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)

	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2010 Actual & Estimated	2011 Proposed Budget
Revenues:							
Transfers from:							
7130 General Fund	4,223,795	5,057,791	4,045,534	4,858,828	5,405,709	5,405,709	5,042,696
7135 Golf Course Fund							
94/96/97/98/01 Issues	106,480	106,480	106,480	106,480	106,480	106,480	106,480
Transfers for:							
2004 Pension Bonds:							
7130 General Fund	2,309,917	2,304,434	2,057,019	1,550,755	1,561,314	1,561,314	2,298,026
7131 Water Fund	12,019	-	-	-	-	-	-
7132 Sewer Fund	24,038	35,548	125,710	17,544	17,462	17,462	34,092
7133 Liquid Fuels Fund	-	-	-	-	-	-	-
7136 CDBG Fund	-	17,775	62,855	8,772	8,731	8,731	17,046
7137 E-911 Fund	-	17,775	62,855	8,772	8,731	8,731	17,046
7134 Solid Waste Fund	17,257	-	-	-	-	-	-
Total Revenue	6,693,506	7,539,803	6,460,453	6,551,151	7,108,427	7,108,427	7,515,386
Total Funds Available	6,693,506	7,539,803	6,460,453	6,551,151	7,108,427	7,108,427	7,515,386
Expenditures:							
98 Bond Principal Maturities	2,124,432	2,443,900	1,938,237	2,575,600	3,127,457	3,127,457	2,675,157
82 Bond Coupon Maturities	2,178,894	2,694,596	2,178,022	2,375,008	2,349,732	2,349,732	2,439,019
82 Pension Obligation Bonds	2,375,250	2,375,532	2,308,439	1,585,843	1,596,238	1,596,238	2,366,210
44 Bond Administration Fees	16,008	25,775	36,410	14,700	35,000	35,000	35,000
Total Expenditures	6,694,584	7,539,803	6,461,108	6,551,151	7,108,427	7,108,427	7,515,386

CITY OF ALLENTOWN
PROGRAM BUDGET

RESOURCE REQUIREMENTS

FUND 082 DEBT SERVICE
DEPT 02 FINANCE
BUREAU 0802 DEBT SERVICE
PROGRAM 0001 DEBT SERVICE

	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Final Budget	2010 Actual & Estimated	2011 Proposed Budget
Account Detail							
0001-44 PROF SERVICES FEES	16,008	25,775	36,410	14,700	35,000	35,000	35,000
Services & Charges	16,008	25,775	36,410	14,700	35,000	35,000	35,000
0001-82 INTEREST EXPENSE	3,894,144	4,395,128	3,790,899	3,960,851	3,942,027	3,942,027	4,031,286
0001-98 DEBT PRINCIPAL	2,784,432	3,118,900	2,633,800	2,575,600	3,131,400	3,131,400	3,449,100
Sundry	6,678,576	7,514,028	6,424,699	6,536,451	7,073,427	7,073,427	7,480,386
Total DEBT SERVICE	**6,694,584**	**7,539,803**	**6,461,109**	**6,551,151**	**7,108,427**	**7,108,427**	**7,515,386**

DEBT SERVICE FUND
GENERAL OBLIGATION DEBT

	OUTSTANDING DEBT JAN. 1, 2010	ADDITIONS (REDUCTIONS) IN 2010	OUTSTANDING DEBT DEC. 31, 2010	INTEREST EXPENSE 2010
1993 General Obligation Improvement Bonds	165,000	(165,000)	-	9,322.50
1993 General Obligation Refunding Bonds	785,000	(785,000)	-	44,352.50
2001 General Obligation Bonds	4,005,000	(370,000)	3,635,000	183,795.00
2003 General Obligation Bonds	6,555,000		6,555,000	341,100.00
2004 Pension Refunding Bonds	31,325,000		31,325,000	1,585,843.00
2004 Federally Taxable Refunding Bonds	1,260,000	(10,000)	1,250,000	55,201.00
2004 General Obligation Bonds	5,570,000	(270,000)	5,300,000	239,080.00
2006 General Obligation Note (1995 Loan Payoff)	1,324,800.00	(244,400.00)	1,080,400	51,713.20
2006 General Obligation Note ($10,000,000)	9,635,868.00	(131,000.00)	9,504,868	570,550.45
2007 General Obligation Series A	14,773,981		14,773,981	
2007 General Obligation Series B	7,955,000.00	(35,000)	7,920,000	456,621.00
2008 General Obligation	6,005,000	(860,000)	5,145,000	190,535.00
2009 General Obligation	5,310,000.00	(261,000)	5,049,000	213,913.35
TOTALS	**94,669,649**	**(3,131,400)**	**91,538,249**	**3,942,027**

(1) Cash Basis, unless otherwise stated

DEBT SERVICE FUND

GENERAL OBLIGATION BONDS AMORTIZATION SCHEDULE AS OF DECEMBER 31, 2010

YEAR	PRINCIPAL	INTEREST	TOTAL ANNUAL DEBT SERVICE
2011	2,494,100.00	2,220,464.81	4,714,564.81
2012	3,110,750.00	2,126,026.96	5,236,776.96
2013	2,684,400.00	2,005,843.94	4,690,243.94
2014	2,793,700.00	1,897,660.16	4,691,360.16
2015	3,475,040.00	1,781,182.36	5,256,222.36
2016	3,631,320.00	1,610,380.38	5,241,700.38
2017	3,519,850.00	1,297,959.20	4,817,809.20
2018	3,698,360.00	1,117,292.24	4,815,652.24
2019	3,891,190.00	927,073.25	4,818,263.25
2020	4,095,550.00	720,508.75	4,816,058.75
2021	3,081,944.75	1,735,390.31	4,817,335.06
2022	2,926,588.40	1,901,362.93	4,827,951.33
2023	2,484,382.90	2,351,921.20	4,836,304.10
2024	2,482,805.60	2,363,495.16	4,846,300.76
2025	1,657,030.00	2,726,230.23	4,383,260.23
2026	1,629,856.60	2,775,353.61	4,405,210.21
2027	1,613,687.20	2,822,112.75	4,435,799.95
2028	1,608,470.00	2,867,283.59	4,475,753.59
2029	1,610,682.60	2,898,898.48	4,509,581.08
2030	1,625,383.80	2,933,277.86	4,558,661.66
2031	1,649,468.20	2,958,747.72	4,608,215.92
2032	866,666.80	3,793,333.20	4,660,000.00
2033	806,578.50	3,858,421.50	4,665,000.00
2034	748,768.80	3,911,231.20	4,660,000.00
2035	1,050,860.80	5,989,139.20	7,040,000.00
2036	975,814.40	6,064,185.60	7,040,000.00
TOTAL	**60,213,249.35**	**67,654,776.59**	**127,868,025.94**

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, 2010

TAXABLE PENSION REFUNDING BONDS SERIES OF 2004

YEAR	PRINCIPAL	INTEREST	TOTAL
2011	770,000.00	1,585,843.00	2,355,843.00
2012	275,000.00	1,555,197.00	1,830,197.00
2013	835,000.00	1,543,619.50	2,378,619.50
2014	870,000.00	1,507,046.50	2,377,046.50
2015	790,000.00	1,468,418.50	2,258,418.50
2016	840,000.00	1,432,078.50	2,272,078.50
2017	890,000.00	1,393,438.50	2,283,438.50
2018	945,000.00	1,350,095.50	2,295,095.50
2019	1,000,000.00	1,304,074.00	2,304,074.00
2020	1,060,000.00	1,255,374.00	2,315,374.00
2021	1,125,000.00	1,203,752.00	2,328,752.00
2022	1,190,000.00	1,145,702.00	2,335,702.00
2023	1,265,000.00	1,084,298.00	2,349,298.00
2024	1,340,000.00	1,019,024.00	2,359,024.00
2025	1,420,000.00	947,870.00	2,367,870.00
2026	1,500,000.00	874,030.00	2,374,030.00
2027	1,580,000.00	796,030.00	2,376,030.00
2028	1,660,000.00	713,870.00	2,373,870.00
2029	1,750,000.00	627,550.00	2,377,550.00
2030	1,840,000.00	536,550.00	2,376,550.00
2031	1,935,000.00	439,950.00	2,374,950.00
2032	2,040,000.00	338,362.50	2,378,362.50
2033	2,145,000.00	231,262.50	2,376,262.50
2034	2,260,000.00	118,650.00	2,378,650.00
TOTAL	**31,325,000.00**	**24,472,086.00**	**55,797,086.00**

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, 2010

	SERIES OF 2001		SERIES OF 2003	
YEAR	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2011	385,000.00	168,995.00	-	341,100.00
2012	400,000.00	153,210.00	605,000.00	341,100.00
2013	415,000.00	136,010.00	-	316,900.00
2014	440,000.00	117,750.00	-	316,900.00
2015	450,000.00	97,950.00	695,000.00	316,900.00
2016	225,000.00	77,250.00	730,000.00	278,675.00
2017	240,000.00	66,000.00	770,000.00	238,525.00
2018	250,000.00	54,000.00	820,000.00	196,175.00
2019	265,000.00	41,500.00	865,000.00	151,075.00
2020	275,000.00	28,250.00	655,000.00	103,500.00
2021	290,000.00	14,500.00	690,000.00	70,750.00
2022	-	-	725,000.00	36,250.00
TOTAL	**3,635,000.00**	**955,415.00**	**6,555,000.00**	**2,707,850.00**

	TAXABLE REFUNDING SERIES OF 2004		SERIES OF 2004	
YEAR	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2011	85,000.00	54,827.00	280,000.00	228,280.00
2012	-	51,444.00	295,000.00	214,280.00
2013	470,000.00	51,444.00	310,000.00	202,480.00
2014	695,000.00	30,858.00	320,000.00	190,080.00
2015	-	-	335,000.00	177,280.00
2016	-	-	350,000.00	160,530.00
2017	-	-	370,000.00	143,030.00
2018	-	-	385,000.00	128,230.00
2019	-	-	400,000.00	112,830.00
2020	-	-	415,000.00	96,430.00
2021	-	-	430,000.00	79,415.00
2022	-	-	450,000.00	61,355.00
2023	-	-	470,000.00	42,005.00
2024	-	-	490,000.00	21,560.00
TOTAL	**1,250,000.00**	**188,573.00**	**5,300,000.00**	**1,857,785.00**

DEBT SERVICE REQUIREMENTS ON OUTSTANDING
GENERAL OBLIGATION BOND ISSUES AS OF DECEMBER 31, 2010

	SERIES OF 2006 NOTE		SERIES OF 2007 B	
YEAR	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2011	253,600.00	42,173.11	35,000.00	454,654.00
2012	266,000.00	32,362.32	35,000.00	452,687.00
2013	274,400.00	21,890.67	35,000.00	450,720.00
2014	286,400.00	11,179.55	40,000.00	448,753.00
2015	-	-	630,000.00	446,505.00
2016	-	-	905,000.00	411,099.00
2017	-	-	1,230,000.00	360,238.00
2018	-	-	1,280,000.00	290,497.00
2019	-	-	1,670,000.00	217,281.00
2020	-	-	2,015,000.00	120,922.00
2021	-	-	45,000.00	2,641.50
	-	-		
TOTAL	1,080,400.00	107,605.65	7,920,000.00	3,655,997.50

	SERIES OF 2008			SERIES OF 2009	
YEAR	PRINCIPAL	INTEREST	YEAR	PRINCIPAL	INTEREST
2011	1,045,000.00	164,735.00	2011	272,000.00	202,906.90
2012	1,080,000.00	133,385.00	2012	283,000.00	191,446.15
2013	730,000.00	100,985.00	2013	295,000.00	179,510.45
2014	540,000.00	78,355.00	2014	308,000.00	167,058.50
2015	560,000.00	61,480.00	2015	321,000.00	154,069.65
2016	575,000.00	42,580.00	2016	334,000.00	140,543.90
2017	300,000.00	22,455.00	2017	349,000.00	126,439.95
2018	315,000.00	11,655.00	2018	363,000.00	111,737.15
			2019	379,000.00	96,414.85
			2020	394,000.00	80,452.40
			2021	411,000.00	63,829.15
			2022	428,000.00	46,503.80
TOTAL	5,145,000.00	615,630.00	2023	447,000.00	28,435.05
			2024	465,000.00	9,602.25
			TOTAL	5,049,000.00	1,598,950.15

DEBT SERVICE REQUIREMENTS ON OUTSTANDING
GENERAL OBLIGATION BOND ISSUES AS OF DECEMBER 31, 2010

	2006 NOTE (Loan)			SERIES OF 2007 A	
YEAR	PRINCIPAL	INTEREST		PRINCIPAL	INTEREST
2011	138,500.00	562,793.80		-	-
2012	146,750.00	556,112.49		-	-
2013	155,000.00	545,903.82		-	-
2014	164,300.00	536,726.11		-	-
2015	484,040.00	526,997.71		-	-
2016	512,320.00	499,702.48		-	-
2017	260,850.00	341,271.25		-	-
2018	285,360.00	324,998.09		-	-
2019	312,190.00	307,972.40		-	-
2020	341,550.00	290,954.35		-	-
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	866,666.80	3,793,333.20
			2033	806,578.50	3,858,421.50
			2034	748,768.80	3,911,231.20
			2035	1,050,860.80	5,989,139.20
			2036	975,814.40	6,064,185.60
TOTAL	**9,504,868.00**	**6,245,951.64**	TOTAL	**14,773,981.35**	**49,721,018.65**

Year 2017 reverts to LIBOR plus 40 basis points

LEGAL DEBT MARGIN

As of December 31, 2009

Net Nonelectoral General Obligation Debt Limit:		
Borrowing base (1)	$	73,947,420
Percentage limitation		250%
Net nonelectoral debt limit	$	184,868,550
Less: Net nonelectoral debt outstanding (2)		63,344,649
REMAINING BORROWING CAPACITY AS OF DECEMBER 31, 2008	**$**	**121,523,901**
Net Nonelectoral Plus Lease Rental Debt Limit:		
Borrowing base (1)	$	73,947,420
Percentage limitation		350%
Net nonelectoral debt limit plus lease rental debt limit	$	258,815,970
Less: Net nonelectoral debt outstanding plus lease rental debt outstanding (2)		63,344,649
REMAINING BORROWING CAPACITY AS OF DECEMBER 31, 2008	**$**	**195,471,321**

(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.

(2) For computation purposes, this amount has been reduced by $31,325,000, which is the outstanding balance of the 2004 G.O. Bond Issues used to finance the City's pension funding liability as allowed by statute.

CITY OF ALLENTOWN PENNSYLVANIA

COMPUTATION OF DIRECT AND OVERLAPPING DEBT (1)

As of December 31, 2009

	Net Debt Outstanding	City of Allentown Pro-Rata Share	City of Allentown Share of Debt
DIRECT DEBT			
City General Obligation Bonds			
1993 General Obligation Bonds	950,000	100.0%	950,000
2001 General Obligation Bonds	4,005,000	100.0%	4,005,000
2003 General Obligation Bonds	6,555,000	100.0%	6,555,000
2004 General Obligation Bonds	38,155,000	100.0%	38,155,000
2006 General Obligation Bonds	10,960,668	100.0%	10,960,668
2007 General Obligation Bonds	22,728,981	100.0%	22,728,981
2008 General Obligation Bonds	6,005,000	100.0%	6,005,000
2009 General Obligation Bonds	5,310,000	100.0%	5,310,000
NET DIRECT DEBT	**$ 94,669,649**	**100.0%**	**$ 94,669,649**
OVERLAPPI Allentown School District	152,573,743	100.0%	152,573,743
Lehigh County General Obligation Bonds	196,455,756	20.2%	39,684,063
TOTAL OVERLAPPING DEBT	**$ 349,029,499**		**$ 192,257,806**
TOTAL DIRECT AND OVERLAPPING DEBT	**$ 443,699,148**		**$ 286,927,455**

(1) Excludes outstanding debt classified as self-supporting

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