

Results of Agreed Upon Procedures Annexation Calculations

Agreed Upon Procedures Overview

- **Review calculations**
- **Recalculate projections for revenue net neutrality**
- **Trace and agree amounts to FY 2018 Budget**
- **Recalculate impact of rate (re)allocation on debt service budget**
- **Compare projections to November 7, 2017 presentation**

Terms Used in Presentation

- **Beginning Fund Balance**
- **Property Taxes**
- **Utility Transfers**
- **Annexed Debt**
- **Annexation Funded Debt Rehab**
- **Annexation Funded Debt Faculties**
- **Ending Fund Balance**

Annexed Debt Service Fund - Pre Decision

(Amounts in \$1,000's)

10/25/2016

Fiscal Year	Beginning Fund Balance	Property Taxes	Utility Transfers	Annexed Debt	Annexation Funded Debt		Ending Fund Balance
					Rehab	Facilities	
2018	\$ 5,636	\$ 4,784	\$ -	\$ (5,173)	\$ (42)	\$ (504)	\$ 4,701
2019	4,701	4,416	1,632	(6,080)	(150)	(1,008)	3,512
2020	3,512	4,549	1,596	(5,916)	(263)	(1,408)	2,070
2021	2,070	4,685	1,532	(5,626)	(365)	(1,408)	889
2022	889	4,826	1,526	(4,055)	(468)	(1,408)	1,310
2023	1,310	4,970	1,530	(4,066)	(518)	(1,408)	1,819
2024	1,819	5,120	1,569	(3,749)	(518)	(1,408)	2,833
2025	2,833	5,273	1,296	(3,456)	(518)	(1,408)	4,021
2026	4,021	5,431	682	(1,711)	(518)	(1,408)	6,497
	<u>\$ 5,636</u>	<u>\$ 44,054</u>	<u>\$ 11,363</u>	<u>\$ (39,832)</u>	<u>\$ (3,360)</u>	<u>\$ (11,364)</u>	<u>\$ 6,497</u>

Assumptions:

Fund Balance	2018	Based on MUD prior year report balances.
Property taxes	2018	Based on MUD debt service requirements.
	2019-2026	Based on projected City tax rate of \$.1556.
Property Values	2018-2026	Based on 3% growth model.
Rehab	2018-2026	Based on miscellaneous repair and maintenance projects in selected areas.
Facilities	2018-2026	Includes all facilities to be built between 2017-2019
	2018-2026	Debt service is calculated approx. 5% amortized over 15 years.

Annexed Debt Service Fund - Pre Decision

(Amounts in \$1,000's)

10/27/2016

Fiscal Year	Beginning Fund Balance	Property Taxes	Utility Transfers	Annexed Debt	Annexation Funded Debt		Ending Fund Balance
					Rehab	Facilities	
2018	\$ 1,665	\$ 5,837	\$ -	\$ (5,173)	\$ (42)	\$ (58)	\$ 2,229
2019	2,229	4,416	1,632	(6,080)	(150)	(566)	1,481
2020	1,481	4,549	1,596	(5,916)	(263)	(878)	569
2021	569	4,685	1,532	(5,626)	(365)	(920)	(125)
2022	(125)	4,826	1,526	(4,055)	(468)	(1,061)	643
2023	643	4,970	1,530	(4,066)	(518)	(1,205)	1,354
2024	1,354	5,120	1,569	(3,749)	(518)	(1,318)	2,458
2025	2,458	5,273	1,296	(3,456)	(518)	(1,420)	3,633
2026	3,633	5,431	682	(1,711)	(518)	(1,451)	6,066
	<u>\$ 1,665</u>	<u>\$ 45,107</u>	<u>\$ 11,363</u>	<u>\$ (39,832)</u>	<u>\$ (3,360)</u>	<u>\$ (8,877)</u>	<u>\$ 6,066</u>
Net Change from 10/25/2016							\$ (431)

Assumptions:

Fund Balance	2018	Based on 25% of next year's debt service (down \$3.9M)
Property taxes	2018	Based on actual debt service rates (up \$1.1M)
	2019-2026	Based on projected tax rate of \$.1556
Property Values	2018-2026	Based on 3% growth projection
Rehab	2018-2026	Based on miscellaneous projects in selected areas
Facilities	2018-2026	Includes all facilities to be built between 2017-2019
	2018-2026	Debt service is recalculated 3.5%-4.0% amortized over 20 years (up \$2.5M)

Annexed Debt Service Fund - Post Decision

(Amounts in \$1,000's)

8/10/2017

Fiscal Year	Beginning Fund Balance	Property Taxes	Utility Transfers	Annexed Debt	Annexation Funded Debt		Ending Fund Balance
					Rehab	Facilities	
2018	\$ 1,665	\$ 5,837	\$ -	\$ (5,173)	\$ -	\$ (58)	\$ 2,271
2019	2,271	4,074	1,632	(6,080)	-	(566)	1,331
2020	1,331	4,196	1,596	(5,916)	-	(878)	329
2021	329	4,412	1,532	(5,626)	-	(920)	(273)
2022	(273)	4,436	1,526	(4,055)	-	(1,061)	573
2023	573	4,568	1,530	(4,066)	-	(1,205)	1,400
2024	1,400	4,706	1,569	(3,749)	-	(1,318)	2,608
2025	2,608	4,847	1,296	(3,456)	-	(1,420)	3,875
2026	3,875	4,993	682	(1,711)	-	(1,451)	6,388
	<u>\$ 1,665</u>	<u>\$ 42,069</u>	<u>\$ 11,363</u>	<u>\$ (39,832)</u>	<u>\$ -</u>	<u>\$ (8,877)</u>	<u>\$ 6,388</u>
Net Change from 10/27/2016							\$ 322

Assumptions:

Fund Balance	2018	No change from 10/27/2016 presentation	-
Property taxes	2018	No change from 10/27/2016 presentation	-
	2019-2026	Based on projected tax rate of \$.14310 vs. \$.1556 (down \$3.0M).	(3,038)
Property Values	2019-2026	Based on 3.0% growth projection (no change)	
Rehab	2018-2026	Moved to operations based on discussions at Spring Retreat (up \$3.4M)*	3,360
Facilities	2018-2026	No change from 10/27/2016 presentation *	-
	2018-2026	No change from 10/27/2016 presentation *	
			<u>\$ 322</u>

Annexed Debt Service Fund - Post Decision

(Amounts in \$1,000's)

10/24/2017

Fiscal Year	Beginning Fund Balance	Property Taxes	Utility Transfers	Annexed Debt	Annexation Funded Debt		Ending Fund Balance
					Rehab	Facilities	
2018	\$ 3,070	\$ 4,385	\$ -	\$ (5,173)	\$ -	\$ (29)	\$ 2,253
2019	2,253	3,890	1,632	(6,080)	-	(43)	1,652
2020	1,652	3,948	1,596	(5,916)	-	(43)	1,237
2021	1,237	4,008	1,532	(5,626)	-	(66)	1,085
2022	1,085	4,068	1,526	(4,055)	-	(367)	2,257
2023	2,257	4,129	1,530	(4,066)	-	(968)	2,882
2024	2,882	4,191	1,569	(3,749)	-	(954)	3,939
2025	3,939	4,254	1,296	(3,456)	-	(952)	5,081
2026	5,081	4,317	682	(1,711)	-	(1,066)	7,303
	<u>\$ 3,070</u>	<u>\$ 37,190</u>	<u>\$ 11,363</u>	<u>\$ (39,832)</u>	<u>\$ -</u>	<u>\$ (4,488)</u>	<u>\$ 7,303</u>
Net Change from 10/27/2016							\$ 1,237

Assumptions:

Fund Balance	2018	Rolled forward from 2016 audits w/ 2017 debt service activity (up \$1.4M).	1,405
Property taxes	2018	Based on actual debt service rates (down \$1.4M).	(1,452)
	2019-2026	based on projected tax rate of \$.13841 vs. \$.1556 (down \$4.4M).	
Property Values	2019-2026	based on 1.5% growth projection (down \$2.1M).	(6,465)
Rehab	2018-2026	Moved to operations based on discussions at Spring Retreat (up \$3.4M)	3,360
Facilities	2018-2026	EOC and Animal Shelter pushed off to FY 2022-2023 (up \$3.7M).	4,389
	2018-2026	Debt service is recalculated 2.8%-4.0% amortized over 20 years (down \$0.7M).	
			<u>\$ 1,237</u>

Analysis of Tax Rate Change

	3% Value Growth			1.5% Value Growth		
Tax Rate	\$ 0.1384	\$ 0.1456	\$ 0.1556	\$ 0.1384	\$ 0.1456	\$ 0.1556
Tax levies (in \$000's)						
Tax Year 2018 (FY 2019)	\$ 3,948	\$ 4,153	\$ 4,438	\$ 3,890	\$ 4,092	\$ 4,373
Tax Years 2018-2025	\$ 35,104	\$ 36,927	\$ 39,463	\$ 32,805	\$ 34,509	\$ 36,879
Cumulative Difference	\$ -	\$ 1,824	\$ 4,360	\$ -	\$ 1,704	\$ 4,074

Nov 7 Presentation vs. Chart #4

Beginning Fund Balance \$2.1 million lower than projected.

Utility Fund Transfers \$2.0 million lower (FY 2025 & 2026)

Rehab expenditures \$3.4 million included

Annexed Facilities Debt \$6.9 million higher

- **\$2.5 million initial debt service refinement (10/27/2016)**
- **\$4.4 million due to shift in CIP priorities**

Questions?

