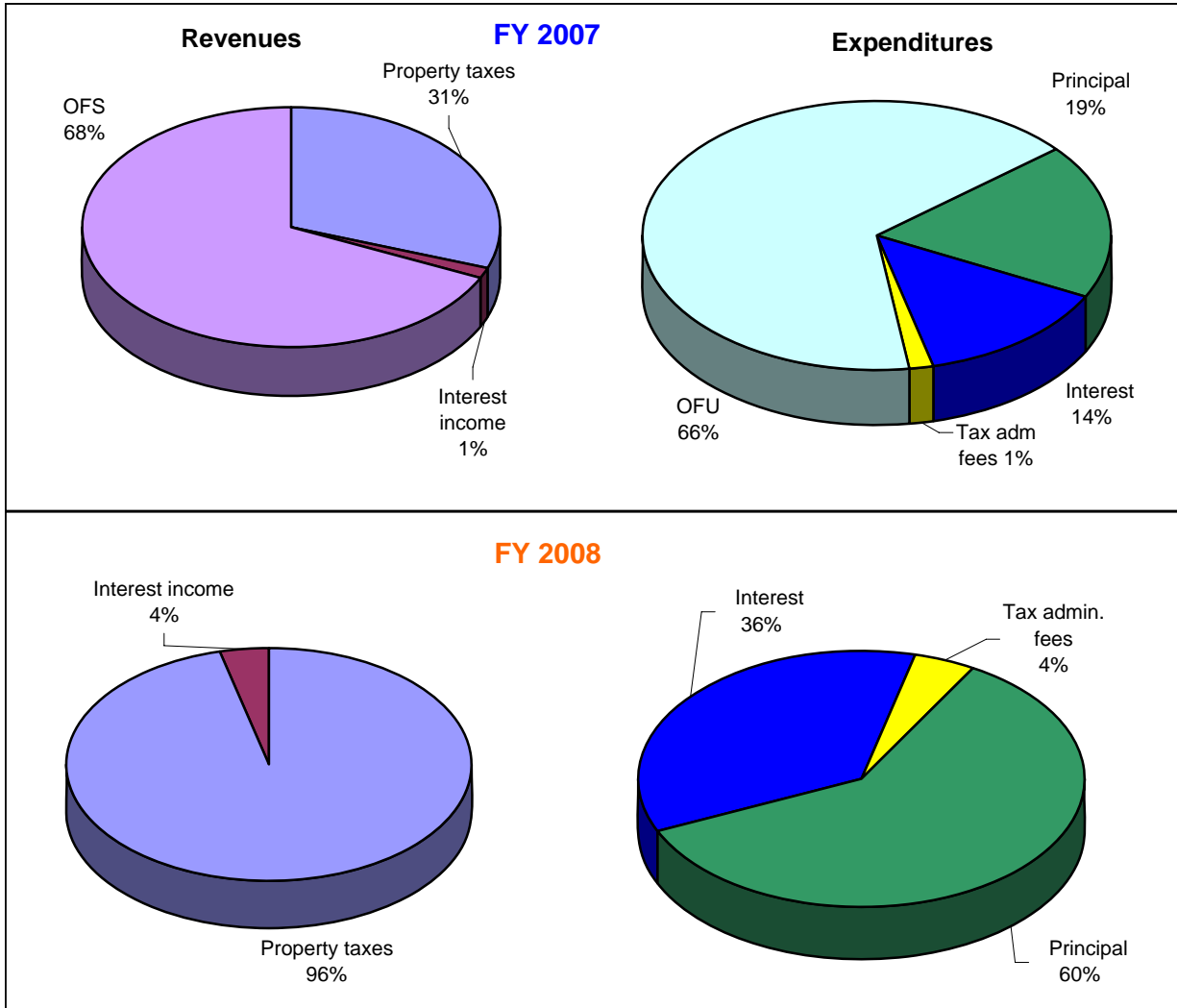
City of Auburn
Overview of Debt Service Fund
Biennial Budget - FY 07 & FY 08

	Special Five Mill Tax Fund
Audited fund balance, 9.30.05	\$ 2,079,176
FY 06 Actual revenues*	2,464,844
FY 06 Actual expenditures*	<u>2,086,908</u>
Unaudited fund balance, 9.30.06	2,457,112
FY 07 Budget	
Revenues	
Taxes - ad valorem	2,363,663
Other revenue	<u>5,340,000</u>
<i>Total revenues</i>	<u>7,703,663</u>
Other financing sources	
Transfers from other funds	<u>-</u>
Total resources available	<u>10,160,775</u>
Expenditures	
Non-departmental	
General operations	112,893
Debt service	
Principal	1,465,000
Interest	<u>1,100,586</u>
<i>Total expenditures</i>	<u>2,678,479</u>
Other financing uses	
Transfers to other funds	<u>5,250,000</u>
Total resources used	<u>7,928,479</u>
Projected fund balance, 9.30.07	2,232,296
FY 08 Budget	
Revenues	
Taxes - ad valorem	2,458,210
Other revenue	<u>100,000</u>
<i>Total revenues</i>	<u>2,558,210</u>
Other financing sources	
Transfers from other funds	<u>-</u>
Total resources available	<u>4,790,506</u>
Expenditures	
Non-departmental	
General operations	118,184
Debt service	
Principal	1,630,000
Interest	<u>968,001</u>
<i>Total expenditures</i>	<u>2,716,185</u>
Total resources used	<u>2,716,185</u>
Projected fund balance, 9.30.08	<u>\$ 2,074,321</u>

* Unaudited

City of Auburn

Overview of Debt Service Fund ~ Revenues and Expenditures



	Fiscal Year 2007		Fiscal Year 2008	
	Revenues	Expenditures	Revenues	Expenditures
<u>Revenues</u>				
Property taxes	\$ 2,363,663		\$ 2,458,210	
Interest income	90,000		100,000	
Other Financing Sources	5,250,000		-	
<u>Expenditures</u>				
<u>Debt Service</u>				
Principal		\$ 1,465,000		\$ 1,630,000
Interest		1,100,586		968,001
Tax administration fees		112,893		118,184
Other Financing Uses		5,250,000		-
<i>Totals</i>	\$ 7,703,663	\$ 7,928,479	\$ 2,558,210	\$ 2,716,185

City of Auburn, Alabama
Special Five Mill Tax Fund History

Bonds Pay Out In CY	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
Revenues:										
Ad Valorem Tax	\$ 978,153	\$ 1,025,656	\$ 1,134,000	\$ 1,346,753	\$ 1,420,812	\$ 1,515,308	\$ 1,592,323	\$ 1,910,566	\$ 2,109,363	\$ 2,326,314
Interest	156,613	196,451	168,251	188,804	130,837	78,169	57,454	48,939	72,101	138,530
Total Revenues	1,134,766	1,222,107	1,302,251	1,535,557	1,551,649	1,593,477	1,649,777	1,959,505	2,181,464	2,464,844
Expenditures:										
Principal '71	10,000	10,000	10,000	10,000	10,000	10,000				
Interest '71	3,355	2,745	2,135	1,525	915	305				
Principal '74	40,000	40,000	40,000	40,000	40,000	40,000	40,000			
Interest '74	18,440	15,840	13,200	10,560	7,920	5,280	2,640			
Principal '88 (refunded by 9.01, 98 bds)	-	405,000	-	-	-	-	-			
Interest '88 (refunded by 9.01, 98 bonds)	172,500	172,500	-	-	-	-	-			
Principal '91	200,000									
Interest '91	5,140									
Non-Departmental*	37,405	45,639	44,834	53,843	65,266	66,075	64,605	69,710	74,385	100,189
Trustee Fees	4,426	3,793	10,152	6,527	3,641	11,788	6,931	6,871	6,325	4,300
Refunding bond issuance costs		24,787							96,342	
Advance refunding escrow		74,750								
Cap imp wts 6.01, 97 \$6.5M Principal		180,000	195,000	210,000	225,000	245,000	260,000	280,000	42,663	
Cap imp wts 6.01, 97 \$6.5M Interest		325,934	307,160	299,360	290,541	280,978	270,198	258,498	122,809	
(refunded by 2005 issue)										
Cap imp wts 6.01, 98 \$2.0M Principal		70,000	75,000	75,000	80,000	85,000	90,000	95,000	95,000	105,000
Cap imp wts 6.01, 98 \$2.0M Interest		8,003	90,178	87,177	84,102	80,742	77,130	73,260	69,080	64,853
GO Ref Bds 9.01, 98 \$2.095M Prin			445,000	495,000	550,000	605,000				
GO Ref Bds 9.01, 98 \$2.095M Interest			74,760	65,258	46,200	24,200				
GO Warrants 8.01, 99 (Lib) \$3.7M Prin				177,580	190,265	190,265	215,000	225,000	240,000	260,000
GO Warrants 8.01, 99 (Lib) \$3.7M Int							190,265	179,515	168,265	156,265
GO Warrants 8.01, 02 \$7.25M Prin					290,000	290,000	310,000	330,000	355,000	375,000
GO Warrants 8.01, 02 \$7.25M Int					33,797	33,797	285,183	278,982	270,403	259,753
GO Warrants 3.01, 05 \$5.0M Prin									-	355,000
GO Warrants 3.01, 05 \$5.0M Int									144,799	406,548
New-GO Warrants 10.06 \$5.2M Prin										
New-GO Warrants 10.06 \$5.2M Int										
Total Expenditures	491,266	1,378,991	1,307,419	1,531,830	1,593,850	1,968,430	1,811,952	1,796,836	1,685,071	2,086,908
Other Financing Sources and Uses										
Proceeds of refunding bonds		2,090,807							\$ 9,905,000	
Premium on debt issued		(2,063,782)							\$ 328,038	
Payment to refunded bond escrow		(435,157)							\$ (5,026,414)	
Operating transfers to other funds		(408,132)							\$ (5,110,283)	
Total OFS/OFU									96,341	
Excess of Revenues > Expenditures	643,500	(565,016)	(5,168)	(756,054)	(42,201)	(374,953)	(162,175)	162,670	592,734	377,936
Beginning fund balance	2,585,838	3,229,338	2,664,322	2,659,154	1,903,100	1,860,899	1,485,946	1,323,772	1,486,441	2,079,176
Ending fund balance	\$3,229,338	\$2,664,322	\$2,659,154	\$1,903,100	\$1,860,899	\$1,485,946	\$1,323,772	\$1,486,441	\$2,079,176	\$2,457,112

Auburn Five Mill Tax (Bond Tax) Projection through FY 2016

Bonds Pay Out in CY	Rate of Projected Change	FY 2006		FY 2007 Budgeted	FY 2008 Budgeted	FY 2009 Projected	FY 2010 Projected	FY 2011 Projected	FY 2012 Projected	FY 2013 Projected	FY 2014 Projected	FY 2015 Projected	FY 2016 Projected
		Budgeted	Actual										
Revenues:													
Ad Valorem Tax (1)	8.5%	\$ 2,371,000	\$ 2,326,314	\$ 2,363,663	\$ 2,458,210	\$ 2,667,158	\$ 2,893,866	\$ 3,139,845	\$ 3,406,732	\$ 3,696,304	\$ 4,010,490	\$ 4,351,381	\$ 4,721,249
Interest (2)		122,000	138,530	140,000	100,000	47,415	47,989	50,221	54,371	60,684	69,847	82,084	88,926
Total Revenues		2,493,000	2,464,844	2,503,663	2,558,210	2,714,573	2,941,856	3,190,066	3,461,103	3,756,988	4,080,437	4,433,466	4,810,175
Expenditures:													
Non-Departmental*													
Refunding bond issuance costs	7.0%	92,000	100,189	105,893	111,184	118,967	127,295	136,205	145,740	155,941	166,857	178,537	191,035
Trustee Fees	5.0%	7,000	4,300	7,000	7,000	7,350	7,718	8,103	8,509	8,934	9,381	9,850	10,342
Cap imp wts 6.01.97 \$6.5M Principal		-	-	-	-	-	-	-	-	-	-	-	-
Cap imp wts 6.01.97 \$6.5M Interest		-	-	-	-	-	-	-	-	-	-	-	-
Cap imp wts 6.01.98 \$2.0M Principal		95,000	105,000	110,000	115,000	120,000	130,000	135,000	145,000	150,000	160,000	165,000	165,000
Cap imp wts 6.01.98 \$2.0M Interest		69,060	64,853	60,075	55,015	49,667	44,027	37,788	31,172	23,995	16,495	8,415	8,415
GO Warrants 8.01.99 (Lib) \$3.7M Prin		240,000	260,000	275,000	290,000	310,000	330,000	355,000	375,000	400,000	425,000	375,000	400,000
GO Warrants 8.01.99 (Lib) \$3.7M Int		168,265	156,265	143,265	129,515	115,015	99,515	82,685	64,225	44,350	22,950	64,225	44,350
GO Warrants 8.01.02 \$7.25M Prin		355,000	375,000	405,000	435,000	465,000	495,000	530,000	565,000	605,000	650,000	695,000	695,000
GO Warrants 8.01.02 \$7.25M Int		270,403	259,753	247,753	231,553	211,978	191,053	170,758	148,498	124,203	97,280	67,705	67,705
GO Warrants 3.01.05 \$5.0M Prin		-	355,000	450,000	550,000	625,000	705,000	785,000	865,000	900,000	965,000	1,030,000	975,000
GO Warrants 3.01.05 \$5.0M Int		144,799	406,548	393,643	377,218	357,293	330,693	296,968	262,854	225,865	185,995	142,875	92,750
New-GO Warrants 1.07 \$5.2M Prin		-	-	225,000	240,000	250,000	265,000	280,000	300,000	315,000	335,000	355,000	380,000
New-GO Warrants 1.07 \$5.2M Int		-	-	255,850	174,700	253,550	239,388	224,400	208,450	191,538	173,663	154,688	134,475
Total Expenditures		1,685,071	2,081,419	2,678,479	2,716,185	2,883,819	2,964,687	3,041,907	3,119,447	3,144,826	3,207,621	3,246,295	3,164,072
Other Financing Sources and Uses													
Proceeds of refunding/new bonds		\$ 9,905,000	\$ -	\$ 5,200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Premium on debt issued		328,038	-	-	-	-	-	-	-	-	-	-	-
Payment to refunded bond escrow		(5,026,414)	-	(5,250,000)	-	-	-	-	-	-	-	-	-
Operating transfers to other funds		(5,110,283)	-	-	-	-	-	-	-	-	-	-	-
Total OFSOFU		96,341	-	(50,000)	-	-	-	-	-	-	-	-	-
Excess of Revenues > Expenditures		592,734	411,581	377,937	(157,975)	(169,246)	(22,831)	148,159	341,656	612,161	872,816	1,187,171	1,646,103
Beginning fund balance		1,486,441	2,079,175	2,457,112	2,232,297	2,074,322	1,905,076	1,882,245	2,030,404	2,372,060	2,984,221	2,984,221	4,171,392
Ending fund balance		\$ 2,079,175	\$ 2,490,756	\$ 2,232,297	\$ 2,074,322	\$ 1,905,076	\$ 1,882,245	\$ 2,030,404	\$ 2,372,060	\$ 2,984,221	\$ 3,857,037	\$ 4,171,392	\$ 5,817,495

(1) Average increase in property tax revenue since FY 97 has been 13.8%. To be conservative, projection calculated at an annual rate of 8.5%.

(2) Interest projected at 2% of the average of the beginning and ending fund balances for each fiscal year.