Debt Service

The Debt Service is for principal and interest payments on outstanding general obligation debt issues owed by the County for all governmental funds.

MISSION

Debt Service provides funds sufficient to make annual interest and principal payments on County debt obligations borrowed for capital expenditures.

POLICY

The County may borrow money only to finance its Capital Improvement Program and other capital assets. The County's ability to achieve the lowest possible financing costs is tied directly to its fiscal management, including the existence and adherence to formal fiscal policies. Because of the significant annual and long-range cost of debt service, and to assure both taxpayers and bond rating agencies that debt levels and ability to pay debt service are actively managed.

The purpose of this policy is to provide the County with a guide to manage debt levels by evaluating the need for capital investments against the capacity to pay for financing the costs of meeting that need. The goal of this policy is to equip the County Board, Administration and taxpayers with guidelines and information that can inform good decisions on borrowing money to accomplish the fiscal and program mission of the County.

By state statute, the County's debt obligation cannot exceed 5% of the equalized value of all property in the County, including Tax Increment Financing Districts. The County continues to be in compliance with this debt limit. See "Outstanding Debt Limit" (next page).

By state statute, there is a separate property tax levy rate limits for debt service levy. The baseline for the limit is the 1992 tax rate adopted for the 1993 budget. The County continues to be in compliance with the debt levy rate.

The County's Capital Improvement plan includes projections for replacement of assets as well as anticipating investment in new assets that may be needed. The plan is expected to be updated periodically to reflect additions, deletions and other changes in assets of circumstances. It is expected that investment in operating equipment, fleet and technology will be transitioned such that acquisitions will be made through annual budget appropriations when applicable, as determined by management and the County Board.

Debt Service

	2014 Actual	2015 Estimate	2015 Amended Budget	2016 Budget	Change from 2015 Amended Budget $	%
Revenues						
Other Financing Sources	187,590	118,098	187,590	-	(187,590)	-100.00%
Total Revenues	187,590	118,098	187,590	-	(187,590)	-100.00%
Expenditures						
Principal	-	995,000	995,000	745,000	(250,000)	-25.13%
Interest Expenses	85,102	415,399	372,686	468,668	95,982	25.75%
Total Expenditures	85,102	1,410,399	1,367,686	1,213,668	(154,018)	-11.26%
Property Taxes	-	1,180,096	1,180,096	1,138,284	(41,812)	-3.54%
Addition to (Use of) Fund Balance	102,488	(112,205)	-	(75,384)		

Outstanding Debt Limit

Equalized Value (a)	6,488,642,200
Statutory Limitation Percentage	5%
Statutory Debt Limitation	324,432,110
Outstanding Debt (b)	16,390,000
Available Debt Limit	308,042,110
Percentage of Debt Limit Available	94.95%

(a) Total County equalized value including Tax Incremental Districts for budget year purposes.

Outstanding Debt Limit

Outstanding indebtedness is the outstanding principal on general obligation bonds for which the County has pledged its full faith, credit and unlimited taxing power.

General Obilgation Bonds	Date of Issue	Date of Maturity	True Interest Cost	Outstanding Debt
G. O. Bond Series 2013A	12/30/2013	4/1/2033	3.372900%	3,360,000
G. O. Bond Series 2014A	9/25/2014	4/1/2034	2.775158%	9,145,000
G. O. Bond Series 2015A	5/12/2015	4/1/2034	2.479800%	3,885,000
Total				16,390,000

DEBT SERVICE-2016 BUDGET

Account Number	Sub	Description	2014 Actual	2015 6-Month Actual	2015 Estimated	2015 Amended	2016 Admin	2016 Adopted
8013-HIGHWAY FACILITIES								
REVENUES								
411120		DEBT SERV PROPERTY TAXES	-	1,180,096	1,180,096	1,180,096	1,138,284	1,138,284
REVENUES TOTAL			**-**	**1,180,096**	**1,180,096**	**1,180,096**	**1,138,284**	**1,138,284**
EXPENDITURES								
592001		BOND PRINCIPAL	-	995,000	995,000	995,000	745,000	745,000
592002		BOND INTEREST	85,102	190,289	415,399	372,686	468,668	468,668
594950		OPERATING RESERVE	-	-	-	187,590	-	-
		OPERATING EXPENDITURES	85,102	1,185,289	1,410,399	1,555,276	1,213,668	1,213,668
		EXPENDITURES TOTAL	**85,102**	**1,185,289**	**1,410,399**	**1,555,276**	**1,213,668**	**1,213,668**
OTHER FINANCING SOURCES (USES)								
631100		PROCEEDS OF BONDS	(187,590)	(118,098)	(118,098)	(187,590)	-	-
699700		RESV APPLIED OPERATING	-	-	-	-	(75,384)	(75,384)
OTHER FINANCING SOURCES (USES) TOTAL			**(187,590)**	**(118,098)**	**(118,098)**	**(187,590)**	**(75,384)**	**(75,384)**
		REVENUES	**-**	**1,180,096**	**1,180,096**	**1,180,096**	**1,138,284**	**1,138,284**
		EXPENDITURES	**85,102**	**1,185,289**	**1,410,399**	**1,555,276**	**1,213,668**	**1,213,668**
		OTHER FINANCING SOURCES (USE	**(187,590)**	**(118,098)**	**(118,098)**	**(187,590)**	**(75,384)**	**(75,384)**
TOTAL BUSINESS UNIT-8013-HIGHWAY FACILITIES			**(102,488)**	**(112,905)**	**112,205**	**187,590**	**-**	**-**
		REVENUES	**-**	**1,180,096**	**1,180,096**	**1,180,096**	**1,138,284**	**1,138,284**
		EXPENDITURES	**85,102**	**1,185,289**	**1,410,399**	**1,555,276**	**1,213,668**	**1,213,668**
		OTHER FINANCING SOURCES (USE	**(187,590)**	**(118,098)**	**(118,098)**	**(187,590)**	**(75,384)**	**(75,384)**
TOTAL FINANCE DEPARTMENT			**(102,488)**	**(112,905)**	**112,205**	**187,590**	**-**	**-**

SCHEDULE OF CURRENT DEBT SERVICE
REQUIREMENTS BY ISSUE

Fiscal Year		G. O. Bond Series 2013A	G. O. Bond Series 2014A	G.O. Bond Series 2015A	Total
2016	Principal	145,000	370,000	230,000	745,000
	Interest	108,700	252,798	107,170	468,668
2017	Principal	150,000	375,000	155,000	680,000
	Interest	105,750	247,198	101,395	454,343
2018	Principal	155,000	380,000	160,000	695,000
	Interest	102,700	239,648	96,670	439,018
2019	Principal	160,000	385,000	165,000	710,000
	Interest	99,550	231,997	91,795	423,342
2020	Principal	160,000	395,000	175,000	730,000
	Interest	95,550	224,198	86,695	406,443
2021	Principal	165,000	405,000	180,000	750,000
	Interest	90,675	214,173	81,370	386,218
2022	Principal	165,000	425,000	180,000	770,000
	Interest	85,725	201,722	75,970	363,417
2023	Principal	170,000	435,000	190,000	795,000
	Interest	80,700	188,822	70,420	339,942
2024	Principal	175,000	450,000	195,000	820,000
	Interest	75,525	175,547	64,645	315,717
2025	Principal	180,000	465,000	200,000	845,000
	Interest	70,200	162,985	59,220	292,405
2026	Principal	185,000	475,000	205,000	865,000
	Interest	64,263	151,235	54,157	269,655
2027	Principal	195,000	485,000	210,000	890,000
	Interest	57,612	138,629	48,970	245,211
2028	Principal	205,000	500,000	215,000	920,000
	Interest	50,100	124,460	43,658	218,218
2029	Principal	215,000	510,000	220,000	945,000
	Interest	41,700	109,310	38,110	189,120
2030	Principal	220,000	530,000	225,000	975,000
	Interest	33,000	93,710	32,325	159,035
2031	Principal	230,000	545,000	235,000	1,010,000
	Interest	24,000	76,631	25,875	126,506
2032	Principal	235,000	570,000	240,000	1,045,000
	Interest	14,700	57,955	18,750	91,405
2033	Principal	250,000	585,000	245,000	1,080,000
	Interest	5,000	38,609	11,475	55,084
2034	Principal		860,000	260,000	1,120,000
	Interest		14,405	3,900	18,305
Total Principal		**3,360,000**	**9,145,000**	**3,885,000**	**16,390,000**
Total Interest		**1,205,450**	**2,944,032**	**1,112,570**	**5,262,052**