

**Special Activities of the General Fund**

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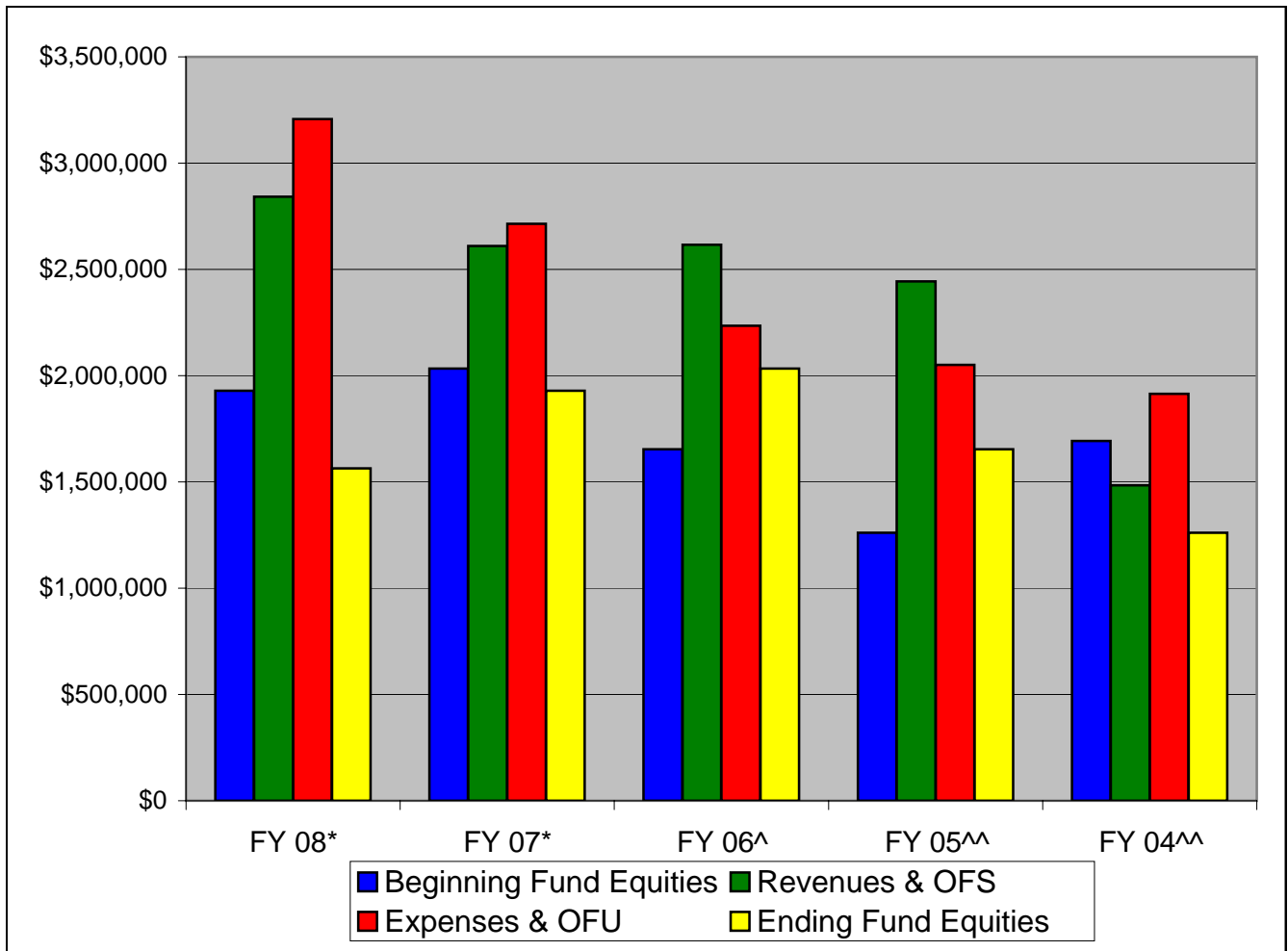
## City of Auburn

### *Description of and Trends in Special Activities of the General Fund*

**Special Activities of the General Fund** are used to provide a separate accounting for services that are provided by the City to all City departments, as well as to the Auburn Water Works Board.

**Liability Risk Retention Fund** accounts for the costs of operating the City's general liability and workers compensation self-insurance program.

**Employee Benefit Self-Insurance Fund** accounts for the cost of operating the City's self-insurance employee benefit program.



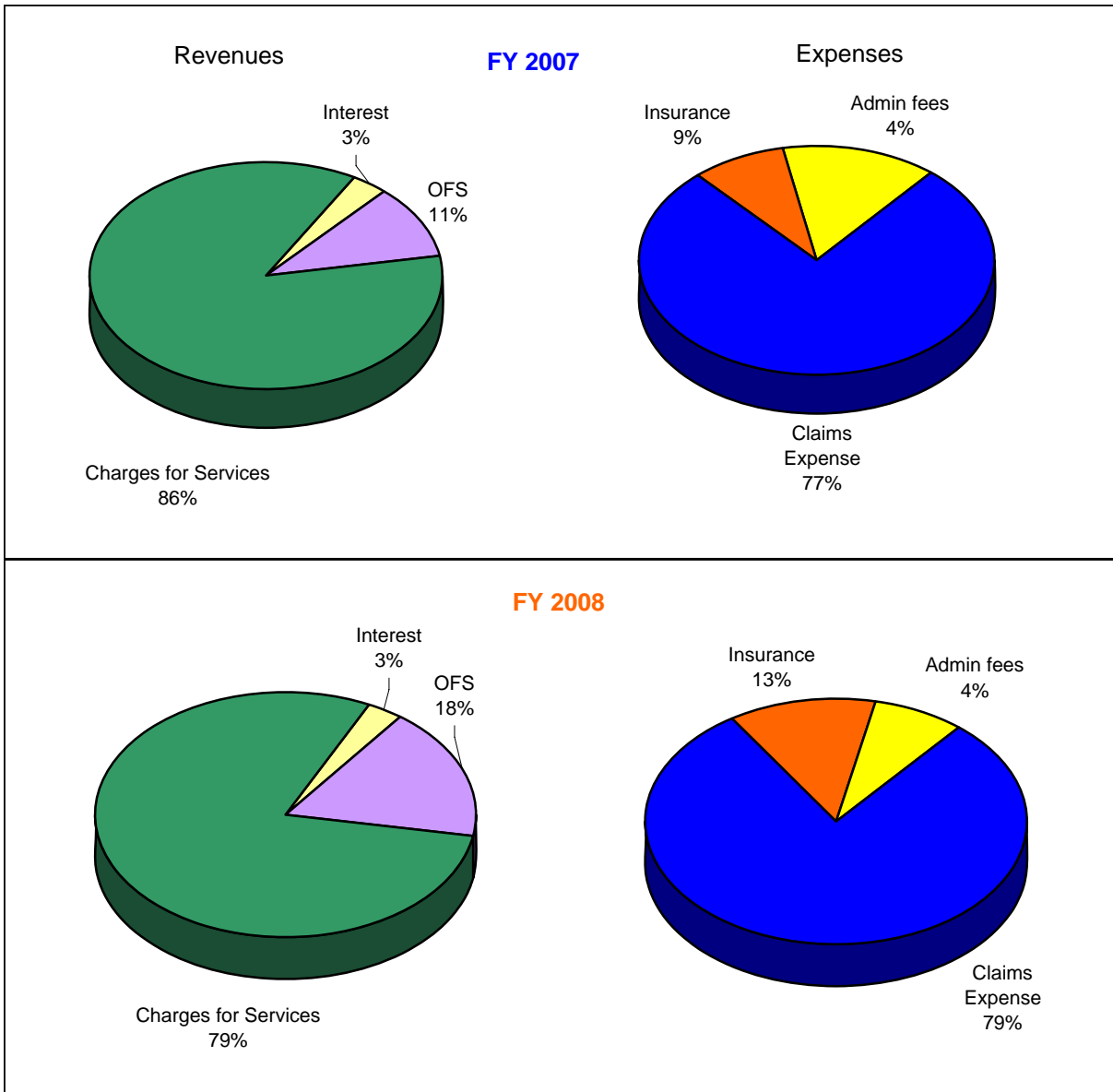
\* Budgeted

^ Actual, unaudited

^^ Audited

# City of Auburn

## Overview of Total Special Activities of the General Fund ~ Revenues and Expenses



	<b>FY 2007</b>	<b>FY 2008</b>
<b>Revenues</b>		
Charges for Services	2,250,558	2,256,352
Interest	85,000	85,000
Other Financing Sources	275,000	500,000
<b>Expenses</b>		
Claims Expense	2,096,730	2,555,230
Insurance	232,220	405,233
Administration fees	386,215	246,250
<b>Totals</b>	<b>\$ 2,610,558</b>	<b>\$ 2,715,165</b>
	<b>\$ 2,841,352</b>	<b>\$ 3,206,713</b>

**City of Auburn**

**Total Special Activities of the General Fund**

**Comparative Revenue, Expenditures, and Changes in Fund Balances**

	<b>Budgeted</b>		Actual (Unaudited)	Actual (Audited)		Five Year Percent Change
	<b>FY 08</b>	<b>FY 07</b>	FY 06	FY 05	FY 04	
<b>Revenues:</b>						
Charges for Services						
Employer Premiums	\$ 1,515,884	\$ 1,510,090	\$ 1,424,858	\$ 1,027,647	\$ 726,884	108.5%
Employee Premiums	740,468	740,468	716,318	653,099	632,398	17.1%
Other revenues						
Interest	60,000	60,000	80,234	28,618	35,036	71.3%
Claims reimbursement	25,000	25,000	19,000	8,403	89,218	-72.0%
Total revenues	<u>2,341,352</u>	<u>2,335,558</u>	<u>2,240,410</u>	<u>1,717,767</u>	<u>1,483,536</u>	57.8%
<b>Other financing sources (OFS):</b>						
Transfers in from other funds	500,000	275,000	375,000	725,918	-	n/a
<b>Total revenues and OFS</b>	<u><b>2,841,352</b></u>	<u><b>2,610,558</b></u>	<u><b>2,615,410</b></u>	<u><b>2,443,685</b></u>	<u><b>1,483,536</b></u>	91.5%
<b>Expenditures:</b>						
General Operations						
Claims payments	2,555,230	2,096,730	1,809,583	1,584,843	1,472,739	73.5%
Insurance premiums	405,233	386,215	286,456	320,586	294,100	
Administration fees	246,250	232,220	138,654	145,601	121,795	102.2%
Total expenditures	<u>3,206,713</u>	<u>2,715,165</u>	<u>2,234,693</u>	<u>2,051,030</u>	<u>1,888,634</u>	69.8%
<b>Other financing uses (OFU):</b>						
Operating transfers to other funds	-	-	-	-	26,499	-100.0%
<b>Total expenditures and OFU</b>	<u><b>3,206,713</b></u>	<u><b>2,715,165</b></u>	<u><b>2,234,693</b></u>	<u><b>2,051,030</b></u>	<u><b>1,915,133</b></u>	67.4%
Excess (deficit) of revenue and OFS over expenditures and OFU	(365,361)	(104,607)	380,717	392,655	(431,597)	-15.3%
<b>Fund balance, beginning of year</b>	<u><b>1,929,363</b></u>	<u><b>2,033,970</b></u>	<u><b>1,653,253</b></u>	<u><b>1,260,598</b></u>	<u><b>1,692,195</b></u>	14.0%
<b>Fund balance, end of year</b>	<u><u><b>\$ 1,564,002</b></u></u>	<u><u><b>\$ 1,929,363</b></u></u>	<u><u><b>\$ 2,033,970</b></u></u>	<u><u><b>\$ 1,653,253</b></u></u>	<u><u><b>\$ 1,260,598</b></u></u>	24.1%

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

**City of Auburn**  
**Overview of Special Activities of the General Fund<sup>^</sup>**  
**Biennial Budget - FY 07 & FY 08**

	Liability Risk Retention	Employee Benefit Self-Insurance	Total - All Special Activities of the General Fund
<b>Audited fund balances, 9.30.05</b>	<b>\$ 799,666</b>	<b>\$ 853,587</b>	<b>\$ 1,653,254</b>
FY 06 Projected revenues*	409,768	2,205,642	2,615,410
FY 06 Budgeted expenses*	278,032	1,956,661	2,234,693
<b>Projected fund balances, 9.30.06</b>	<b>931,402</b>	<b>1,102,568</b>	<b>2,033,971</b>
<b>FY 07 Budget</b>			
<b>Revenues</b>			
Charges for services	-	-	-
Other revenue	50,000	35,000	85,000
<i>Total revenues</i>	50,000	35,000	85,000
<b>Other financing sources</b>			
Transfers from other funds	275,000	2,250,558	2,525,558
<b>Total resources available</b>	<b>1,256,402</b>	<b>3,388,126</b>	<b>4,644,529</b>
<b>Expenses</b>			
Risk management/employee benefits	513,395	2,201,770	2,715,165
Non-departmental	-	-	-
<i>Total expenses</i>	513,395	2,201,770	2,715,165
<b>Other financing uses</b>			
Transfers to other funds	-	-	-
<b>Total resources used</b>	<b>513,395</b>	<b>2,201,770</b>	<b>2,715,165</b>
<b>Projected fund balances, 9.30.07</b>	<b>743,007</b>	<b>1,186,356</b>	<b>1,929,364</b>
<b>FY 08 Budget</b>			
<b>Revenues</b>			
Charges for services	-	-	-
Other revenue	50,000	35,000	85,000
<i>Total revenues</i>	50,000	35,000	85,000
<b>Other financing sources</b>			
Transfers from other funds	500,000	2,256,352	2,756,352
<b>Total resources available</b>	<b>1,293,007</b>	<b>3,477,708</b>	<b>4,770,715</b>
<b>Expenses</b>			
Risk management/employee benefits	535,265	2,671,448	3,206,713
Non-departmental	-	-	-
<i>Total expenses</i>	535,265	2,671,448	3,206,713
<b>Other financing uses</b>			
Transfers to other funds	-	-	-
<b>Total resources used</b>	<b>535,265</b>	<b>2,671,448</b>	<b>3,206,713</b>
<b>Projected fund balances, 9.30.08</b>	<b>\$ 757,742</b>	<b>\$ 806,260</b>	<b>\$ 1,564,002</b>

<sup>^</sup> Special Activities of the General Fund are used to provide a separate accounting for services that are provided by the City to all City departments, as well as to the Auburn Water Board.

\* As projected at end of year

**City of Auburn ~ Special Activities of the General Fund**  
**Comparative Revenue, Expenditures, and Changes in Fund Balances**

<b>Liability Risk Rentention Fund</b>						
	<b>Budgeted</b>		Actual (Unaudited)	Actual (Audited)		Five Year Percent Change
	<b>FY 08</b>	<b>FY 07</b>	FY 06	FY 05	FY 04	
<b>Revenues:</b>						
Interest	\$ 25,000	\$ 25,000	\$ 34,768	\$ 13,287	\$ 17,579	42.2%
Claims reimbursement	25,000	25,000	-	-	-	n/a
<b>Other financing sources (OFS):</b>						
Transfers in from other funds	500,000	275,000	375,000	411,000	-	n/a
<b>Total revenues and OFS</b>	<b>550,000</b>	<b>325,000</b>	<b>409,768</b>	<b>424,287</b>	<b>17,579</b>	3028.7%
<b>Expenses:</b>						
Claims Payments	241,650	226,650	167,222	164,556	129,062	87.2%
Insurance premiums	174,465	172,125	79,012	89,284	46,697	273.6%
Administration fees	119,150	114,620	31,798	49,188	32,093	271.3%
Total expenses	535,265	513,395	278,032	303,028	207,852	157.5%
<b>Other financing uses (OFU):</b>						
Operating transfers to other funds	-	-	-	-	-	n/a
<b>Total expenses &amp; OFU</b>	<b>535,265</b>	<b>513,395</b>	<b>278,032</b>	<b>303,028</b>	<b>207,852</b>	157.5%
Excess of revenue and other sources over expenditures and other uses	14,735	(188,395)	131,736	121,259	(190,273)	-107.7%
<b>Fund balance, beginning of year</b>	<b>743,007</b>	<b>931,402</b>	<b>799,666</b>	<b>678,407</b>	<b>868,680</b>	-14.5%
<b>Fund balance, end of year</b>	<b>\$ 757,742</b>	<b>\$ 743,007</b>	<b>\$ 931,402</b>	<b>\$ 799,666</b>	<b>\$ 678,407</b>	11.7%

<b>Employee Benefit Self-Insurance Fund</b>						
	<b>Budgeted</b>		Actual (Unaudited)	Actual (Audited)		Five Year Percent Change
	<b>FY 08</b>	<b>FY 07</b>	FY 06	FY 05	FY 04	
<b>Revenues:</b>						
Employer premiums	1,515,884	1,510,090	1,424,858	1,027,647	726,884	108.5%
Employee premiums	740,468	740,468	716,318	653,099	632,398	17.1%
Interest	35,000	35,000	45,466	15,331	17,457	100.5%
Claims reimbursement	-	-	19,000	8,403	89,218	-100.0%
Total revenues	<b>2,291,352</b>	<b>2,285,558</b>	<b>2,205,642</b>	<b>1,704,480</b>	<b>1,465,957</b>	56.3%
<b>Other financing sources (OFS):</b>						
Transfers in from other funds	-	-	-	<b>314,918</b>	-	n/a
<b>Total revenues and OFS</b>	<b>2,291,352</b>	<b>2,285,558</b>	<b>2,205,642</b>	<b>2,019,399</b>	<b>1,465,957</b>	56.3%
<b>Expenses:</b>						
Claims payments	2,313,580	1,870,080	1,642,361	1,420,287	1,343,677	72.2%
Insurance premiums	230,768	214,090	207,444	231,302	247,403	-6.7%
Administration fees	127,100	117,600	106,856	96,413	89,702	41.7%
Total expenses	2,671,448	2,201,770	1,956,661	1,748,002	1,680,782	58.9%
<b>Other financing uses (OFU):</b>						
Operating transfers to other funds	-	-	-	-	26,499	-100.0%
<b>Total expenses and OFU</b>	<b>2,671,448</b>	<b>2,201,770</b>	<b>1,956,661</b>	<b>1,748,002</b>	<b>1,707,281</b>	56.5%
Excess of revenue and other sources over expenditures and other uses	(380,096)	83,788	248,981	271,397	(241,324)	57.5%
<b>Fund balance, beginning of year</b>	<b>1,186,356</b>	<b>1,102,568</b>	<b>853,587</b>	<b>582,190</b>	<b>823,515</b>	44.1%
<b>Fund balance, end of year</b>	<b>\$ 806,260</b>	<b>\$ 1,186,356</b>	<b>\$ 1,102,568</b>	<b>\$ 853,587</b>	<b>\$ 582,190</b>	38.5%

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.

**A**

**Accrual Basis-** Accounting method in which revenues are recorded when earned and expenses recorded when the associated liability is incurred, irrespective of the timing of the related cash receipts and disbursements.

**ADA-** Americans with Disabilities Act.

**ADEM-** Alabama Department of Environmental Management.

**Ad valorem tax-** A property tax based on the valuation assigned to property by the elected county tax assessor. State law establishes the method of valuing property and calculating the tax assessment.

**ALDOT-** Alabama State Department of Transportation.

**Appropriation-** A legislative authorization for expenditures for specific purposes within a specific time frame.

**ASA-** Amateur Softball Association.

**Assessment-** compulsory levy made against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

**AU-** Auburn University, the State's land grant university, located in Auburn, Alabama.

**Auburn 2020-** The City's long-range planning process, whereby the City Council and management, community leaders, and the citizens of Auburn developed a consensual vision of the City in the year 2020.

**B**

**Balance carried forward-** The projected fund balance of a fund at the completion of the prior fiscal year under consideration; beginning balance for the budget year.

**Balance to carry forward-** The projected fund balance of a fund at the completion of the fiscal year under consideration; ending fund balance for the budget year.

**Basis of accounting-** The timing for recognition of revenues and expenditures of expenses.

**BCC-** Boykin Community Center.

**Biennium-** A twenty-four month period for measuring financial activities, which may be divided into two twelve month periods, ending on a date specified by law. A biennial budget is a two-year budget.

**Bond-** A document evidencing the City's promise to pay a specified sum of money on a specified future date and periodic interest at a specified rate.

**Budget-** A financial plan showing projected costs and revenue for a specified time period.

**C**

**Capital Improvement Program (CIP)-** A six-year projection of capital improvements spending for long-term assets, which includes sources of funding and estimated project costs.

**Capital lease-** An agreement that gives the right to use real property or equipment for a stated period of time and that meets the accounting criteria for capitalization. The City uses such agreements as a financing method.

**Capital Outlay-** Expenditures for items with an estimated useful life of more than two years and of a substantial cost (more than \$5,000).

**CILOT-** Contribution in Lieu of Tax. CILOT is negotiated with governmental and/or tax-exempt entities in exchange for the provision of municipal services.

**Census Bureau-** An entity of the federal government responsible for determining the population of the states and cities within the United States.

**City Council-** The nine-person governing body of the City of Auburn. The Mayor is elected at-large and serves as a member of the City Council. The other eight members are elected from four districts. All members serve concurrent four-year terms.

**City Manager-** The person hired by the City Council to serve as the chief executive officer of the City Council. The City Manager's duties include recommending the biennial budget, overseeing all personnel matters, and advising the City Council on policy matters.

**Commodities-** Tangible goods to be consumed in the course of governmental operations with a period of less than two years.

**CDBG-** Community Development Block Grant, a grant program of the US Housing and Urban Development agency of the federal government.

**Component units-** Organizations that are legally separate from but affiliated with and financially accountable to the City.

**Contractual services-** Services provided to the government by entities other than its own employees.

**Credit rating-** A rating assigned by a professional organization as an indicator of the organization's evaluation of the degree of risk associated with the debt issued by a company or a governmental entity. A high credit rating indicates that the rating organization considers the debt to have a low risk of default. The national rating agencies include Moody's Investors Service and Standard & Poors, Inc.

**D**

**Debt-** An obligation to pay money in the future for borrowing money or receiving goods or services presently.

**Debt limit-** The legally permitted maximum amount of outstanding debt of the City under the provisions of State law.

**Debt service-** The amount of money needed to pay principal and interest on borrowed funds.

**Debt Service Funds-** Funds used to account for the payment of principal and interest on long-term debt.

**Department-** A major administrative unit that indicates overall management responsibility for an operation or a group of related operations within a functional area. A department may have more than one division.

**Department head-** The person appointed by the City Manager to oversee the day to day operations of a City department.

**DRRC-** Dean Road Recreation Center.

## E

**EAMC-** East Alabama Medical Center located in Opelika, Alabama. The City of Auburn contracts with EAMC for the provision of emergency medical services.

**EMS-** Emergency Medical Services.

**Encumbrance-** Funding commitment related to unperformed contracts for goods and services.

**Enterprise Funds-** Proprietary fund type used to report an activity for which a fee is charged to external users for goods or services.

**EUD-** East University Drive.

**Expenditures-** Decreases in a governmental fund's net financial resources resulting from the procurement of goods and services or the payment of principal and interest on general long-term debt.

**Expenses-** Outflows of net financial resources in a proprietary fund typically from the production and/or delivery of goods and services.

## F

**FAA-** Federal Aviation Administration.

**FBRC-** Frank Brown Recreation Center.

**FICA-** Social Security and Medicare.

**Fire insurance rating-** A rating from 1 to 10 (with 1 being the best) assigned by the Insurance Services Office which reflects the adequacy of water supply as well as the quantity and quality of fire protection service.

**Firewall-** A dedicated "gateway" computer and related software that provides security measures to protect a network of more loosely administered computers from being accessed by computer networks and individuals outside the organization.

**Fiscal year-** A twelve-month period used by a government, not necessarily a calendar year. The

City of Auburn's fiscal year begins October 1 and ends September 30, as required by State law.

**Full faith and credit-** A pledge of the City's general taxing power to pay the debt service requirement of its debt obligations.

**Fund-** An accounting entity comprised of a group of self-balancing accounts.

**Fund balance-** The excess or deficit of fund revenues and OFS over fund expenditures and OFU of governmental fund types.

**Fund equity-** The excess or deficit of fund assets over fund liabilities of proprietary fund types.

**FY-** Fiscal year (see above).

## G

**General Fund-** The main operating fund of the City which is used to account for all City financial resources except those required by generally accepted accounting principles to be accounted for in another fund.

**General obligation bonds (GO Bond)-** Bonds backed by the full faith and credit of the City.

**GIS-** Geographic Information System. A type of computer generated mapping system used to organize various types of map-related data for reference and analysis.

**Goal-** A specific and measurable target that managers are expected to achieve.

**Governmental funds-** Funds generally used to account for tax-supported activities- the general fund, special revenue funds, and debt service funds are all governmental funds.

**GPS-** Global Positioning System. A type of computer generated mapping system that identifies the latitude, longitude, and elevation of a particular point on earth, such as a building or a fire hydrant.

## H

**HR-** Human Resources. The City department that provides personnel and risk management services.

## I

**ICMA-** International City/County Management Association.

**Internal Service Funds-** Proprietary fund type that may be used to report any activity that provides goods or services to other funds or departments on a cost-reimbursement basis..

**ISA-** Independent Softball Association.

**ISDN-** Integrated Services Digital Network. A high-speed telephone line used to allow computers in various buildings to communicate.

**ISO-** Insurance Services Office. A private, national organization that provides quasi-regulatory services to the insurance industry and that assigns ratings to fire

organizations based on the personnel, equipment, and training.

**ISTEA-** Intermodal Surface Transportation Efficiency Act. A federal law that provides grants for municipal, transportation-related projects.

## K

**Key decisions-** Decisions made by the City Council that have been identified by the Council and management as the critical decisions that will affect the budget each fiscal year.

## M

**MGD-** Million gallons per day. A unit of measure used in reference to water or wastewater treatment facilities.

**Millage-** A unit of measure used to refer to the calculation of ad valorem (property) taxes based on appraised value or some other valuation basis. One mill is one tenth of a cent.

**Mission-** The central purposes of the organization that represent the reasons for the organization's existence.

**Modified accrual basis-** The basis of accounting used in governmental fund types wherein revenues and other financial resources are recognized when both measurable and available and expenditures are recognized in the period in which governments in general normally liquidate the related liability.

**Moody's-** Moody's Investors Service, one of the national credit rating agencies (see "credit rating").

## N

**Non-departmental-** Expenditures or expenses not specifically associated with any individual department or division.

## O

**OFS-** Other financing sources. Inflows of financial resources other than from revenues, such as from borrowing proceeds or the receipt of resources transferred from another fund.

**OFU-** Other financing uses. Outflows of financial resources other than for expenditures, such as for transfers of resources to other City funds or component units or for deposit of refunding bond proceeds with a trustee/escrow agent.

## P

**PC-** Personal computer. A computer designed to be used by one person at a time.

**Personal services-** Expenditure category including all salaries, wages, and fringe benefit expenditures paid to or on behalf of the government's employees.

Fringe benefits include FICA, State of Alabama retirement, medical insurance, dental insurance, life insurance, workers compensation, education assistance, and other employee benefits.

**Principal-** The face or par value of bonds or warrants payable at maturity.

**Program-** A group of activities, operations, or departments or divisions focused on achieving specific objectives.

**Proprietary funds-** Funds that focus on the determination of operating income, changes in net assets, financial position, and cash flows. There are two different types of proprietary funds: enterprise funds and internal service funds.

**Purchase order-** A written document issued by an entity to a vendor for ordering goods or services. The purchase order (PO) obligates the issuer to pay for the goods or services specified therein upon delivery.

## R

**Referendum-** A direct vote of the Auburn citizens to decide local issues.

**Revenue-** Increases in a fund's net financial resources, typically resulting from such things as the collection of taxes, fees, charges for services, and earnings on invested resources.

**Retained earnings-** An equity account showing the accumulated net earnings of proprietary fund types.

**ROW-** Right-of-Way. The real property that a governmental or utility agency has the right to declare as public use property for transportation or utility purposes.

## S

**Special Revenue Funds-** Funds used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

**Standard & Poors-** One of the national credit rating agencies. (see "credit rating").

## T

**TEA-21-** A federal law that provides grants for municipal transportation-related projects.

**TIP-** Transportation Improvement Plan. The short-range transportation capital improvement plan for the Auburn-Opelika metropolitan area managed by the Lee-Russell Council of Governments.

## W

**Warrant-** A document authorized by the City Council directing the Treasurer to pay a specified amount to a specified entity. If the warrant specifies an interest rate and due date, it functions much like a bond.