

## **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

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

	<u>2015 Budget</u>	<u>2015 Adj Budget</u>	<u>2015 A &amp; E</u>	<u>2016 Budget</u>
<b>Revenues:</b>				
082-7130 General Fund Transfer In	13,551,814	13,551,814	12,928,327	11,263,316
082-7133 Liquid Fuels Fund Transfer In	0	0	0	46,563
<b>Total Revenue</b>	<b>13,551,814</b>	<b>13,551,814</b>	<b>12,928,327</b>	<b>11,309,879</b>
<b>Expenditures:</b>				
44 PROF SERVICES FEES	35,000	35,000	35,000	35,000
82 INTEREST EXPENSE	3,146,774	3,146,774	3,248,287	3,321,559
98 DEBT PRINCIPAL	10,370,040	10,370,040	9,645,040	7,953,320
<b>Total Expenditures</b>	<b>13,551,814</b>	<b>13,551,814</b>	<b>12,928,327</b>	<b>11,309,879</b>

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

<b>Revenues:</b>	<u>2011 Actuals</u>	<u>2012 Actuals</u>	<u>2013 Actuals</u>	<u>2014 Actuals</u>
082-7130 General Fund Transfer In	7,038,684	7,230,967	7,547,853	12,534,936
082-7132 Sewer Fund Transfer In	34,092	31,860	54,051	0
082-7135 Golf Fund Transfer In	106,480	106,480	106,480	106,480
082-7136 CDBG Transfer in	17,046	15,930	0	0
082-7137 E-911 Transfer In	17,046	0	0	0
<b>Total Debt Service Fund Revenue</b>	<b>7,213,348</b>	<b>7,385,237</b>	<b>7,708,384</b>	<b>12,641,416</b>

<b>Expenditures:</b>	<u>2011 Actuals</u>	<u>2012 Actuals</u>	<u>2013 Actuals</u>	<u>2014 Actuals</u>
44 PROF SERVICES FEES	5,078	12,013	6,078	8,830
82 INTEREST EXPENSE	3,944,170	3,977,475	3,827,906	3,704,434
98 DEBT PRINCIPAL	3,264,100	3,395,750	3,874,400	8,928,152
<b>Total Debt Service Expenditures</b>	<b>7,213,348</b>	<b>7,385,238</b>	<b>7,708,384</b>	<b>12,641,416</b>

CITY OF ALLENTOWN  
PROGRAM BUDGET

082 DEBT SERVICE  
02 FINANCE  
8002 DEBT SERVICE  
0001 DEBT SERVICE

<i>Account Number</i>	<i>2015 Budget</i>	<i>2015 Adj Budget</i>	<i>2015 A &amp; E</i>	<i>2016 Budget</i>
0001-44 PROF SERVICES FEES	35,000	35,000	35,000	35,000
0001-82 INTEREST EXPENSE	3,146,774	3,146,774	3,248,287	3,321,559
0001-98 DEBT PRINCIPAL	10,370,040	10,370,040	9,645,040	7,953,320
<b>TOTAL DEBT SERVICE</b>	<b>13,551,814</b>	<b>13,551,814</b>	<b>12,928,327</b>	<b>11,309,879</b>

**CITY OF ALLENTOWN  
PROGRAM BUDGET**

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

<b><i>Account Number</i></b>	<b><i>2011 Actuals</i></b>	<b><i>2012 Actuals</i></b>	<b><i>2013 Actuals</i></b>	<b><i>2014 Actuals</i></b>
0001-44 PROF SERVICES FEES	8,310	12,013	6,078	8,830
0001-82 INTEREST EXPENSE	3,944,170	3,977,475	3,827,906	3,704,434
0001-98 DEBT PRINCIPAL	3,264,100	3,395,750	3,874,400	8,928,152
<b>Total DEBT SERVICE</b>	<b>7,216,580</b>	<b>7,385,238</b>	<b>7,708,384</b>	<b>12,641,416</b>
<b>Total DEBT SERVICE</b>	<b>7,216,580</b>	<b>7,385,238</b>	<b>7,708,384</b>	<b>12,641,416</b>

**DEBT SERVICE FUND**  
**GENERAL OBLIGATION DEBT**

	<u>OUTSTANDING</u> <u>DEBT</u> <u>JAN. 1, 2015</u>	<u>ADDITIONS</u> <u>(REDUCTIONS)</u> <u>IN 2015</u>	<u>OUTSTANDING</u> <u>DEBT</u> <u>DEC. 31, 2015</u>	<u>INTEREST</u> <u>EXPENSE</u> <u>2015</u>
2003 General Obligation Bonds	1,070,000	(1,070,000)	-	29,425
2004 Pension Refunding Bonds	24,130,000	(5,840,000)	18,290,000	1,061,288
2004 General Obligation Bonds	4,095,000	(4,095,000)	-	88,640
2006 General Obligation Note (\$10,000,000)	8,900,318	(484,040)	8,416,278	526,998
2007 General Obligation Series A (Includes accretion as of 12/31/14)	23,665,604	-	23,665,604	
2007 General Obligation Series B	7,775,000	(630,000)	7,145,000	446,505
2008 General Obligation	1,750,000	(560,000)	1,190,000	61,480
2009 General Obligation	3,891,000	(321,000)	3,570,000	154,070
2011 General Obligation (May 2011)	6,075,000	(6,075,000)	-	151,382
2011 General Obligation Series A	5,655,000	(575,000)	5,080,000	212,881
2012 General Obligation Bond	5,455,000	(635,000)	4,820,000	127,113
2015 General Obligation Note	-	5,400,000	5,400,000	616
2015 General Obligation Bond Series A	-	15,360,000	15,360,000	289,188
2015 General Obligation Bond Series B	-	11,425,000	11,425,000	214,222
<b>TOTALS</b>	<b>92,461,922</b>	<b>11,899,960</b>	<b>104,361,882</b>	<b>3,363,806</b>

(1) Cash Basis, unless otherwise stated

DEBT SERVICE FUND

GENERAL OBLIGATION DEBT AMORTIZATION SCHEDULE AS OF DECEMBER 31, 2015

DEBT SERVICE REQUIREMENTS ON OUTSTANDING

GENERAL OBLIGATION DEBT ISSUES AS OF DECEMBER 31, 2015

TAXABLE PENSION REFUNDING BONDS SERIES OF 2004

YEAR	PRINCIPAL	INTEREST	TOTAL ANNUAL DEBT SERVICE	YEAR	PRINCIPAL	INTEREST	TOTAL ANNUAL PENSION DEBT	TOTAL ANNUAL ALL DEBT
2016	5,208,320.00	2,471,713.57	7,680,033.57	2016	595,000.00	941,971.00	1,536,971.00	9,217,004.57
2017	5,525,850.00	2,586,881.31	8,112,731.31	2017	625,000.00	914,601.00	1,539,601.00	9,652,332.31
2018	5,722,360.00	2,393,086.56	8,115,446.56	2018	655,000.00	884,163.50	1,539,163.50	9,654,610.06
2019	5,934,190.00	2,178,796.81	8,112,986.81	2019	685,000.00	852,265.00	1,537,265.00	9,650,251.81
2020	4,830,550.00	1,956,932.41	6,787,482.41	2020	720,000.00	818,905.50	1,538,905.50	8,326,387.91
2021	3,836,944.75	2,950,557.63	6,787,502.38	2021	755,000.00	783,841.50	1,538,841.50	8,326,343.88
2022	3,701,588.40	3,082,008.40	6,783,596.80	2022	795,000.00	744,883.50	1,539,883.50	8,323,480.30
2023	3,294,382.90	3,489,006.15	6,783,389.05	2023	835,000.00	703,861.50	1,538,861.50	8,322,250.55
2024	3,347,805.60	3,438,411.92	6,786,217.52	2024	880,000.00	660,775.50	1,540,775.50	8,326,993.02
2025	2,642,030.00	3,743,328.56	6,385,358.56	2025	925,000.00	614,047.50	1,539,047.50	7,924,406.06
2026	2,649,856.60	3,735,775.62	6,385,632.22	2026	975,000.00	565,947.50	1,540,947.50	7,926,579.72
2027	2,668,687.20	3,718,768.84	6,387,456.04	2027	1,025,000.00	515,247.50	1,540,247.50	7,927,703.54
2028	2,698,470.00	3,693,680.71	6,392,150.71	2028	1,075,000.00	461,947.50	1,536,947.50	7,929,098.21
2029	2,745,682.60	3,647,104.68	6,392,787.28	2029	1,130,000.00	406,047.50	1,536,047.50	7,928,834.78
2030	2,795,383.80	3,597,205.56	6,392,589.36	2030	1,190,000.00	347,287.50	1,537,287.50	7,929,876.86
2031	2,859,468.20	3,529,172.59	6,388,640.79	2031	1,255,000.00	284,812.50	1,539,812.50	7,928,453.29
2032	2,126,666.80	4,262,595.70	6,389,262.50	2032	1,320,000.00	218,925.00	1,538,925.00	7,928,187.50
2033	2,106,578.50	4,280,959.00	6,387,537.50	2033	1,390,000.00	149,625.00	1,539,625.00	7,927,162.50
2034	2,103,768.80	4,284,046.20	6,387,815.00	2034	1,460,000.00	76,650.00	1,536,650.00	7,924,465.00
2035	1,830,860.80	6,310,119.20	8,140,980.00	2035				8,140,980.00
2036	1,785,814.40	6,353,998.10	8,139,812.50	2036				8,139,812.50
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
Accretion	8,891,622.65							
<b>TOTAL</b>	<b>86,071,882.00</b>	<b>77,065,179.52</b>	<b>154,245,438.87</b>	<b>TOTAL</b>	<b>18,290,000.00</b>	<b>10,945,805.50</b>	<b>29,235,805.50</b>	<b>183,481,244.37</b>

**DEBT SERVICE REQUIREMENTS ON OUTSTANDING  
GENERAL OBLIGATION DEBT ISSUES AS OF DECEMBER 31, 2015**

	<u>SERIES OF 2007B</u>		<u>SERIES OF 2008</u>		<u>SERIES OF 2009</u>	
<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2016	905,000.00	411,099.00	575,000.00	42,580.00	334,000.00	140,543.90
2017	1,230,000.00	360,238.00	300,000.00	22,455.00	349,000.00	126,439.95
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
<b>TOTAL</b>	<b>7,145,000.00</b>	<b>1,402,678.50</b>	<b>1,190,000.00</b>	<b>76,690.00</b>	<b>3,570,000.00</b>	<b>703,958.50</b>

  

	<u>SERIES OF 2012</u>		<u>SERIES OF 2015</u>	
<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2016	645,000.00	114,412.50	1,322,000.00	66,488.17
2017	660,000.00	101,512.50	1,341,000.00	47,807.23
2018	670,000.00	88,312.50	1,359,000.00	28,866.73
2019	685,000.00	74,912.50	1,378,000.00	9,666.67
2020	700,000.00	59,500.00	-	-
2021	720,000.00	42,000.00	-	-
2022	740,000.00	22,200.00	-	-
2023	-	-	-	-
2024	-	-	-	-
<b>TOTAL</b>	<b>4,820,000.00</b>	<b>502,850.00</b>	<b>5,400,000.00</b>	<b>152,828.80</b>



**DEBT SERVICE REQUIREMENTS ON OUTSTANDING  
GENERAL OBLIGATION DEBT ISSUES AS OF DECEMBER 31, 2015**

<u>2006 NOTE (Loan)</u>			<u>SERIES OF 2007 A</u>			<u>2011 A - General Obligation Bond (November 2011)</u>		
Refunds Series of 2001 (3,340,000) and new money portion (4,000,000)								
<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2016	512,320.00	499,702.48	2016			2016	345,000.00	195,631.26
2017	260,850.00	753,291.11	2017			2017	355,000.00	185,281.26
2018	285,360.00	728,430.66	2018			2018	370,000.00	174,631.26
2019	312,190.00	701,234.27	2019			2019	385,000.00	163,531.26
2020	341,550.00	673,320.49	2020			2020	390,000.00	151,981.26
2021	373,640.00	638,929.21	2021	842,304.75	1,232,695.25	2021	405,000.00	139,306.26
2022	408,780.00	603,319.24	2022	914,808.40	1,505,191.60	2022	140,000.00	125,637.50
2023	447,200.00	564,360.24	2023	1,120,182.90	2,049,817.10	2023	145,000.00	120,737.50
2024	489,240.00	523,169.01	2024	1,038,565.60	2,121,434.40	2024	150,000.00	115,300.00
2025	535,240.00	475,112.30	2025	1,121,790.00	2,538,210.00	2025	155,000.00	109,300.00
2026	585,550.00	424,100.96	2026	1,044,306.60	2,610,693.40	2026	160,000.00	103,100.00
2027	640,580.00	368,294.78	2027	973,107.20	2,661,892.80	2027	170,000.00	96,500.00
2028	700,790.00	308,085.71	2028	907,680.00	2,752,320.00	2028	175,000.00	88,850.00
2029	766,670.00	240,454.78	2029	844,012.60	2,810,987.40	2029	185,000.00	80,975.00
2030	838,740.00	167,386.86	2030	786,643.80	2,873,356.20	2030	190,000.00	72,650.00
2031	917,578.00	87,450.29	2031	731,890.20	2,928,109.80	2031	200,000.00	64,100.00
2032	-	-	2032	866,666.80	3,793,333.20	2032	210,000.00	55,100.00
2033	-	-	2033	806,578.50	3,858,421.50	2033	220,000.00	45,125.00
2034	-	-	2034	748,768.80	3,911,231.20	2034	230,000.00	34,675.00
2035	-	-	2035	1,050,860.80	5,989,139.20	2035	245,000.00	23,750.00
2036	-	-	2036	975,814.40	6,064,185.60	2036	255,000.00	12,112.50
			<i>Accretion</i>	8,891,622.65				
<b>TOTAL</b>	<b>8,416,278.00</b>	<b>7,756,642.39</b>	<b>TOTAL</b>	<b>23,665,604.00</b>	<b>49,721,018.65</b>	<b>TOTAL</b>	<b>5,080,000.00</b>	<b>2,158,275.06</b>

Year 2017 reverts to LIBOR plus 40 basis points

**DEBT SERVICE REQUIREMENTS ON OUTSTANDING  
GENERAL OBLIGATION DEBT ISSUES AS OF DECEMBER 31, 2015**

**2015 A - General Obligation Bond**

<b>YEAR</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>
2016	90,000.00	575,180.00
2017	290,000.00	573,380.00
2018	310,000.00	564,680.00
2019	330,000.00	552,280.00
2020	415,000.00	539,080.00
2021	445,000.00	522,480.00
2022	440,000.00	500,230.00
2023	475,000.00	478,230.00
2024	515,000.00	454,480.00
2025	450,000.00	433,880.00
2026	470,000.00	421,505.00
2027	480,000.00	407,405.00
2028	500,000.00	392,405.00
2029	515,000.00	376,155.00
2030	535,000.00	359,417.50
2031	545,000.00	340,692.50
2032	575,000.00	321,617.50
2033	590,000.00	301,492.50
2034	610,000.00	280,105.00
2035	5,000.00	257,992.50
2036	10,000.00	257,807.50
2037	645,000.00	257,437.50
2038	670,000.00	233,572.50
2039	695,000.00	208,782.50
2040	720,000.00	183,067.50
2041	745,000.00	155,347.50
2042	775,000.00	126,665.00
2043	805,000.00	96,827.50
2044	840,000.00	65,835.00
2045	870,000.00	33,495.00
<b>TOTAL</b>	<b>15,360,000.00</b>	<b>10,271,525.00</b>

**2015 B - General Obligation Bond**

Refunds Series of 2003 (1,070,000), 2004 (4,095,000), 2011 (6,075,000)

<b>YEAR</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>
2016	480,000.00	426,076.26
2017	740,000.00	416,476.26
2018	770,000.00	394,276.26
2019	795,000.00	363,476.26
2020	575,000.00	331,676.26
2021	595,000.00	308,676.26
2022	630,000.00	278,926.26
2023	660,000.00	247,426.26
2024	690,000.00	214,426.26
2025	380,000.00	186,826.26
2026	390,000.00	176,376.26
2027	405,000.00	164,676.26
2028	415,000.00	152,020.00
2029	435,000.00	138,532.50
2030	445,000.00	124,395.00
2031	465,000.00	108,820.00
2032	475,000.00	92,545.00
2033	490,000.00	75,920.00
2034	515,000.00	58,035.00
2035	530,000.00	39,237.50
2036	545,000.00	19,892.50
2037	-	-
2038	-	-
2039	-	-
2040	-	-
2041	-	-
2042	-	-
2043	-	-
2044	-	-
2045	-	-
<b>TOTAL</b>	<b>11,425,000.00</b>	<b>4,318,712.62</b>

**LEGAL DEBT MARGIN**

**As of December 31, 2014**

**Net Nonelectoral General Obligation Debt Limit:**

Borrowing base (1)	\$	91,516,407
Percentage limitation		<u>350%</u>
Net nonelectoral debt limit	\$	320,307,423
Less: Net nonelectoral debt outstanding		70,648,299

**REMAINING BORROWING CAPACITY AS OF DECEMBER 31, 2014** **\$ 249,659,124**

**Net Nonelectoral Plus Lease Rental Debt Limit:**

Borrowing base (1)	\$	91,516,407
Percentage limitation		<u>350%</u>
Net nonelectoral debt limit plus lease rental debt limit	\$	320,307,423
Less: Net nonelectoral debt outstanding plus lease rental debt outstanding		70,648,299

**REMAINING BORROWING CAPACITY AS OF DECEMBER 31, 2014** **\$ 249,659,124**

(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, 2014

	<u>Net Debt Outstanding</u>	<u>City of Allentown Pro-Rata Share</u>	<u>City of Allentown Share of Debt</u>
<b><u>DIRECT DEBT</u></b>			
City General Obligation Bonds			
2003 General Obligation Bonds	1,070,000	100.0%	1,070,000
2004 General Obligation Bonds	28,225,000	100.0%	28,225,000
2006 General Obligation Bonds	8,900,318	100.0%	8,900,318
2007 General Obligation Bonds	31,440,604	100.0%	31,440,604
2008 General Obligation Bonds	1,750,000	100.0%	1,750,000
2009 General Obligation Bonds	3,891,000	100.0%	3,891,000
2011 General Obligation Bonds	11,730,000	100.0%	11,730,000
2012 General Obligation Bonds	<u>5,455,000</u>	<u>100.0%</u>	<u>5,455,000</u>
<b>NET DIRECT DEBT</b>	<b>\$ 92,461,922</b>	<b>100.0%</b>	<b>\$ 92,461,922</b>
<b><u>OVERLAPPING DEBT</u></b>			
Allentown School District	192,449,388	100.0%	192,449,388
Lehigh County General Obligation Bonds	<u>141,736,186</u>	<u>20.0%</u>	<u>28,347,237</u>
<b>TOTAL OVERLAPPING DEBT</b>	<b>\$ 334,185,574</b>		<b>\$ 220,796,625</b>
<b>TOTAL DIRECT AND OVERLAPPING DEBT</b>	<b><u>\$ 426,647,496</u></b>		<b><u>\$ 313,258,547</u></b>

(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%.