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)

	2010 Actuals	2011 Actuals	2012 Actuals	2013 Actuals	2014 Budget	2014 A & E	2015 Proposed
Opening Cash Balance						0	0
Revenues:							
082-7130 General Fund Transfer In	6,946,729	7,038,684	7,230,967	7,547,852	8,069,485	12,562,347	13,551,814
082-7132 Sewer Fund Transfer In	17,462	34,092	31,860	54,051	0	0	0
082-7135 Golf Fund Transfer In	106,480	106,480	106,480	106,480	106,480	106,480	0
082-7136 CDBG Transfer In	8,731	17,046	15,930	0	0	0	0
082-7137 E-911 Transfer In	8,731	17,046	0	0	0	0	0
Total Revenue	**7,088,133**	**7,213,348**	**7,385,237**	**7,708,383**	**8,175,965**	**12,668,827**	**13,551,814**
Expenditures:							
44 PROF SERVICES FEES	14,706	5,078	12,013	6,078	35,000	35,000	35,000
82 INTEREST EXPENSE	3,942,027	3,944,170	3,977,475	3,827,906	4,562,171	3,704,051	3,146,774
98 DEBT PRINCIPAL	3,131,400	3,264,100	3,395,750	3,874,400	3,578,794	8,929,776	10,370,040
Total Expenditures	**7,088,133**	**7,213,348**	**7,385,238**	**7,708,383**	**8,175,965**	**12,668,827**	**13,551,814**
Ending Cash Balance						**0**	**0**

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

Revenues:	2010 Actuals	2011 Actuals	2012 Actuals	2013 Actuals
082-7130 General Fund Transfer In	6,946,729	7,038,684	7,230,967	7,547,853
082-7132 Sewer Fund Transfer In	17,462	34,092	31,860	54,051
082-7135 Golf Fund Transfer In	106,480	106,480	106,480	106,480
082-7136 CDBG Transfer in	8,731	17,046	15,930	0
082-7137 E-911 Transfer In	8,731	17,046	0	0
Total Revenue	**7,088,133**	**7,213,348**	**7,385,237**	**7,708,384**

Expenditures	2010 Actuals	2011 Actuals	2012 Actuals	2013 Actuals
44 PROF SERVICES FEES	14,706	8,310	12,013	6,078
82 INTEREST EXPENSE	3,942,027	3,944,170	3,977,475	3,827,906
98 DEBT PRINCIPAL	3,131,400	3,264,100	3,395,750	3,874,400
Total Debt Service	**7,088,133**	**7,216,580**	**7,385,238**	**7,708,384**

CITY OF ALLENTOWN
PROGRAM BUDGET

082 DEBT SERVICE
02 FINANCE
8002 DEBT SERVICE
0001 DEBT SERVICE

Account Number		*2014 Budget*	*2014 Adj Budget*	*2014 A&E*	*2015 Proposed*
0001-44	PROF SERVICES FEES	35,000	35,000	35,000	35,000
0001-82	INTEREST EXPENSE	4,562,171	4,562,171	3,704,051	3,146,774
0001-98	DEBT PRINCIPAL	3,578,794	3,578,794	8,929,776	10,370,040
Total	**DEBT SERVICE**	**8,175,965**	**8,175,965**	**12,668,827**	**13,551,814**
Total	**DEBT SERVICE**	**8,175,965**	**8,175,965**	**12,668,827**	**13,551,814**

CITY OF ALLENTOWN
PROGRAM BUDGET

082 DEBT SERVICE
02 FINANCE
8002 DEBT SERVICE
0001 DEBT SERVICE

Account Number		*2010 Actuals*	*2011 Actuals*	*2012 Actuals*	*2013 Actuals*
0001-44	PROF SERVICES FEES	14,706	8,310	12,013	6,078
0001-82	INTEREST EXPENSE	3,942,027	3,944,170	3,977,475	3,827,906
0001-98	DEBT PRINCIPAL	3,131,400	3,264,100	3,395,750	3,874,400
Total	**DEBT SERVICE**	**7,088,133**	**7,216,580**	**7,385,238**	**7,708,384**
Total	**DEBT SERVICE**	**7,088,133**	**7,216,580**	**7,385,238**	**7,708,384**

DEBT SERVICE FUND
GENERAL OBLIGATION DEBT

	OUTSTANDING DEBT JAN. 1, 2014	ADDITIONS (REDUCTIONS) IN 2014	OUTSTANDING DEBT DEC. 31, 2014	INTEREST EXPENSE 2014
2003 General Obligation Bonds	1,070,000	-	1,070,000	58,850
2004 Pension Refunding Bonds	29,445,000	(5,346,476)	24,098,524	1,507,047
2004 Federally Taxable Refunding Bonds	695,000	(695,000)	-	30,858
2004 General Obligation Bonds	4,415,000	(320,000)	4,095,000	190,080
2006 General Obligation Note (1995 Loan Payoff)	716,000	(716,000)	-	27,566
2006 General Obligation Note ($10,000,000)	9,064,618	(164,300)	8,900,318	536,726
2007 General Obligation Series A (Includes accretion as of 12/31/13)	22,071,954	-	22,071,954	-
2007 General Obligation Series B	7,815,000	(40,000)	7,775,000	448,753
2008 General Obligation	2,290,000	(540,000)	1,750,000	78,355
2009 General Obligation	4,199,000	(308,000)	3,891,000	167,059
2011 General Obligation (May 2011)	6,170,000	(95,000)	6,075,000	304,664
2011 General Obligation Series A	6,230,000	(575,000)	5,655,000	224,381
2012 General Obligation Bond	5,585,000	(130,000)	5,455,000	129,713
TOTALS	**99,766,572**	**(8,929,776)**	**90,836,796**	**3,704,051**

(1) Cash Basis, unless otherwise stated

DEBT SERVICE FUND

GENERAL OBLIGATION BONDS AMORTIZATION SCHEDULE AS OF DECEMBER 31, 2014

YEAR	PRINCIPAL	INTEREST	TOTAL ANNUAL DEBT SERVICE
2015	3,825,040.00	2,067,939.87	5,892,979.87
2016	3,961,320.00	1,913,406.64	5,874,726.64
2017	3,834,850.00	1,615,427.96	5,450,277.96
2018	4,003,360.00	1,450,586.00	5,453,946.00
2019	4,176,190.00	1,277,142.01	5,453,332.01
2020	4,365,550.00	1,087,302.51	5,452,852.51
2021	3,341,944.75	2,114,109.07	5,456,053.82
2022	3,201,588.40	2,290,869.18	5,492,457.58
2023	2,754,382.90	2,745,327.45	5,499,710.35
2024	2,762,805.60	2,745,995.16	5,508,800.76
2025	2,122,030.00	3,096,717.73	5,218,747.73
2026	2,114,856.60	3,124,141.11	5,238,997.71
2027	2,128,687.20	3,148,050.25	5,276,737.45
2028	2,138,470.00	3,168,321.09	5,306,791.09
2029	2,175,682.60	3,173,867.23	5,349,549.83
2030	2,210,383.80	3,180,446.61	5,390,830.41
2031	2,269,468.20	3,177,122.72	5,446,590.92
2032	1,516,666.80	3,980,658.20	5,497,325.00
2033	1,486,578.50	4,012,671.50	5,499,250.00
2034	1,468,768.80	4,030,881.20	5,499,650.00
2035	1,810,860.80	6,070,914.20	7,881,775.00
2036	1,770,814.40	6,105,998.10	7,876,812.50
Accretion	7,297,972.65		7,297,972.65
TOTAL	**66,738,272.00**	**65,577,895.79**	**125,018,195.14**

The above schedule excludes the Taxable Pension Refunding bond Series of 2004

DEBT SERVICE REQUIREMENTS ON OUTSTANDING
GENERAL OBLIGATION BOND ISSUES AS OF DECEMBER 31, 2014

TAXABLE PENSION REFUNDING BONDS SERIES OF 2004

YEAR	PRINCIPAL	INTEREST	TOTAL
2015	445,000.00	960,834.50	1,405,834.50
2016	600,000.00	940,364.50	1,540,364.50
2017	625,000.00	912,764.50	1,537,764.50
2018	650,000.00	882,327.00	1,532,327.00
2019	685,000.00	850,672.00	1,535,672.00
2020	725,000.00	817,312.50	1,542,312.50
2021	760,000.00	782,005.00	1,542,005.00
2022	795,000.00	742,789.00	1,537,789.00
2023	840,000.00	701,767.00	1,541,767.00
2024	880,000.00	658,423.00	1,538,423.00
2025	920,000.00	611,695.00	1,531,695.00
2026	975,000.00	563,855.00	1,538,855.00
2027	1,020,000.00	513,155.00	1,533,155.00
2028	1,070,000.00	460,115.00	1,530,115.00
2029	1,125,000.00	404,475.00	1,529,475.00
2030	1,185,000.00	345,975.00	1,530,975.00
2031	1,245,000.00	283,762.50	1,528,762.50
2032	1,320,000.00	218,400.00	1,538,400.00
2033	1,385,000.00	149,100.00	1,534,100.00
2034	1,455,000.00	76,387.50	1,531,387.50
TOTAL	**18,705,000.00**	**11,876,179.00**	**30,581,179.00**

Taxable Pension Bonds Series of 2004 refunded Taxable series of 1996 which funded the unfunded liability of the City's three (3) pension plans. Debt service payments for this issue are assessed to each fund with employees in any of the City Plans. Partial refunding of 2004 Pension Bond in 2007 ($1,980,000). Allocation is Series A of 2007 ($1,080,000) and Series B ($900,000).

DEBT SERVICE REQUIREMENTS ON OUTSTANDING
GENERAL OBLIGATION BOND ISSUES AS OF DECEMBER 31, 2014

	SERIES OF 2003		SERIES OF 2004		SERIES OF 2007B	
YEAR	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2015	190,000.00	58,850.00	335,000.00	177,280.00	630,000.00	446,505.00
2016	200,000.00	48,400.00	350,000.00	160,530.00	905,000.00	411,099.00
2017	210,000.00	37,400.00	370,000.00	143,030.00	1,230,000.00	360,238.00
2018	230,000.00	25,850.00	385,000.00	128,230.00	1,280,000.00	290,497.00
2019	240,000.00	13,200.00	400,000.00	112,830.00	1,670,000.00	217,281.00
2020			415,000.00	96,430.00	2,015,000.00	120,922.00
2021			430,000.00	79,415.00	45,000.00	2,641.50
2022			450,000.00	61,355.00	-	-
2023			470,000.00	42,005.00		
2024			490,000.00	21,560.00		
TOTAL	**1,070,000.00**	**183,700.00**	**4,095,000.00**	**1,022,665.00**	**7,775,000.00**	**1,849,183.50**

	SERIES OF 2008		SERIES OF 2009		SERIES OF 2012	
YEAR	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2015	560,000.00	61,480.00	321,000.00	154,069.65	635,000.00	127,112.50
2016	575,000.00	42,580.00	334,000.00	140,543.90	645,000.00	114,412.50
2017	300,000.00	22,455.00	349,000.00	126,439.95	660,000.00	101,512.50
2018	315,000.00	11,655.00	363,000.00	111,737.15	670,000.00	88,312.50
2019			379,000.00	96,414.85	685,000.00	74,912.50
2020			394,000.00	80,452.40	700,000.00	59,500.00
2021			411,000.00	63,829.15	720,000.00	42,000.00
2022			428,000.00	46,503.80	740,000.00	22,200.00
2023			447,000.00	28,435.05		
2024			465,000.00	9,602.25		
TOTAL	**1,750,000.00**	**138,170.00**	**3,891,000.00**	**858,028.15**	**5,455,000.00**	**629,962.50**

DEBT SERVICE REQUIREMENTS ON OUTSTANDING
GENERAL OBLIGATION BOND ISSUES AS OF DECEMBER 31, 2014

	2006 NOTE (Loan)			SERIES OF 2007 A	
YEAR	PRINCIPAL	INTEREST	YEAR	PRINCIPAL	INTEREST
2015	484,040.00	526,997.71	2015		
2016	512,320.00	499,702.48	2016		
2017	260,850.00	341,271.25	2017		
2018	285,360.00	324,998.09	2018		
2019	312,190.00	307,972.40	2019		
2020	341,550.00	290,954.35	2020		
2021	373,640.00	271,559.41	2021	842,304.75	1,232,695.25
2022	408,780.00	252,062.53	2022	914,808.40	1,505,191.60
2023	447,200.00	231,664.05	2023	1,120,182.90	2,049,817.10
2024	489,240.00	210,898.51	2024	1,038,565.60	2,121,434.40
2025	535,240.00	188,020.23	2025	1,121,790.00	2,538,210.00
2026	585,550.00	164,660.21	2026	1,044,306.60	2,610,693.40
2027	640,580.00	140,219.95	2027	973,107.20	2,681,892.80
2028	700,790.00	114,963.59	2028	907,680.00	2,752,320.00
2029	766,670.00	87,911.08	2029	844,012.60	2,810,987.40
2030	838,740.00	59,921.66	2030	786,643.80	2,873,356.20
2031	917,578.00	30,637.92	2031	731,890.20	2,928,109.80
2032			2032	866,666.80	3,793,333.20
2033			2033	806,578.50	3,858,421.50
2034			2034	748,768.80	3,911,231.20
2035			2035	1,050,860.80	5,989,139.20
2036			2036	975,814.40	6,064,185.60
			Accretion	7,297,972.65	
TOTAL	**8,900,318.00**	**4,044,415.42**	**TOTAL**	**22,071,954.00**	**49,721,018.65**

Year 2017 reverts to LIBOR plus 40 basis points

DEBT SERVICE REQUIREMENTS ON OUTSTANDING
GENERAL OBLIGATION BOND ISSUES AS OF DECEMBER 31, 2014

2011 General Obligation Bond (May 2011)

YEAR	PRINCIPAL	INTEREST
2015	95,000.00	302,763.75
2016	95,000.00	300,507.50
2017	100,000.00	297,800.00
2018	105,000.00	294,675.00
2019	105,000.00	291,000.00
2020	110,000.00	287,062.50
2021	115,000.00	282,662.50
2022	120,000.00	277,918.75
2023	125,000.00	272,668.75
2024	130,000.00	267,200.00
2025	310,000.00	261,187.50
2026	325,000.00	245,687.50
2027	345,000.00	229,437.50
2028	355,000.00	212,187.50
2029	380,000.00	193,993.75
2030	395,000.00	174,518.75
2031	420,000.00	154,275.00
2032	440,000.00	132,225.00
2033	460,000.00	109,125.00
2034	490,000.00	84,975.00
2035	515,000.00	58,025.00
2036	540,000.00	29,700.00
TOTAL	**6,075,000.00**	**4,759,596.25**

2011 A - General Obligation Bond (November 2011)

Refunds Series of 2001 (3,340,000) and new money portion (4,000,000)

YEAR	PRINCIPAL	INTEREST
2015	575,000.00	212,881.26
2016	345,000.00	195,631.26
2017	355,000.00	185,281.26
2018	370,000.00	174,631.26
2019	385,000.00	163,531.26
2020	390,000.00	151,981.26
2021	405,000.00	139,306.26
2022	140,000.00	125,637.50
2023	145,000.00	120,737.50
2024	150,000.00	115,300.00
2025	155,000.00	109,300.00
2026	160,000.00	103,100.00
2027	170,000.00	96,500.00
2028	175,000.00	88,850.00
2029	185,000.00	80,975.00
2030	190,000.00	72,650.00
2031	200,000.00	64,100.00
2032	210,000.00	55,100.00
2033	220,000.00	45,125.00
2034	230,000.00	34,675.00
2035	245,000.00	23,750.00
2036	255,000.00	12,112.50
TOTAL	**5,655,000.00**	**2,371,156.32**

LEGAL DEBT MARGIN

As of December 31, 2013

Net Nonelectoral General Obligation Debt Limit:

Borrowing base (1)	$	88,364,527
Percentage limitation		350%
Net nonelectoral debt limit	$	309,275,843
Less: Net nonelectoral debt outstanding		71,670,638
REMAINING BORROWING CAPACITY AS OF DECEMBER 31, 2013	**$**	**237,605,205**

Net Nonelectoral Plus Lease Rental Debt Limit:

Borrowing base (1)	$	88,364,527
Percentage limitation		350%
Net nonelectoral debt limit plus lease rental debt limit	$	309,275,843
Less: Net nonelectoral debt outstanding plus lease rental debt outstanding		71,670,638
REMAINING BORROWING CAPACITY AS OF DECEMBER 31, 2013	**$**	**237,605,205**

(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, 2013

		Net Debt Outstanding	City of Allentown Pro-Rata Share	City of Allentown Share of Debt
DIRECT DEBT				
City General Obligation Bonds				
	2003 General Obligation Bonds	1,070,000	100.0%	1,070,000
	2004 General Obligation Bonds	34,555,000	100.0%	34,555,000
	2006 General Obligation Bonds	9,780,618	100.0%	9,780,618
	2007 General Obligation Bonds	27,160,769	100.0%	27,160,769
	2008 General Obligation Bonds	2,290,000	100.0%	2,290,000
	2009 General Obligation Bonds	4,199,000	100.0%	4,199,000
	2011 General Obligation Bonds	12,400,000	100.0%	12,400,000
	2012 General Obligation Bonds	5,585,000	100.0%	5,585,000
	NET DIRECT DEBT	**$ 97,040,387**	**100.0%**	**$ 97,040,387**
OVERLAPPING DEBT	Allentown School District	198,608,304	100.0%	198,608,304
	Lehigh County General Obligation Bonds	155,092,675	19.6%	30,398,164
TOTAL OVERLAPPING DEBT		**$ 353,700,979**		**$ 229,006,468**
TOTAL DIRECT AND OVERLAPPING DEBT		**$ 450,741,366**		**$ 326,046,855**

(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%.

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