

TIFA Debt Retirement Fund

The TIFA Debt Retirement Fund is a Debt Service Fund and is used to account for the accumulation of resources for, and the payments of, TIFA long-term debt principal, interest and related costs. The TIFA Debt Retirement Fund is used to receive transfers from the Tax Increment Finance Authority Fund and to pay the principal and interest payments of the 1993 Tax Increment Bonds.

Revenues: Projected revenues for the TIFA Debt Retirement Fund are \$695,300, of which \$53,000 are interest earnings. The remaining \$642,300 is a transfer from TIFA Fund to pay bond principal, interest, and paying agent fees. The decrease in revenues is the result of the 1991 bonds being fully retired in fiscal 2005-06 for which a transfer no longer needs to be made from the TIFA Fund.

Expenditures: Budgeted expenditures for the TIFA Debt Retirement Fund total \$642,300, which represents \$510,000 for bond principal, \$131,800 for bond interest, and \$500 for paying agent fees for the 1993 bond issue.

Fund Balance: The projected fund balance of the TIFA Debt Retirement Fund at the end of fiscal 2005-06 is \$1,612,593, and at the end of fiscal 2006-07 is \$1,665,593, an increase of \$53,000. Of this fund balance, \$643,300 is reserved to meet the bond reserve requirements in an amount equal to the highest annual bond and interest payment for the 1993 bond issue.

Future Fund Outlook: This fund is only maintained for the payments of the TIFA bonds, of which only the 1993 bond issue will remain after fiscal 2005-06. All but the \$646,300 reserved fund balance may be used, as needed, according to the TIFA Plan.

TIFA DEBT RETIREMENT FUND
Fiscal Year 2006-07 Budget
City of Iron Mountain

	F.Y. 2004-05 <u>Actual</u>	F.Y. 2005-06 <u>Appr. Bud.</u>	F.Y. 2005-06 <u>Est. Actual</u>	F.Y. 2006-07 <u>Prop. Bud.</u>	F.Y. 2007-08 <u>Proposed Budget</u>
<u>Revenues</u>					
Interest Earnings	61,679	53,000	50,000	53,000	54,000
Other Financing Sources: Contribution-TIFA	<u>967,320</u>	<u>1,007,316</u>	<u>1,007,316</u>	<u>642,300</u>	<u>646,800</u>
Total Revenues	1,028,999	1,060,316	1,057,316	695,300	700,800
<u>Expenditures</u>					
Debt Service:					
Bond Principal	760,000	835,000	835,000	510,000	540,000
Bond Interest	206,338	170,850	170,850	131,800	106,300
Paying Agent Fees	982	1,465	1,465	500	500
Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	967,320	1,007,315	1,007,315	642,300	646,800
<u>Fund Balance at Year End</u>					
Excess (Deficiency) of Revenues Over Expenses	61,679	53,001	50,001	53,000	54,000
Fund Balance-Prior Years	<u>1,500,913</u>	<u>1,562,592</u>	<u>1,562,592</u>	<u>1,612,593</u>	<u>1,665,593</u>
Fund Balance at Year End	1,562,592	1,615,593	1,612,593	1,665,593	1,719,593
Reserved:					
Bond Reserve	1,021,600	1,021,600	1,021,600	646,300	646,300
Unreserved	<u>540,992</u>	<u>593,993</u>	<u>590,993</u>	<u>1,019,293</u>	<u>1,073,293</u>
TOTAL	<u>1,562,592</u>	<u>1,615,593</u>	<u>1,612,593</u>	<u>1,665,593</u>	<u>1,719,593</u>