

GENERAL DEBT SERVICE FUND

08-539

OVERVIEW:

The General Debt Service Fund is a governmental fund used to account for monies set aside for the payment of principal and interest to holders of the City's general obligation bonds, the sale of which finance the construction of the City's Reliever Route project.

A general obligation (GO) bond is a legal debt instrument used to finance permanent public projects within city limits. The GO bond is backed by the tax base and the City's ability to tax for repayment of indebtedness. The state requires incorporated cities to submit proposed bond issues to a public referendum and receive voter authorization prior to bond issuance (Article 701). City Council must issue a "Public Notice" on the same day for two successive weeks, fourteen days prior to the bond election (Article 704). City Council is authorized to enact a tax rate sufficient to pay annual principal and interest requirements (Article 707). State law allows an incorporated city to refund a bond issue in order to reduce bonded indebtedness (Article 802b-2).

On October, 2011, the City Council approved an ordinance authorizing the issuance of \$7,000,000 in Certificates of Obligation, Series 2011. Proceeds will fund constructing, improving, maintaining and operating a Relief Highway route around and outside the boundaries of the City to promote new or expanded business development, including related drainage, striping, signalization and site improvements.

The 2011-12 debt service requirement is \$419,511. Additional proceeds from Sales Tax should allow an additional principal payment of over \$300,000 in 2012 which will lower the amount of interest paid over the life of the project.

The 2012-13 debt service requirement is \$477,180. 2013 budgeted proceeds from Sales Tax will allow an additional principal payment of \$105,366 in 2013, again, lowering the amount of interest paid over the life of the project.

	Actual 2009-10	Actual 2010-11	Budget 2011-12	Projected 2011-12	Budget 2012-13
STATEMENT OF ACTIVITIES					
REVENUES	\$ -	\$ -	\$ 456,217	\$ 702,500	\$ 575,000
EXPENDITURES	-	-	456,217	702,500	575,000
EXCESS (DEFICIENCY)	\$ -	\$ -	\$ -	\$ -	\$ -
 OTHER FINANCING SOURCES					
2633. From Rel. Rte Constr. Fund	\$ -	\$ -	\$ 456,217 ✓	\$ 702,500	\$ 575,000
Total Revenues	\$ -	\$ -	\$ 456,217	\$ 702,500	\$ 575,000
 OPERATIONAL EXPENSE					
8330. Debt Service - Principal	\$ -	\$ -	\$ 240,000 ✓	\$ 592,989	\$ 434,046
8331. Debt Service - Interest	-	-	216,217 ✓	109,511	140,954
TOTAL OPERATIONAL EXPENSE	\$ -	\$ -	\$ 456,217	\$ 702,500	\$ 575,000

GENERAL DEBT SERVICE FUND

Schedule of General Debt Service

SERIES 2011 CERTIFICATES OF OBLIGATION

ORIGINAL BUDGET							
FY	Beg Bal	Principal	Add'l Pmt	Int Rate	Interest	Debt Service	End Bal
2012	\$ 7,000,000	\$ 310,000	\$ -	2.20%	\$ 109,511	\$ 419,511	\$ 6,690,000
2013	\$ 6,690,000	\$ 330,000	\$ -	2.20%	\$ 147,180	\$ 477,180	\$ 6,360,000
2014	\$ 6,360,000	\$ 340,000	\$ -	2.20%	\$ 139,920	\$ 479,920	\$ 6,020,000
2015	\$ 6,020,000	\$ 345,000	\$ -	2.20%	\$ 132,440	\$ 477,440	\$ 5,675,000
2016	\$ 5,675,000	\$ 355,000	\$ -	2.20%	\$ 124,850	\$ 479,850	\$ 5,320,000
2017	\$ 5,320,000	\$ 310,000	\$ -	4.15%	\$ 220,780	\$ 530,780	\$ 5,010,000
2018	\$ 5,010,000	\$ 270,000	\$ -	4.15%	\$ 207,915	\$ 477,915	\$ 4,740,000
2019	\$ 4,740,000	\$ 285,000	\$ -	4.15%	\$ 196,710	\$ 481,710	\$ 4,455,000
2020	\$ 4,455,000	\$ 295,000	\$ -	4.15%	\$ 184,883	\$ 479,883	\$ 4,160,000
2021	\$ 4,160,000	\$ 305,000	\$ -	4.15%	\$ 172,640	\$ 477,640	\$ 3,855,000
2022	\$ 3,855,000	\$ 320,000	\$ -	4.15%	\$ 159,983	\$ 479,983	\$ 3,535,000
2023	\$ 3,535,000	\$ 335,000	\$ -	4.15%	\$ 146,703	\$ 481,703	\$ 3,200,000
2024	\$ 3,200,000	\$ 345,000	\$ -	4.15%	\$ 132,800	\$ 477,800	\$ 2,855,000
2025	\$ 2,855,000	\$ 360,000	\$ -	4.15%	\$ 118,483	\$ 478,483	\$ 2,495,000
2026	\$ 2,495,000	\$ 375,000	\$ -	4.15%	\$ 103,543	\$ 478,543	\$ 2,120,000
2027	\$ 2,120,000	\$ 390,000	\$ -	4.15%	\$ 87,980	\$ 477,980	\$ 1,730,000
2028	\$ 1,730,000	\$ 405,000	\$ -	4.15%	\$ 71,795	\$ 476,795	\$ 1,325,000
2029	\$ 1,325,000	\$ 425,000	\$ -	4.15%	\$ 54,988	\$ 479,988	\$ 900,000
2030	\$ 900,000	\$ 440,000	\$ -	4.15%	\$ 37,350	\$ 477,350	\$ 460,000
2031	\$ 460,000	\$ 460,000	\$ -	4.15%	\$ 19,090	\$ 479,090	\$ -
		\$ 7,000,000			\$ 2,569,541	\$ 9,569,541	

PROJECTED PAYMENT SCHEDULE							
FY	Beg Bal	Principal	Add'l Pmt	Int Rate	Interest	Debt Service	End Bal
2012	\$ 7,000,000	\$ 310,000	\$ 282,989	2.20%	\$ 109,511	\$ 702,500	\$ 6,407,011
2013	\$ 6,407,011	\$ 330,000	\$ 104,046	2.20%	\$ 140,954	\$ 575,000	\$ 5,972,965
2014	\$ 5,972,965	\$ 340,000		2.20%	\$ 131,405	\$ 471,405	\$ 5,632,965
2015	\$ 5,632,965	\$ 345,000		2.20%	\$ 123,925	\$ 468,925	\$ 5,287,965
2016	\$ 5,287,965	\$ 355,000		2.20%	\$ 116,335	\$ 471,335	\$ 4,932,965
2017	\$ 4,932,965	\$ 310,000		4.15%	\$ 204,718	\$ 514,718	\$ 4,622,965
2018	\$ 4,622,965	\$ 270,000		4.15%	\$ 191,853	\$ 461,853	\$ 4,352,965
2019	\$ 4,352,965	\$ 285,000		4.15%	\$ 180,648	\$ 465,648	\$ 4,067,965
2020	\$ 4,067,965	\$ 295,000		4.15%	\$ 168,821	\$ 463,821	\$ 3,772,965
2021	\$ 3,772,965	\$ 305,000		4.15%	\$ 156,578	\$ 461,578	\$ 3,467,965
2022	\$ 3,467,965	\$ 320,000		4.15%	\$ 143,921	\$ 463,921	\$ 3,147,965
2023	\$ 3,147,965	\$ 335,000		4.15%	\$ 130,641	\$ 465,641	\$ 2,812,965
2024	\$ 2,812,965	\$ 345,000		4.15%	\$ 116,738	\$ 461,738	\$ 2,467,965
2025	\$ 2,467,965	\$ 360,000		4.15%	\$ 102,421	\$ 462,421	\$ 2,107,965
2026	\$ 2,107,965	\$ 375,000		4.15%	\$ 87,481	\$ 462,481	\$ 1,732,965
2027	\$ 1,732,965	\$ 390,000		4.15%	\$ 71,918	\$ 461,918	\$ 1,342,965
2028	\$ 1,342,965	\$ 405,000		4.15%	\$ 55,733	\$ 460,733	\$ 937,965
2029	\$ 937,965	\$ 425,000		4.15%	\$ 38,926	\$ 463,926	\$ 512,965
2030	\$ 512,965	\$ 440,000		4.15%	\$ 21,288	\$ 461,288	\$ 72,965
2031	\$ 72,965	\$ 72,965		4.15%	\$ 3,028	\$ 75,993	\$ -
		\$ 6,612,965	\$ 387,035		\$ 2,296,842	\$ 9,296,842	