

Debt Service Fund

Mission

To provide policy direction and effective management as it relates to the City's borrowing capacity and repayment of all debt obligations

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**CITY OF ALLENTOWN
FUND SUMMARY - DEBT SERVICE FUND (082)**

	<u>2013 Actuals</u>	<u>2014 Actuals</u>	<u>2015 Actuals</u>	<u>2016 Actuals</u>	<u>2017 Budget</u>	<u>2017 A&E</u>	<u>2018 Budget</u>
Revenues:							
082-7130 General Fund Transfer In	7,547,852	12,534,936	12,515,979	11,165,733	11,432,703	11,432,703	9,604,774
082-7132 Sewer Fund Transfer In	54,051	0	0	0	0	0	0
082-7133 Liquid Fuels Fund Transfer In	0	0	0	46,563	60,437	60,437	61,228
082-7135 Golf Fund Transfer In	106,480	106,480	0	0	0	0	0
Total Revenue	7,708,383	12,641,416	12,515,979	11,212,296	11,493,140	11,493,140	9,666,002
Expenditures:							
44 PROF SERVICES FEES	6,078	8,830	7,080	7,370	35,000	35,000	35,000
82 INTEREST EXPENSE	3,827,906	3,704,434	3,363,859	3,271,606	3,167,290	3,167,290	3,078,780
98 DEBT PRINCIPAL	3,874,400	8,928,152	9,145,040	7,933,320	8,290,850	8,290,850	6,552,222
Total Expenditures	7,708,383	12,641,416	12,515,979	11,212,296	11,493,140	11,493,140	9,666,002

**CITY OF ALLENTOWN
PROGRAM BUDGET**

**082 DEBT SERVICE
02 FINANCE
8002 DEBT SERVICE
0001 DEBT SERVICE**

<i>Account Number</i>	<i>2017 Budget</i>	<i>2017 Adj. Budget</i>	<i>2017 A&E</i>	<i>2018 Budget</i>
0001-44 PROF SERVICES FEES	35,000	35,000	35,000	35,000
0001-82 INTEREST EXPENSE	843,723	3,167,290	3,167,290	3,078,780
0001-98 DEBT PRINCIPAL	8,290,850	8,290,850	8,290,850	6,552,222
Total DEBT SERVICE	9,169,573	11,493,140	11,493,140	9,666,002

**CITY OF ALLENTOWN
PROGRAM BUDGET**

**082 DEBT SERVICE
02 FINANCE
8002 DEBT SERVICE
0001 DEBT SERVICE**

<i>Account Number</i>	<i>2013 Actuals</i>	<i>2014 Actuals</i>	<i>2015 Actuals</i>	<i>2016 Actuals</i>
0001-44 PROF SERVICES FEES	6,078	8,830	7,080	7,370
0001-82 INTEREST EXPENSE	3,827,906	3,704,434	3,363,859	3,271,606
0001-98 DEBT PRINCIPAL	3,874,400	8,928,152	9,145,040	7,933,320
Total DEBT SERVICE	7,708,384	12,641,416	12,515,979	11,212,296

DEBT SERVICE FUND
GENERAL OBLIGATION DEBT

	<u>OUTSTANDING</u> <u>DEBT</u> <u>JAN. 1, 2017</u>	<u>ADDITIONS</u> <u>(REDUCTIONS)</u> <u>IN 2017</u>	<u>OUTSTANDING</u> <u>DEBT</u> <u>DEC. 31, 2017</u>	<u>INTEREST</u> <u>EXPENSE</u> <u>2017</u>
2004 Pension Refunding Bonds	15,565,000	(2,905,000)	12,660,000	731,134
2006 General Obligation Note (\$10,000,000)	7,903,958	(260,850)	7,643,108	753,291
2007 General Obligation Series A (includes accretion as of 12/31/14)	27,069,115	-	27,069,115	-
2007 General Obligation Series B	6,240,000	(1,230,000)	5,010,000	360,238
2008 General Obligation	615,000	(300,000)	315,000	22,455
2009 General Obligation	3,236,000	(349,000)	2,887,000	126,440
2011 General Obligation Series A	4,735,000	(4,735,000)	-	-
2012 General Obligation Bond	4,175,000	(4,175,000)	-	-
2015 General Obligation Note (draw down)	4,078,000	(1,301,434)	2,776,566	8,498
2015 General Obligation Bond Series A	15,270,000	(290,000)	14,980,000	573,380
2015 General Obligation Bond Series B	10,945,000	(740,000)	10,205,000	416,476
2017 General Obligation Bond	-	8,195,000	8,195,000	182,498
TOTALS	99,832,073	(8,091,284)	91,740,789	3,174,409

(1) Cash Basis, unless otherwise stated

DEBT SERVICE FUND
GENERAL OBLIGATION DEBT AMORTIZATION SCHEDULE AS OF DECEMBER 31, 2017

DEBT SERVICE REQUIREMENTS ON OUTSTANDING
GENERAL OBLIGATION DEBT ISSUES AS OF DECEMBER 31, 2017

				<u>TAXABLE PENSION REFUNDING BONDS SERIES OF 2004</u>				
<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL ANNUAL DEBT SERVICE</u>	<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL ANNUAL PENSION DEBT</u>	<u>TOTAL ANNUAL ALL DEBT</u>
2018	5,727,360.00	2,387,911.56	8,115,271.56	2018	485,000.00	655,730.50	1,140,730.50	9,256,002.06
2019	5,934,190.00	2,177,221.81	8,111,411.81	2019	510,000.00	632,111.00	1,142,111.00	9,253,522.81
2020	4,835,550.00	1,950,219.91	6,785,769.91	2020	535,000.00	607,274.00	1,142,274.00	7,928,043.91
2021	3,846,944.75	2,263,204.88	6,110,149.63	2021	560,000.00	581,219.50	1,141,219.50	7,251,369.13
2022	3,721,588.40	2,318,572.06	6,040,160.46	2022	590,000.00	552,323.50	1,142,323.50	7,182,483.96
2023	3,324,382.90	2,548,300.31	5,872,683.21	2023	620,000.00	521,879.50	1,141,879.50	7,014,562.71
2024	3,377,805.60	2,558,739.02	5,936,544.62	2024	650,000.00	489,887.50	1,139,887.50	7,076,432.12
2025	2,667,030.00	2,793,664.06	5,460,694.06	2025	690,000.00	455,372.50	1,145,372.50	6,606,066.56
2026	2,674,856.60	2,848,209.72	5,523,066.32	2026	720,000.00	419,492.50	1,139,492.50	6,662,558.82
2027	2,693,687.20	2,888,597.30	5,582,284.50	2027	760,000.00	382,052.50	1,142,052.50	6,724,337.00
2028	2,718,470.00	2,917,141.47	5,635,611.47	2028	795,000.00	342,532.52	1,137,532.52	6,773,143.99
2029	2,765,682.60	2,923,112.78	5,688,795.38	2029	840,000.00	301,192.50	1,141,192.50	6,829,987.88
2030	2,810,383.80	2,920,782.86	5,731,166.66	2030	880,000.00	257,512.50	1,137,512.50	6,868,679.16
2031	2,874,468.20	2,898,168.79	5,772,636.99	2031	930,000.00	211,312.50	1,141,312.50	6,913,949.49
2032	2,141,666.80	3,517,391.00	5,659,057.80	2032	980,000.00	162,487.50	1,142,487.50	6,801,545.30
2033	2,116,578.50	3,586,594.50	5,703,173.00	2033	1,030,000.00	111,037.50	1,141,037.50	6,844,210.50
2034	2,123,768.80	3,638,670.00	5,762,438.80	2034	1,085,000.00	56,962.50	1,141,962.50	6,904,401.30
2035	1,835,860.80	5,406,478.00	7,242,338.80	2035				7,242,338.80
2036	1,790,814.40	5,514,141.00	7,304,955.40	2036				7,304,955.40
2037	645,000.00	257,437.50	902,437.50	2037				902,437.50
2038	670,000.00	233,572.50	903,572.50	2038				903,572.50
2039	695,000.00	208,782.50	903,782.50	2039				903,782.50
2040	720,000.00	183,067.50	903,067.50	2040				903,067.50
2041	745,000.00	155,347.50	900,347.50	2041				900,347.50
2042	775,000.00	126,665.00	901,665.00	2042				901,665.00
2043	805,000.00	96,827.50	901,827.50	2043				901,827.50
2044	840,000.00	65,835.00	905,835.00	2044				905,835.00
2045	870,000.00	33,495.00	903,495.00	2045				903,495.00
2046	-	-	-	2046				-
Accretion	12,295,133.65		12,295,133.65					12,295,133.65
TOTAL	79,041,223.00	59,418,151.03	138,459,374.03	TOTAL	12,660,000.00	6,740,380.52	19,400,380.52	157,859,754.55

**DEBT SERVICE REQUIREMENTS ON OUTSTANDING
GENERAL OBLIGATION DEBT ISSUES AS OF DECEMBER 31, 2017**

<u>YEAR</u>	<u>SERIES OF 2007B</u>		<u>SERIES OF 2008</u>		<u>SERIES OF 2009</u>	
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2018	1,280,000.00	290,497.00	315,000.00	11,655.00	363,000.00	111,737.15
2019	1,670,000.00	217,281.00	-	-	379,000.00	96,414.85
2020	2,015,000.00	120,922.00	-	-	394,000.00	80,452.40
2021	45,000.00	2,641.50	-	-	411,000.00	63,829.15
2022	-	-	-	-	428,000.00	46,503.80
2023	-	-	-	-	447,000.00	28,435.05
2024	-	-	-	-	465,000.00	9,602.25
2025	-	-	-	-	-	-
TOTAL	5,010,000.00	631,341.50	315,000.00	11,655.00	2,887,000.00	436,974.65

<u>YEAR</u>	<u>SERIES OF 2015</u>	
	<u>PRINCIPAL</u>	<u>INTEREST</u>
2018	1,359,000.00	28,866.73
2019	1,378,000.00	9,666.67
2020	-	-
2021	-	-
2022	-	-
2023	-	-
2024	-	-
2025	-	-
TOTAL	2,737,000.00	38,533.40

**DEBT SERVICE REQUIREMENTS ON OUTSTANDING
GENERAL OBLIGATION DEBT ISSUES AS OF DECEMBER 31, 2017**

<u>2006 NOTE (Loan)</u>			<u>SERIES OF 2007 A</u>		
<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2018	285,360.00	728,430.66	2018	-	-
2019	312,190.00	701,234.27	2019	-	-
2020	341,550.00	673,320.49	2020	-	-
2021	373,640.00	638,929.21	2021	842,304.75	554,730.00
2022	408,780.00	603,319.24	2022	914,808.40	763,074.00
2023	447,200.00	564,360.24	2023	1,120,182.90	1,139,330.00
2024	489,240.00	523,169.01	2024	1,038,565.60	1,270,699.00
2025	535,240.00	475,112.30	2025	1,121,790.00	1,615,758.00
2026	585,550.00	424,100.96	2026	1,044,306.60	1,748,640.00
2027	640,580.00	368,294.78	2027	973,107.20	1,875,490.00
2028	700,790.00	308,085.71	2028	907,680.00	1,997,262.00
2029	766,670.00	240,454.78	2029	844,012.60	2,106,208.00
2030	838,740.00	167,386.86	2030	786,643.80	2,213,971.00
2031	917,578.00	87,450.29	2031	731,890.20	2,312,256.00
2032	-	-	2032	866,666.80	3,061,266.00
2033	-	-	2033	806,578.50	3,174,532.00
2034	-	-	2034	748,768.80	3,273,930.00
2035	-	-	2035	1,050,860.80	5,091,398.00
2036	-	-	2036	975,814.40	5,227,341.00
			<i>Accretion</i>	12,295,133.65	
TOTAL	7,643,108.00	6,503,648.80	TOTAL	27,069,115.00	37,425,885.00

Year 2017 reverts to LIBOR plus 40 basis points

**DEBT SERVICE REQUIREMENTS ON OUTSTANDING
GENERAL OBLIGATION DEBT ISSUES AS OF DECEMBER 31, 2017**

2015 A - General Obligation Bond			2015 B - General Obligation Bond			2017 - General Obligation Bond		
			Refunds Series of 2003 (1,070,000), 2004 (4,095,000), 2011 (6,075,000)			Refunds Series of 2011A (4,735,000) and 2012 (4,175,000)		
YEAR	PRINCIPAL	INTEREST	YEAR	PRINCIPAL	INTEREST	YEAR	PRINCIPAL	INTEREST
2018	310,000.00	564,680.00	2018	770,000.00	394,276.26	2018	1,045,000.00	257,768.76
2019	330,000.00	552,280.00	2019	795,000.00	363,476.26	2019	1,070,000.00	236,868.76
2020	415,000.00	539,080.00	2020	575,000.00	331,676.26	2020	1,095,000.00	204,768.76
2021	445,000.00	522,480.00	2021	595,000.00	308,676.26	2021	1,135,000.00	171,918.76
2022	440,000.00	500,230.00	2022	630,000.00	278,926.26	2022	900,000.00	126,518.76
2023	475,000.00	478,230.00	2023	660,000.00	247,426.26	2023	175,000.00	90,518.76
2024	515,000.00	454,480.00	2024	690,000.00	214,426.26	2024	180,000.00	86,362.50
2025	450,000.00	433,880.00	2025	380,000.00	186,826.26	2025	180,000.00	82,087.50
2026	470,000.00	421,505.00	2026	390,000.00	176,376.26	2026	185,000.00	77,587.50
2027	480,000.00	407,405.00	2027	405,000.00	164,676.26	2027	195,000.00	72,731.26
2028	500,000.00	392,405.00	2028	415,000.00	152,020.00	2028	195,000.00	67,368.76
2029	515,000.00	376,155.00	2029	435,000.00	138,532.50	2029	205,000.00	61,762.50
2030	535,000.00	359,417.50	2030	445,000.00	124,395.00	2030	205,000.00	55,612.50
2031	545,000.00	340,692.50	2031	465,000.00	108,820.00	2031	215,000.00	48,950.00
2032	575,000.00	321,617.50	2032	475,000.00	92,545.00	2032	225,000.00	41,962.50
2033	590,000.00	301,492.50	2033	490,000.00	75,920.00	2033	230,000.00	34,650.00
2034	610,000.00	280,105.00	2034	515,000.00	58,035.00	2034	250,000.00	26,600.00
2035	5,000.00	257,992.50	2035	530,000.00	39,237.50	2035	250,000.00	17,850.00
2036	10,000.00	257,807.50	2036	545,000.00	19,892.50	2036	260,000.00	9,100.00
2037	645,000.00	257,437.50	2037	-	-			
2038	670,000.00	233,572.50	2038	-	-			
2039	695,000.00	208,782.50	2039	-	-			
2040	720,000.00	183,067.50	2040	-	-			
2041	745,000.00	155,347.50	2041	-	-	TOTAL	8,195,000.00	1,770,987.58
2042	775,000.00	126,665.00	2042	-	-			
2043	805,000.00	96,827.50	2043	-	-			
2044	840,000.00	65,835.00	2044	-	-			
2045	870,000.00	33,495.00	2045	-	-			
	-	-						
TOTAL	14,980,000.00	9,122,965.00	TOTAL	10,205,000.00	3,476,160.10			

LEGAL DEBT MARGIN

As of December 31, 2016

Net Nonelectoral General Obligation Debt Limit:

Borrowing base (1)	\$	91,618,292
Percentage limitation		<u>350%</u>
Net nonelectoral debt limit	\$	320,664,020
Less: Net nonelectoral debt outstanding		83,779,057

REMAINING BORROWING CAPACITY AS OF DECEMBER 31, 2016 **\$ 236,884,963**

Net Nonelectoral Plus Lease Rental Debt Limit:

Borrowing base (1)	\$	91,618,292
Percentage limitation		<u>350%</u>
Net nonelectoral debt limit plus lease rental debt limit	\$	320,664,022
Less: Net nonelectoral debt outstanding plus lease rental debt outstanding		99,344,057

REMAINING BORROWING CAPACITY AS OF DECEMBER 31, 2016 **\$ 221,319,965**

(1) The Commonwealth of Pennsylvania has enacted the "Local Government Unit Debt Act" which limits debt to revenues. Briefly, the revenues of the last three years are adjusted for various nonrecurring and excludable items. The average of the adjusted revenues is then the borrowing base. Certain percentages are applied to the borrowing base to determine the debt limitations.

CITY OF ALLENTOWN PENNSYLVANIA

COMPUTATION OF DIRECT AND OVERLAPPING DEBT (1)

As of December 31, 2016

	<u>Net Debt Outstanding</u>	<u>City of Allentown Pro-Rata Share</u>	<u>City of Allentown Share of Debt</u>
<u>DIRECT DEBT</u>			
City General Obligation Bonds			
2004 General Obligation Bonds	15,565,000	100.0%	15,565,000
2006 General Obligation Bonds	7,903,958	100.0%	7,903,958
2007 General Obligation Bonds	33,309,115	100.0%	33,309,115
2008 General Obligation Bonds	615,000	100.0%	615,000
2009 General Obligation Bonds	3,236,000	100.0%	3,236,000
2011 General Obligation Bonds	4,735,000	100.0%	4,735,000
2012 General Obligation Bonds	4,175,000	100.0%	4,175,000
2015 General Obligation Bonds	30,293,000	100.0%	30,293,000
2017 General Obligation Bonds	-	100.0%	-
NET DIRECT DEBT	\$ 99,832,073	100.0%	\$ 99,832,073
<u>OVERLAPPING DEBT</u>			
Allentown School District	182,423,069	100.0%	182,423,069
Lehigh County General Obligation Bonds	127,436,018	19.8%	25,232,332
TOTAL OVERLAPPING DEBT	\$ 309,859,087		\$ 207,655,401
TOTAL DIRECT AND OVERLAPPING DEBT	\$ 409,691,160		\$ 307,487,474

(1) Overlapping debt is calculated by using Allentown's percentage of Lehigh County's total assessments.

This percentage is used to determine Allentown's percent of the debt. The debt for Allentown School District is included at 100%.