

## WOLF PEN CREEK TAX INCREMENT FINANCING (TIF) FUND

The Wolf Pen Creek TIF Fund accounts for ad valorem tax and other revenues that are accrued to the WPC TIF District. The fund also accounts for expenditures on projects that take place in the district.

The TIF receives ad valorem taxes from the City, School District and County on the incremental increase in assessed valuation (captured value) over the base year (1989).

This fund is prepared on the modified accrual basis of accounting. Under this basis revenues are recognized when they become measurable and available to finance expenditures of the current period. Expenditures are recognized when the related fund liability is incurred with the exception of several items. The full listing of

these exceptions can be found in the Financial Policies on page F-1.

The ad valorem revenue estimate of \$731,350 is based on a captured value of about \$45 million.

Short term debt in the amount of \$2.3 million was issued in FY 02 in order to provide the resources to complete more of the projects in the Wolf Pen Creek District. The bonds will be paid back over the remaining life of the TIF. These funds will be used primarily for trails in the

corridor. This approach will allow more Wolf Pen Creek projects to be completed in a shorter time frame.

An additional short term debt issue of \$1,860,000 is approved for FY 05. This will provide additional resources for future Wolf Pen Creek projects.

In FY 05 expenditures totaling \$3,319,725 are approved. These expenditures are for the capital projects in the Wolf Pen Creek area, as well as the debt service for the debt issued in 2002 for capital projects.

Funds remaining at the end of the year will be retained in the fund and programmed as specific projects are identified.

Key projects either underway or planned for these funds include the Wolf Pen Creek Lower Trails Phase 1 which was completed in 2003. Also included is the first phase of the upper trails project, and the construction of a parking lot project. Additional trail projects are also planned over the next several years. Other projects are also being reviewed. As part of the budget process, specific direction will be given on what projects will be undertaken with the remaining resources in the Wolf Pen Creek TIF.