

Fund 371 – Tax Increment Bond

City of Great Falls, Montana

	FY 2005 Actual	FY 2006		FY 2007 Adopted	
		Original	Amended	Projected	
Fund Summary					
Taxes	2,176,564	2,300,000	2,300,000	2,230,000	2,300,000
Licenses and Permits	0	0	0	0	0
Intergovernmental	0	0	0	0	0
Charges for Services	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	0
Internal Services	0	0	0	0	0
Special Assessments	0	0	0	0	0
Investment Earnings	59,184	35,000	35,000	54,000	52,000
Miscellaneous Revenue	0	0	0	0	0
Subtotal Operating Revenue	2,235,748	2,335,000	2,335,000	2,284,000	2,352,000
Proceeds from Long-term Debt	0	0	0	0	0
Transfers - In From Other Funds	0	0	0	0	0
Total Revenue	2,235,748	2,335,000	2,335,000	2,284,000	2,352,000
Personal Services	0	0	0	0	0
Supplies & Materials	0	0	0	0	0
Purchased Services	0	0	0	0	0
Other Costs	746,624	1,316,670	1,336,670	784,740	1,291,670
Debt Service - Interest & Fees	179,548	151,767	151,767	151,267	123,320
Internal Service, Interfund	88,134	110,246	110,246	110,246	97,536
Subtotal Operating Expenses	1,014,306	1,578,683	1,598,683	1,046,253	1,512,526
Debt Service - Principal	950,000	970,000	970,000	970,000	1,000,000
Capital Outlay	0	0	0	0	0
Transfers - Out to Other Funds	213,376	360,000	360,000	235,260	261,000
Total Expenditures	2,177,682	2,908,683	2,928,683	2,251,513	2,773,526
Revenue Over (Under) Expenditures	58,066	(573,683)	(593,683)	32,487	(421,526)
add (deduct) Net Changes in Reserves	(58,066)	573,683	593,683	(32,487)	421,526
Net Change in the Unreserved Balance	0	0	0	0	0
Reserves					
Beginning Balance - July 1	2,886,004	2,354,652	2,354,652	2,944,070	2,976,557
Net Change	58,066	(573,683)	(593,683)	32,487	(421,526)
Ending Balance - June 30	2,944,070	1,780,969	1,760,969	2,976,557	2,555,031
Unreserved Balance					
Beginning Balance - July 1	0	0	0	0	0
Net Change	0	0	0	0	0
Ending Balance - June 30	0	0	0	0	0

Fund Purpose

The Tax Increment Bond Fund is administered by the Fiscal Services Department. The Tax Increment Bond Fund is a debt service fund created to account for the specially limited obligation bonds payable from tax increments received by the City from its downtown urban renewal area.

In 1977, the Tax Increment District was created and the taxable value of the district identified. This 1977 taxable value is the base value of the Tax Increment District. Since 1977 new construction and improvements have taken place in the district which has increased the taxable value. This increased taxable value is the tax increment valuation for the district. The tax increment revenue from the City, County, School, and State tax levies is deposited in this Tax Increment Bond Fund for debt service payments. After the bonds have been paid off, the taxing entities will directly receive all taxes from the Tax Increment District.

Revenues come from the tax increment of the Tax Increment District. Since Fiscal Year 1992 an annual "surplus" of tax increment revenues has existed. This surplus, in excess of debt service reserves and annual payment requirements, has been distributed to the taxing entities (City, County, School, and State).

Budget Highlights

Fiscal Services - Admin.

Fiscal Services Department	FY 2005	FY 2006			FY 2007
	Actual	Original	Amended	Projected	Adopted
Personal Services	0	0	0	0	0
Supplies & Materials	0	0	0	0	0
Purchased Services	0	0	0	0	0
Other Costs	746,624	1,316,670	1,336,670	784,740	1,291,670
Debt Service - Interest & Fees	0	0	0	0	0
Internal Service, Interfund	88,134	110,246	110,246	110,246	97,536
Subtotal Operating Expenses	834,758	1,426,916	1,446,916	894,986	1,389,206
Debt Service - Principal	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Total Fiscal Services - Admin.	834,758	1,426,916	1,446,916	894,986	1,389,206

Debt Service Administration

Fiscal Services Department	FY 2005	FY 2006			FY 2007
	Actual	Original	Amended	Projected	Adopted
Personal Services	0	0	0	0	0
Supplies & Materials	0	0	0	0	0
Purchased Services	0	0	0	0	0
Other Costs	0	0	0	0	0
Debt Service - Interest & Fees	179,548	151,767	151,767	151,267	123,320
Internal Service, Interfund	0	0	0	0	0
Subtotal Operating Expenses	179,548	151,767	151,767	151,267	123,320
Debt Service - Principal	950,000	970,000	970,000	970,000	1,000,000
Capital Outlay	0	0	0	0	0
Total Debt Service Administration	1,129,548	1,121,767	1,121,767	1,121,267	1,123,320

Major Accomplishments, Goals and Objectives

- New construction and improvements in the Tax Increment District have occurred to the extent that the annual tax increment revenue now exceeds bond payment and reserve requirements.