



## DEBT SERVICE FUNDS



**Debt Service Fund**

This fund is used to account for the accumulation of resources for, and the payment of general obligation bonds. General obligation bonds are the most common type of bond issued by a city. They are often called “full faith and credit bonds” because the taxable valuation of all real property located in the city is pledged to pay them.

The advantage of general obligation bonds over other bonds is that the interest rate is usually lower than other types of bonds. The main disadvantage of general obligation bonds is that they are subject to debt limitation, while others are not.

There are two types of general obligation bonds: essential corporate purpose and general corporate purpose. **Bonds issued for a general corporate purpose require a public election with a 60 percent majority vote. Some examples of general corporate purpose bonds include bonds issued for swimming pools, libraries, city halls, fire stations, and police stations.** Bonds issued for an essential corporate purpose need only the approval of a resolution by a majority of the total city council at an official meeting, following a published notice and hearing. Examples of essential corporate purpose bonds include bonds issued for street and bridge construction; refinancing of debt; park improvements; and flood control.

**Financial Summary**

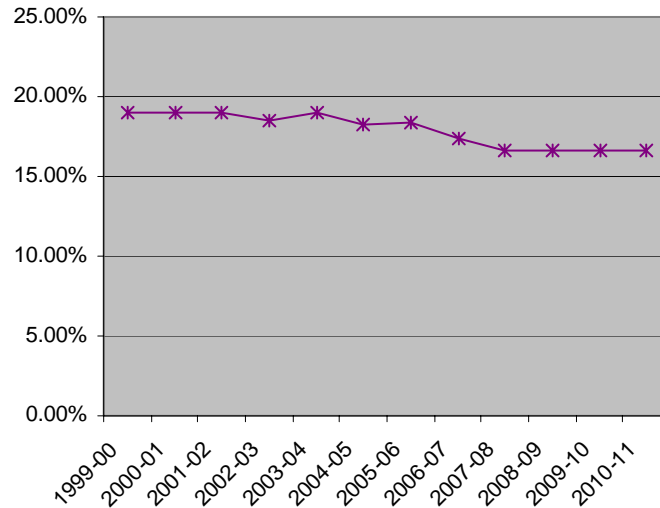
In FY 10-11 the Debt Service levy rate is projected to be \$2.00 per \$1,000 in valuation. This rate is approximately 16.60% of the City's total property tax rate. This maintains the lowest percentage since FY 1994-95, when the Debt Service rate equaled approximately 17% of the City's property tax rate. This means that the City is able to dedicate more of the property tax levy to general operations. The decrease in the Debt Service levy percentage is due to an increase in the total property tax rate. This increase is primarily the result of a voter approved 50 cents/\$1,000 increase for the aquatic facilities and park improvements bond referendum.

As part of this bond issue, Valley

View aquatic center was constructed and the existing Holiday Pool was reconstructed.

In FY 10-11 interest income is projected to be minimal. This projection is based on estimated cash reserves during the year and historical interest rates. These funds will be used to increase the ending fund balance, which is projected to be \$8,034,896 at June 30, 2011. Currently, the Debt Service fund balance is approximately 47% of operating expenditures; ideally, the City would like to see this percentage be in the range of 7% to 10%. The Debt Service fund balance is reserved for future debt service requirements.

**Debt Service Levy as a % of Total Levy**



## Financial Summary

	ACTUAL FY 2007-08	ACTUAL FY 2008-09	REVISED BUDGET FY 2009-10	BUDGET FY 2010-11	INC(DEC) FY 2010-11 OVER FY 2009-10	% INC (DEC)
<b>REVENUES</b>						
<b>Operating Revenues</b>						
Property Taxes	\$7,056,896	\$7,525,831	\$7,859,544	\$8,071,255	\$211,711	2.69%
TIF Revenues						
Other City Taxes	91,011	93,105	95,844	90,963	(4,881)	(5.09%)
Licenses and Permits						
Use of Money and Property	514,796	164,170	100,000		(100,000)	(100.00%)
Intergovernmental						
Charges for Services						
Special Assessments						
Miscellaneous						
<b>Sub-total Operating Revenues</b>	<b>\$7,662,703</b>	<b>\$7,783,105</b>	<b>\$8,055,388</b>	<b>\$8,162,218</b>	<b>106,830</b>	<b>(1.33%)</b>
<b>Other Financing Sources</b>						
Proceeds of Long Term Debt	\$171,657		2,738,125		(2,738,125)	(100.00%)
Transfers In	20,970,514	12,616,864	59,584,546	8,792,898	(50,791,648)	(85.24%)
<b>Sub-total Other Financing Sources</b>	<b>\$21,142,170</b>	<b>\$12,616,864</b>	<b>\$62,322,671</b>	<b>\$8,792,898</b>	<b>(\$53,529,773)</b>	<b>(85.89%)</b>
<b>TOTAL REVENUES &amp; OTHER SOURCES</b>	<b>\$28,804,873</b>	<b>\$20,399,969</b>	<b>\$70,378,059</b>	<b>\$16,955,116</b>	<b>(\$53,422,943)</b>	<b>(75.91%)</b>
<b>EXPENDITURES</b>						
<b>Operating Expenditures</b>						
Personal Services						
Supplies and Services						
Universal Commodities						
Non-Recurring/Non-Capital						
Capital						
<b>Sub-total Operating Expenditures</b>						
<b>Debt Service Expenditures</b>	<b>\$28,022,008</b>	<b>\$20,895,400</b>	<b>\$66,337,824</b>	<b>\$16,955,116</b>	<b>(\$49,382,708)</b>	<b>(74.44%)</b>
<b>Capital Improvement Expenditures</b>						
<b>Total Expenditures</b>	<b>\$28,022,008</b>	<b>\$18,313,887</b>	<b>\$66,337,824</b>	<b>\$16,955,116</b>	<b>(\$49,382,708)</b>	<b>(74.44%)</b>
Transfers Out	\$20,923	\$1,764,955				
<b>TOTAL EXPENDITURES/TRANSFERS OUT</b>	<b>\$28,042,931</b>	<b>\$22,660,355</b>	<b>\$66,337,824</b>	<b>\$16,955,116</b>	<b>(\$49,382,708)</b>	<b>(74.44%)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$761,942</b>	<b>(\$2,260,386)</b>	<b>\$4,040,235</b>		<b>(\$4,040,235)</b>	<b>(100.00%)</b>
<b>BEGINNING FUND BALANCE</b>	<b>\$5,493,105</b>	<b>\$6,255,047</b>	<b>\$3,994,661</b>	<b>\$8,034,896</b>	<b>\$4,040,235</b>	<b>n/a</b>
<b>ENDING FUND BALANCE</b>	<b>\$6,255,047</b>	<b>\$3,994,661</b>	<b>\$8,034,896</b>	<b>\$8,034,896</b>		<b>n/a</b>
<b>FUND BALANCE% OF EXPENDITURES</b>	<b>22.32%</b>	<b>19.12%</b>	<b>12.11%</b>	<b>47.39%</b>		



## Composition of Debt Service Levy

	Principal Payable in FY 2010-11	Interest Payable in FY 2010-11	Total FY 2010-11 Obligation	Amount Paid by Other Funds & Debt Service Fund Balance	Amount Paid by Current Year Debt Service Taxes
#112 - GCP	335,385	185,851	521,236		521,236
#112 - GCP	156,513	86,730	243,243		243,243
#112 - GCP	53,102	29,426	82,528		82,528
2003A - ECP	2,735,000	1,187,528	3,922,528	3,922,528	
2003D - ECP	252,000	206,018	458,018		458,018
2003D - GCP	348,000	283,382	631,382		631,382
2003F - Mills abated	1,540,000	554,396	2,094,396	2,094,396	
2004 - ECP	175,000	257,384	432,384		432,384
2005 - GCP	230,000	55,883	285,883		285,883
2006 - ECP	350,000	152,337	502,337		502,337
2007A - ECP JC abated	190,000	74,634	264,634	264,634	
2008A -ECP Mills abated	1,625,000	206,681	1,831,681	1,831,681	
2008B -ECP Mills abated		266,416	266,416	266,416	
2009A- ADV Refunding	2,030,000	195,200	2,225,200		2,225,200
2009B-ECP	2,000,000	117,000	2,117,000		2,117,000
2010B-ECP	235,000	21,196	256,196		256,196
2010B-ECP Mills abated	380,000	33,243	413,243	413,243	
2010-ECP (pre-levy)		396,980	396,980	169	396,811
Registration Costs			10,000		10,000
<b>Total General Obligation Bonds</b>	<b>\$12,635,000</b>	<b>\$4,310,285</b>	<b>\$16,955,285</b>	<b>\$8,793,067</b>	<b>\$8,162,218</b>

## FY 2010-11 General Obligation Bonds Outstanding

	Original Issue	Estimated Balance June 30, 2010	FY 2010-11 Additions	FY 2010-11 Reductions	Estimated Balance June 30, 2011
2002C - GCP Aquatics	6,000,000	4,156,923		4,156,923	
2002C - GCP City Hall	2,800,000	1,939,897		1,939,897	
2002C - GCP Library	950,000	658,179		658,179	
2003A - ECP JC abated	40,000,000	28,875,000		28,875,000	
2003D - ECP	5,050,000	4,724,500		252,000	4,472,500
2003D - GCP	6,950,000	6,500,500		348,000	6,152,500
2003F - ECP Mills abated	19,250,000	14,210,000		1,540,000	12,670,000
2004A - ECP	6,000,000	5,365,000		175,000	5,190,000
2005A - GCP	2,290,000	1,530,000		230,000	1,300,000
2006A - GCP	6,000,000	3,705,000		350,000	3,355,000
2007A - ECP JC abated	2,550,000	2,020,000		190,000	1,830,000
2008A - ECP Mills abated	9,860,000	6,815,000		1,625,000	5,190,000
2008B - ECP Mills abated	7,000,000	7,000,000			7,000,000
2009A - Refunding Capital Loan Notes	7,510,000	7,510,000		2,030,000	5,480,000
2009B - ECP	6,500,000	2,925,000		2,000,000	925,000
2010A - ECP Refunding	6,050,000	6,050,000			6,050,000
2010A - Refunding JC abated	25,400,000	25,400,000			25,400,000
2010B - ECP Refunding	975,000	975,000		230,000	745,000
2010B - Refunding Mills abated	1,530,000	1,530,000		365,000	1,165,000
2010C - ECP	7,000,000	7,000,000		225,000	6,775,000
<b>Total General Obligation Bonds</b>	<b>\$169,665,000</b>	<b>\$138,890,000</b>		<b>\$45,190,000</b>	<b>\$93,700,000</b>



## Future Debt Service Payments based on Existing Debt

Fiscal Years	Principal Payable	Interest Payable	Total Obligation	Amount Paid by Other Funds & Debt Service Fund Balance	Amount Paid by Current Year Debt Service Taxes
FY 2011-12	\$7,420,000	\$2,092,833	\$9,512,833	\$2,367,092	\$7,145,741
FY 2012-13	11,745,000	3,030,425	14,775,425	8,024,096	6,751,329
FY 2013-14	11,205,000	2,693,325	13,898,325	8,032,840	5,865,485
FY 2014-15	8,755,000	2,369,454	11,124,454	5,993,960	5,130,495
FY 2015-16	8,910,000	2,031,116	10,941,116	5,886,669	5,054,448
FY 2016-17	9,445,000	1,676,573	11,121,573	6,166,685	4,954,888
FY 2017-18	9,785,000	1,297,279	11,082,279	6,193,004	4,889,275
FY 2018-19	9,120,000	897,406	10,017,406	6,213,944	3,803,463
FY 2019-20	5,205,000	516,640	5,721,640	2,414,440	3,307,200
FY 2020-21	3,435,000	302,160	3,737,160	2,424,660	1,312,500
FY 2021-22	2,290,000	149,410	2,439,410	2,439,410	
FY 2022-23	1,260,000	54,810	1,314,810	1,314,810	
	<b>\$88,575,000</b>	<b>\$17,111,430</b>	<b>\$106,686,430</b>	<b>\$57,471,609</b>	<b>\$48,214,822</b>

