

# 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         |                |                |                |                |                |
|-----------------------------------|----------------|----------------|----------------|----------------|----------------|
|                                   | FY07           | FY08           | FY09           | FY09           | FY10           |
|                                   | Actual         | Actual         | Budget         | YTD            | Budget         |
| <b>REVENUES</b>                   |                |                |                |                |                |
| Transfer - General Fund           | \$ 660,177     | \$ 547,147     | \$ 856,146     | \$ 610,736     | \$ 764,514     |
| <b>TOTAL REVENUES</b>             | <b>660,177</b> | <b>547,147</b> | <b>856,146</b> | <b>610,736</b> | <b>764,514</b> |
| <b>EXPENDITURES</b>               |                |                |                |                |                |
| Principal retirement              | \$ 445,000     | \$ 365,000     | \$ 599,892     | \$ 432,158     | \$ 583,450     |
| Interest charges                  | 215,177        | 182,147        | 256,254        | 178,578        | 181,064        |
| <b>TOTAL EXPENDITURES</b>         | <b>660,177</b> | <b>547,147</b> | <b>856,146</b> | <b>610,736</b> | <b>764,514</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 2009-10 BREAKDOWN OF PRINCIPAL AND INTEREST

|                  |  |                |
|------------------|--|----------------|
| <b>Principal</b> | 2006 Lease Principal                               | \$98,660       |
|                  | 2005 GO Bond Principal                             | 210,000        |
|                  | 2004 Lease Principal - Fire Truck                  | 33,707         |
|                  | 2000 GO Bond Principal                             | 195,000        |
|                  | 2008 Lease Principal - Recycle Truck / Police Cars | 46,082         |
| <b>Interest</b>  | 2006 Capital Lease Interest                        | \$12,140       |
|                  | 2005 GO Bond Interest                              | 63,026         |
|                  | 2004 Capital Lease Interest - Fire Truck           | 14,580         |
|                  | 2000 GO Bond Interest                              | 80,751         |
|                  | 2008 Capital Lease Interest                        | 10,568         |
|                  | <b>TOTAL</b>                                       | <b>764,514</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                          |                  |                |                |                |                |
|-----------------------------------|------------------|----------------|----------------|----------------|----------------|
|                                   | FY07             | FY08           | FY09           | FY09           | FY10           |
|                                   | Actual           | Actual         | Budget         | YTD            | Budget         |
| <b>REVENUES</b>                   |                  |                |                |                |                |
| Property Taxes                    | 229,521          | 277,479        | 270,000        | 314,486        | 317,000        |
| Interest                          | 29,006           | 32,389         | 5,000          | 1,550          | 5,000          |
| Bond Proceeds                     | 1,050,000        | 0              | 0              | 0              | 0              |
| Misscellaneous                    | 169,800          | 305            | 0              | 0              | 0              |
| <b>TOTAL REVENUES</b>             | <b>1,478,327</b> | <b>310,173</b> | <b>275,000</b> | <b>316,036</b> | <b>322,000</b> |
| <b>EXPENDITURES</b>               |                  |                |                |                |                |
| Debt Service                      | 176,901          | 177,752        | 177,048        | 9,987          | 177,216        |
| Capital Improvments               | 225,563          | 466,872        | 257,000        | 160,603        | 270,000        |
| <b>TOTAL EXPENDITURES</b>         | <b>402,464</b>   | <b>644,624</b> | <b>434,048</b> | <b>170,590</b> | <b>447,216</b> |
| Surplus/ (Deficit)                | 1,075,863        | -334,451       | -159,048       | 145,446        | -125,216       |
| Fund balance at beginning of year | 172,185          | 1,248,048      | 913,597        | 913,597        | 913,597        |
| Fund balance at end of year       | 1,248,048        | 913,597        | 754,549        | 1,059,043      | 788,381        |

**FY 2009-10 BREAKDOWN OF PRINCIPAL AND INTEREST**

**Principal:**

|           |                 |
|-----------|-----------------|
| 2004 Bond | \$45,000        |
| 2006 Bond | <u>\$80,000</u> |
|           | \$125,000       |

**Interest:**

|           |                 |
|-----------|-----------------|
| 2004 Bond | \$18,060        |
| 2006 Bond | <u>\$34,156</u> |
|           | \$52,216        |