

# DEBT SERVICE FUNDS

Debt Service Funds are used to account for the repayment of principal and interest on bonds issued for specified purposes. Annual budgets are established for the following debt service funds:

**General Debt Service Fund**, to account for general long-term debt principal, interest, and related costs.

**Tax Increment Fund**, to account for the retirement of principal and interest on tax increment revenue bonds issued for various improvements in the downtown redevelopment area.



# GENERAL DEBT SERVICE FUND

## Direct Debt Service Fund

The General Debt Service Fund is used to record resources for, and payment of, general long-term debt, debt principal, interest, and related costs. Provisions are made in the City's annual operating budget to transfer sufficient funds to meet the general obligation requirements.

GENERAL DEBT SERVICE FUND					
	FY06	FY07	FY08	FY08	FY09
	Actual	Actual	Budget	YTD	Budget
<b>REVENUES</b>					
Transfer - General Fund	572,162	660,177	800,514	599,606	856,146
<b>TOTAL REVENUES</b>	<b>572,162</b>	<b>660,177</b>	<b>800,514</b>	<b>599,606</b>	<b>856,146</b>
<b>EXPENDITURES</b>					
Principal retirement	\$ 366,667	\$ 445,000	\$ 581,340	\$ 419,724	\$ 599,892
Interest charges	205,495	215,177	219,174	179,882	256,254
<b>TOTAL EXPENDITURES</b>	<b>572,162</b>	<b>660,177</b>	<b>800,514</b>	<b>599,606</b>	<b>856,146</b>
Surplus/(Deficit)	0	0	0	0	0
Fund balance at beginning of year	0	0	0	0	0
Fund balance at end of year	0	0	0	0	0

### FY 2007-08 BREAKDOWN OF PRINCIPAL AND INTEREST

<b>Principal</b>	2006 Lease Principal	\$94,875
	2005 GO Bond Principal	200,000
	2004 Lease Principal - Fire Truck	32,517
	2000 GO Bond Principal	185,000
	2008 GO Bond Principal	87,500
<b>Interest</b>	2006 Capital Lease Interest	\$15,925
	2005 GO Bond Interest	70,026
	2004 Capital Lease Interest - Fire Truck	15,770
	2000 GO Bond Interest	92,327
	2008 GO Bond Interest	<u>62,206</u>
	<b>TOTAL</b>	<b>856,146</b>

# TAX INCREMENT FUND

## Debt Service Fund

The Tax Increment Fund was established in 2003 to account for the retirement of principal and interest on tax increment revenue bonds issued by the City for various improvements in the downtown redevelopment area. The bonds are repaid from the incremental taxes produced by the incremental increase in assessed property values within the tax increment district. In 2004, a \$640,000 tax increment improvement bond was issued to finance improvements in the downtown redevelopment area. In 2006, a \$1,050,000 another tax increment improvement bond was issued to finance additional improvements.

	TIF Fund				
	FY06 Actual	FY07 Actual	FY08 Budget	FY08 YTD	FY09 Budget
<b>REVENUES</b>					
Property Taxes	205,728	229,521	230,000	264,764	270,000
Interest	4,809	29,006	7,500	0	5,000
Bond Proceeds	0	1,050,000	0	0	0
Misscellaneous	377,906	169,800	0	305	0
<b>TOTAL REVENUES</b>	<b>588,443</b>	<b>1,478,327</b>	<b>237,500</b>	<b>265,069</b>	<b>275,000</b>
<b>EXPENDITURES</b>					
Debt Service	42,671	176,901	168,679	10,575	177,048
Capital Improvments	487,133	225,563	167,500	206,601	257,000
<b>TOTAL EXPENDITURES</b>	<b>529,804</b>	<b>402,464</b>	<b>336,179</b>	<b>217,176</b>	<b>434,048</b>
Surplus/(Deficit)	58,640	1,075,863	-98,679	47,893	-159,048
Fund balance at beginning of year	113,545	172,185	1,248,048	1,248,048	1,248,048
Fund balance at end of year	172,185	1,248,048	1,149,369	1,295,941	1,089,000

### FY 2008-09 BREAKDOWN OF PRINCIPAL AND INTEREST

**Principal:**

2004 Bond	\$45,000
2006 Bond	<u>\$70,500</u>
	\$115,500

**Interest:**

2004 Bond	\$19,608
2006 Bond	<u>\$41,940</u>
	\$61,548