



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.

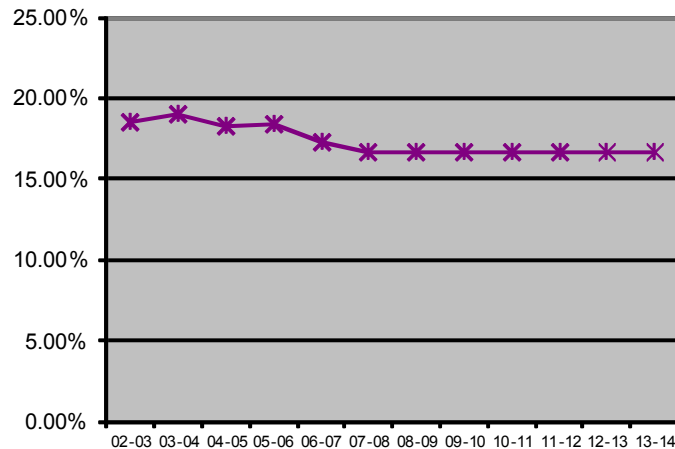
There are two types of general obligation bonds: essential corporate purpose and general corporate purpose. **Bonds issued for a general corporate purpose require a public election with a 60 percent majority vote. Some examples of general corporate purpose bonds include bonds issued for swimming pools, 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 2013-2014 the Debt Service levy rate is projected to be \$2.00 per \$1,000 in valuation. This rate is 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 the City is able to dedicated more of the property tax levy to general operations.

In FY 2013-2014, interest income is projected to be minimal. This projection is based on estimated cash reserves during the year and historical interest rates. Any interest earned will be used to increase the ending fund balance, which is projected to be \$2,822,236 at June 30, 2014. Currently, the Debt Service fund balance is approximately 24.67% 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 2010-11	ACTUAL FY 2011-12	REVISED BUDGET FY 2012-13	BUDGET FY 2013-14	INC(DEC) FY 2013-14 OVER FY 2012-13	% INC (DEC)
REVENUES						
Operating Revenues						
Property Taxes	\$8,094,533	\$8,258,673	\$8,338,548	\$8,540,623	\$202,075	2.42%
TIF Revenues						
Other City Taxes	45,478	96,141	95,313	95,357	44	0.05%
Licenses and Permits						
Use of Money and Property	6,637	1,454				
Intergovernmental						
Charges for Services						
Special Assessments						
Miscellaneous						
Sub-total Operating Revenues	\$8,146,648	\$8,356,268	\$8,433,861	\$8,635,980	\$202,119	2.40%
Other Financing Sources						
Proceeds of Long Term Debt	(280)					
Transfers In	9,051,103	20,329,768	8,992,806	9,193,049	200,243	2.23%
Sub-total Other Financing Sources	\$9,050,823	\$20,329,768	\$8,992,806	\$9,193,049	\$200,243	2.23%
TOTAL REVENUES & OTHER SOURCES	\$17,197,471	\$28,686,036	\$17,426,667	\$17,829,029	\$402,362	2.31%
EXPENDITURES						
Operating Expenditures						
Personal Services						
Supplies and Services						
Universal Commodities						
Non-Recurring/Non-Capital						
Capital						
Sub-total Operating Expenditures						
Debt Service Expenditures	\$17,081,564	\$28,674,845	\$18,195,610	\$17,829,033	(\$366,577)	(2.01%)
Capital Improvement Expenditures						
Total Expenditures	\$17,081,564	\$28,674,845	\$18,195,610	\$17,829,033	(\$366,577)	(2.01%)
Transfers Out	\$126,269	\$20				
TOTAL EXPENDITURES/TRANSFERS OUT	\$17,207,833	\$28,674,865	\$18,195,610	\$17,829,033	(\$366,577)	(2.01%)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(\$10,362)	\$11,171	(\$768,943)	(\$4)	\$768,939	n/a
BEGINNING FUND BALANCE	\$3,590,374	\$3,580,012	\$3,591,183	\$2,822,240	(\$768,943)	n/a
ENDING FUND BALANCE	\$3,580,012	\$3,591,183	\$2,822,240	\$2,822,236	(\$4)	n/a
FUND BALANCE% OF EXPENDITURES	20.96%	12.52%	15.51%	15.83%		



Composition of Debt Service Levy

	Principal Payable in FY 2013-14	Interest Payable in FY 2013-14	Total FY 2013-14 Obligation	Amount Paid by Other Funds & Debt Service Fund Balance	Amount Paid by Current Year Debt Service Taxes
2003D - ECP	\$462,000	\$162,548	\$624,548		\$624,548
2003D - GCP	638,000	223,352	861,352		861,352
2004A - ECP	195,000	235,784	430,784		430,784
2005A - GCP	255,000	29,964	284,964		284,964
2007A - ECP JC abated	215,000	53,247	268,247	268,247	
2008A -ECP Mills abated	1,785,000	55,782	1,840,782	1,840,782	
2008B -ECP Mills abated	100,000	262,792	362,792	362,792	
2009A - Advance Refunding	975,000	44,825	1,019,825		1,019,825
2009B -ECP	230,000	18,800	248,800		248,800
2010A -ECP	625,000	185,325	810,325		810,325
2010A -ECP Jordan Creek abated	3,190,000	712,675	3,902,675	3,902,675	
2010B -ECP	255,000	5,100	260,100		260,100
2010B -ECP Mills abated	400,000	8,000	408,000	408,000	
2010C -ECP	710,000	161,850	871,850		871,850
2010D -ECP Mills abated	245,000	155,732	400,732	400,732	
2011A - ECP	380,000	146,282	526,282		526,282
2011B -ECP MCP-WFHM abated	1,810,000	199,825	2,009,825	2,009,825	
2012A - Advance Refunding	1,040,000	104,400	1,144,400		1,144,400
2012D - ECP	495,000	208,150	703,150		703,150
2013-ECP (pre-levy)	675,000	164,600	839,600		839,600
Registration Costs			10,000		10,000
Total General Obligation Bonds	\$14,680,000	\$3,149,033	\$17,829,033	\$9,193,053	\$8,635,980

FY 2013-14 General Obligation Bonds Outstanding

	Original Issue	Estimated Balance June 30, 2013	FY 2013-14 Additions	FY 2013-14 Reductions	Estimated Balance June 30, 2014
2003D - ECP	5,050,000	3,653,500		3,653,500	
2003D - GCP	6,950,000	5,021,500		5,021,500	
2004A - ECP	6,000,000	4,825,000		4,825,000	
2005A - GCP	2,290,000	815,000		255,000	560,000
2007A - ECP JC abated	2,550,000	1,430,000		215,000	1,215,000
2008A - ECP Mills abated	9,860,000	1,785,000		1,785,000	
2008B - ECP Mills abated	7,000,000	6,900,000		100,000	6,800,000
2009A - Refunding Capital Loan Notes	7,510,000	1,420,000		975,000	445,000
2009B - ECP	6,500,000	470,000		230,000	240,000
2010A - ECP Refunding	6,050,000	4,850,000		625,000	4,225,000
2010A - Refunding JC abated	25,400,000	19,200,000		3,190,000	16,010,000
2010B - ECP Refunding	975,000	255,000		255,000	
2010B - Refunding Mills abated	1,530,000	400,000		400,000	
2010C - ECP	7,000,000	5,395,000		710,000	4,685,000
2010D - ECP Mills abated	5,000,000	4,950,000		245,000	4,705,000
2011A - ECP	6,900,000	5,310,000		380,000	4,930,000
2011B - ECP MCP-WFHM-abated	11,270,000	9,495,000		1,810,000	7,685,000
2012A - ECP Refunding	2,610,000	2,610,000		1,040,000	1,570,000
2012B - ECP Refunding	11,355,000	11,355,000			11,355,000
2012D -ECP	7,520,000	7,270,000		495,000	6,775,000
2013A - ECP (pre-levy)			8,315,000		8,315,000
Total General Obligation Bonds	\$139,320,000	\$97,410,000	\$8,315,000	\$26,210,000	\$79,515,000

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 2014-15	11,790,000	2,594,701	14,384,701	7,157,950	7,226,751
FY 2015-16	11,425,000	2,176,675	13,601,675	7,051,519	6,550,156
FY 2016-17	11,455,000	1,772,238	13,227,238	7,328,731	5,898,507
FY 2017-18	11,130,000	1,357,794	12,487,794	7,357,550	5,130,244
FY 2018-19	8,850,000	944,724	9,794,724	5,332,030	4,462,694
FY 2019-20	4,755,000	588,575	5,343,575	1,527,956	3,815,619
FY 2020-21	2,905,000	410,539	3,315,539	1,535,406	1,780,133
FY 2021-22	2,430,000	300,975	2,730,975	1,539,756	1,191,219
FY 2022-23	1,385,000	216,606	1,601,606	412,006	1,189,600
FY 2023-24	1,430,000	173,081	1,603,081	411,606	1,191,475
FY 2024-25	1,475,000	126,519	1,601,519	415,469	1,186,050
FY 2025-26	1,010,000	78,475	1,088,475	413,825	674,650
FY 2026-27	370,000	46,400	416,400	416,400	
FY 2027-28	385,000	31,600	416,600	416,600	
FY 2028-29	405,000	16,200	421,200	421,200	
	\$71,200,000	\$10,835,102	\$82,035,102	\$41,738,004	\$40,297,098

