



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.

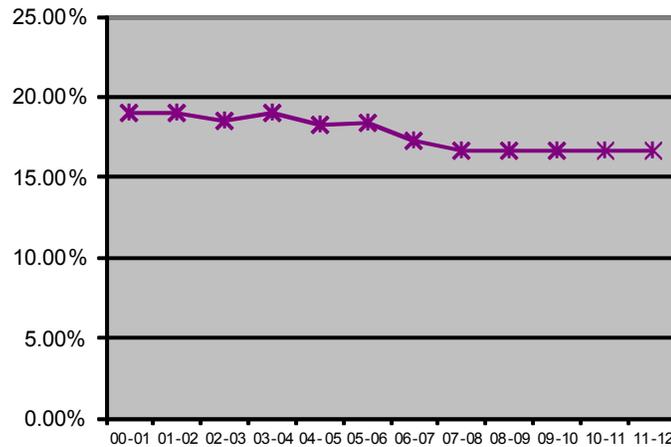
Financial Summary

In FY 11-12 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 11-12 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 \$3,294,227 at June 30, 2012. Currently, the Debt Service fund balance is approximately 18.75% 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 2008-09	ACTUAL FY 2009-10	REVISED BUDGET FY 2010-11	BUDGET FY 2011-12	INC(DEC) FY 2011-12 OVER FY 2010-11	% INC (DEC)
REVENUES						
Operating Revenues						
Property Taxes	\$7,525,831	\$7,851,202	\$8,071,255	\$8,306,896	\$235,641	2.92%
TIF Revenues						
Other City Taxes	93,105	94,835	90,963	96,634	5,671	6.23%
Licenses and Permits						
Use of Money and Property	164,169	35,797				
Intergovernmental						
Charges for Services						
Special Assessments						
Miscellaneous						
Sub-total Operating Revenues	\$7,783,105	\$7,981,834	\$8,162,218	\$8,403,530	\$241,312	2.96%
Other Financing Sources						
Proceeds of Long Term Debt		2,953,687				
Transfers In	12,616,864	50,140,878	8,792,898	9,886,737	1,093,839	12.44%
Sub-total Other Financing Sources	\$12,616,864	\$53,094,565	\$8,792,898	\$9,886,737	\$1,093,839	12.44%
TOTAL REVENUES & OTHER SOURCES	\$20,399,969	\$61,076,399	\$16,955,116	\$18,290,267	\$1,335,151	7.87%
EXPENDITURES						
Operating Expenditures						
Personal Services						
Supplies and Services						
Universal Commodities						
Non-Recurring/Non-Capital						
Capital						
Sub-total Operating Expenditures						
Debt Service Expenditures	\$20,895,400	\$61,353,329	\$17,971,055	\$17,570,475	(\$400,580)	(2.23%)
Capital Improvement Expenditures						
Total Expenditures	\$20,895,400	\$61,353,329	\$17,971,055	\$17,570,475	(\$400,580)	(2.23%)
Transfers Out	\$1,764,955	\$127,357				
TOTAL EXPENDITURES/TRANSFERS OUT	\$22,660,355	\$61,480,686	\$17,971,055	\$17,570,475	(\$400,580)	(2.23%)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(\$2,260,386)	(\$404,287)	(\$1,015,939)	\$719,792	\$1,735,731	170.85%
BEGINNING FUND BALANCE	\$6,255,047	\$3,994,661	\$3,590,374	\$2,574,435	(\$1,015,939)	n/a
ENDING FUND BALANCE	\$3,994,661	\$3,590,374	\$2,574,435	\$3,294,227	\$719,792	n/a
FUND BALANCE% OF EXPENDITURES	19.12%	5.85%	14.33%	18.75%		



Composition of Debt Service Levy

	Principal Payable in FY 2011-12	Interest Payable in FY 2011-12	Total FY 2011-12 Obligation	Amount Paid by Other Funds & Debt Service Fund Balance	Amount Paid by Current Year Debt Service Taxes
2003D - ECP	315,000	195,938	510,938		510,938
2003D - GCP	435,000	269,462	704,462		704,462
2003F - Mills abated	1,600,000	504,346	2,104,346	2,104,346	
2004 - ECP	180,000	250,384	430,384		430,384
2005 - GCP	230,000	47,545	277,545		277,545
2006 - ECP	310,000	138,338	448,338		448,338
2007A - ECP JC abated	195,000	67,746	262,746	262,746	
2008A -ECP Mills abated	1,675,000	157,931	1,832,931	1,832,931	
2008B -ECP Mills abated		266,416	266,416	266,416	
2009A- ADV Refunding	2,405,000	154,600	2,559,600		2,559,600
2009B-ECP	225,000	37,000	262,000		262,000
2010A-ECP	590,000	209,325	799,325		799,325
2010A-ECP Jordan Creek abated	3,070,000	836,675	3,906,675	3,906,675	
2010B-ECP	250,000	14,900	264,900		264,900
2010B-ECP Mills abated	380,000	23,300	403,300	403,300	
2010C-ECP	685,000	203,256	888,256		888,256
2010D-ECP Mills abated		156,731	156,731	156,731	
2011-ECP (pre-levy)		1,341,582	1,341,582	93,800	1,247,782
Registration Costs			10,000		10,000
Leases	132,978	7,022	140,000		140,000
Total General Obligation Bonds	\$12,677,978	\$4,882,497	\$17,570,475	\$9,026,945	\$8,543,530

FY 2011-12 General Obligation Bonds Outstanding

	Original Issue	Estimated Balance June 30, 2011	FY 2011-12 Additions	FY 2011-12 Reductions	Estimated Balance June 30, 2012
2003D - ECP	5,050,000	4,472,500		315,000	4,157,500
2003D - GCP	6,950,000	6,152,500		435,000	5,717,500
2003F - ECP Mills abated	19,250,000	12,670,000		1,600,000	11,070,000
2004A - ECP	6,000,000	5,190,000		180,000	5,010,000
2005A - GCP	2,290,000	1,300,000		230,000	1,070,000
2006A - GCP	6,000,000	3,355,000		310,000	3,045,000
2007A - ECP JC abated	2,550,000	1,830,000		195,000	1,635,000
2008A - ECP Mills abated	9,860,000	5,190,000		1,675,000	3,515,000
2008B - ECP Mills abated	7,000,000	7,000,000			7,000,000
2009A - Refunding Capital Loan Notes	7,510,000	5,480,000		2,405,000	3,075,000
2009B - ECP	6,500,000	925,000		225,000	700,000
2010A - ECP Refunding	6,050,000	6,050,000		590,000	5,460,000
2010A - Refunding JC abated	25,400,000	25,400,000		3,070,000	22,330,000
2010B - ECP Refunding	975,000	745,000		250,000	495,000
2010B - Refunding Mills abated	1,530,000	1,165,000		380,000	785,000
2010C - ECP	7,000,000	6,775,000		685,000	6,090,000
2010D - ECP Mills abated	5,000,000	5,000,000			5,000,000
2011A - ECP (pre-levy)	8,660,000	8,660,000			8,660,000
Total General Obligation Bonds	\$133,575,000	\$107,360,000		\$12,545,000	\$94,815,000

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 2012-13	\$11,795,000	\$3,187,156	\$14,982,156	\$8,230,827	\$6,751,329
FY 2013-14	11,450,000	2,849,056	14,299,056	8,433,571	5,865,485
FY 2014-15	9,005,000	2,520,286	11,525,286	6,394,791	5,130,495
FY 2015-16	9,165,000	2,176,977	11,341,977	6,287,500	5,054,477
FY 2016-17	9,705,000	1,817,304	11,522,304	6,567,416	4,954,888
FY 2017-18	10,055,000	1,431,510	11,486,510	6,597,235	4,889,275
FY 2018-19	9,395,000	1,024,213	10,419,213	6,615,750	3,803,463
FY 2019-20	5,490,000	635,196	6,125,196	2,817,996	3,307,200
FY 2020-21	3,730,000	412,166	4,142,166	2,829,666	1,312,500
FY 2021-22	2,595,000	250,566	2,845,566	2,845,566	
FY 2022-23	1,580,000	146,816	1,726,816	1,726,816	
FY 2023-24	330,000	81,606	411,606	411,606	
FY 2024-25	345,000	70,469	415,469	415,469	
FY 2025-26	355,000	58,825	413,825	413,825	
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	
	\$86,155,000	\$16,765,346	\$102,911,346	\$61,842,234	\$41,069,112