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)

	2012 Budget	2012 A&E	2013 Proposed
Revenues:			
Transfers from:			
082-7130 General Fund Transfer In	5,553,222	5,464,570	5,241,925
082-7135 Golf Fund Transfer In	106,480	106,480	106,480
94/96/97/98/01 Issues			
Transfers for Pension bonds:			
082-7130 General Fund Transfer In	1,792,746	1,792,746	2,334,880
082-7132 Sewer Fund Transfer In	31,860	31,860	54,051
082-7136 CDBG Transfer in	15,930	15,930	0
082-7137 E-911 Transfer In	0	0	0
Total Revenue	**7,500,238**	**7,411,586**	**7,737,336**
Expenditures:			
Bond Prinicipal\Coupon Maturities:			
82 INTEREST EXPENSE	2,427,894	2,419,242	2,277,947
98 DEBT PRINCIPAL	3,196,808	3,116,808	3,035,458
Pension Obligation Bonds\Adm Fees:			
44 PROF SERVICES FEES	1,840,536	1,840,536	2,388,931
82 INTEREST EXPENSE	35,000	35,000	35,000
Total Expenditures	**7,500,238**	**7,411,586**	**7,737,336**
Annual Fiscal Change		**0**	**0**

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

	2008 Actuals	2009 Actuals	2010 Actuals	2011 Actuals
Opening balance:	655			
Revenues:				
Transfers from:				
082-7130 General Fund Transfer In	4,045,534	4,858,828	5,385,415	4,740,658
082-7135 Golf Fund Transfer In	106,480	106,480	106,480	106,480
94/96/97/98/01 Issues				
Transfers for Pension bonds:				
082-7130 General Fund Transfer In	2,057,019	1,550,755	1,561,314	2,298,026
082-7132 Sewer Fund Transfer In	125,710	17,544	17,462	34,092
082-7136 CDBG Transfer in	62,855	8,772	8,731	17,046
082-7137 E-911 Transfer In	62,855	8,772	8,731	17,046
Total Revenue	**6,461,108**	**6,551,151**	**7,088,133**	**7,213,348**
Expenditures:				
Bond Prinicipal\Coupon Maturities:				
82 INTEREST EXPENSE	2,178,022	2,375,008	2,349,732	2,351,903
98 DEBT PRINCIPAL	1,938,237	2,575,600	3,127,457	2,490,158
Pension Obligation Bonds\Adm Fees:				
44 PROF SERVICES FEES	2,308,439	1,585,843	1,596,238	2,366,210
82 INTEREST EXPENSE	36,410	14,700	14,706	5,077
Total Expenditures	**6,461,108**	**6,551,151**	**7,088,133**	**7,213,348**

DEBT SERVICE FUND
GENERAL OBLIGATION DEBT

	OUTSTANDING DEBT JAN. 1, 2012	ADDITIONS (REDUCTIONS) IN 2012	OUTSTANDING DEBT DEC. 31, 2012	INTEREST EXPENSE 2012
2003 General Obligation Bonds	6,555,000	(5,485,000)	1,070,000	203,375.00
2004 Pension Refunding Bonds	30,555,000	(275,000)	30,280,000	1,555,197.00
2004 Federally Taxable Refunding Bonds	1,165,000	-	1,165,000	51,444.00
2004 General Obligation Bonds	5,020,000	(295,000)	4,725,000	214,280.00
2006 General Obligation Note (1995 Loan Payoff)	826,800	(266,000.00)	560,800	32,362.32
2006 General Obligation Note ($10,000,000)	9,366,368	(146,750.00)	9,219,618	556,112.49
2007 General Obligation Series A (includes accretion)	19,345,769		19,345,769	
2007 General Obligation Series B	7,885,000	(35,000)	7,850,000	452,687.00
2008 General Obligation	4,100,000	(1,080,000)	3,020,000	133,385.00
2009 General Obligation	4,777,000	(283,000)	4,494,000	191,446.15
2011 General Obligation (May 2011)	6,350,000	(90,000)	6,260,000	308,263.76
2011 General Obligation Series A	7,340,000	(555,000)	6,785,000	215,758.59
2012 General Obligation Bond	0	5,710,000	5,710,000	66,524.79
TOTALS	**103,285,937**	**(2,800,750)**	**100,485,187**	**3,980,836.10**

(1) Cash Basis, unless otherwise stated

DEBT SERVICE FUND

GENERAL OBLIGATION BONDS AMORTIZATION SCHEDULE AS OF DECEMBER 31, 2012

YEAR	PRINCIPAL	INTEREST	TOTAL ANNUAL DEBT SERVICE
2013	3,039,400.00	2,284,316.45	5,323,716.45
2014	3,153,700.00	2,180,617.67	5,334,317.67
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	4,571,787.65		4,571,787.65
TOTAL	**70,205,187.00**	**70,042,829.91**	**135,676,229.26**

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, 2012

TAXABLE PENSION REFUNDING BONDS SERIES OF 2004

YEAR	PRINCIPAL	INTEREST	TOTAL
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	**30,280,000.00**	**21,331,046.00**	**51,611,046.00**

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, 2012

	SERIES OF 2012		SERIES OF 2003	
YEAR	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2013	125,000.00	130,587.50	-	58,850.00
2014	130,000.00	129,712.50	-	58,850.00
2015	635,000.00	127,112.50	190,000.00	58,850.00
2016	645,000.00	114,412.50	200,000.00	48,400.00
2017	660,000.00	101,512.50	210,000.00	37,400.00
2018	670,000.00	88,312.50	230,000.00	25,850.00
2019	685,000.00	74,912.50	240,000.00	13,200.00
2020	700,000.00	59,500.00		
2021	720,000.00	42,000.00		
2022	740,000.00	22,200.00		
TOTAL	5,710,000.00	890,262.50	1,070,000.00	301,400.00

	TAXABLE REFUNDING SERIES OF 2004		SERIES OF 2004	
YEAR	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
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	1,165,000.00	82,302.00	4,725,000.00	1,415,225.00

DEBT SERVICE REQUIREMENTS ON OUTSTANDING
GENERAL OBLIGATION BOND ISSUES AS OF DECEMBER 31, 2012

	SERIES OF 2006 NOTE		SERIES OF 2007 B	
YEAR	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
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	**560,800.00**	**33,070.22**	**7,850,000.00**	**2,748,656.50**

	SERIES OF 2008			SERIES OF 2009	
YEAR	PRINCIPAL	INTEREST	YEAR	PRINCIPAL	INTEREST
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	**3,020,000.00**	**317,510.00**	2023	447,000.00	28,435.05
			2024	465,000.00	9,602.25
			TOTAL	**4,494,000.00**	**1,204,597.10**

DEBT SERVICE REQUIREMENTS ON OUTSTANDING
GENERAL OBLIGATION BOND ISSUES AS OF DECEMBER 31, 2012

	2006 NOTE (Loan)			SERIES OF 2007 A	
YEAR	PRINCIPAL	INTEREST		PRINCIPAL	INTEREST
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	**9,219,618.00**	**5,127,045.35**	Accretion	4,571,787.65	
			TOTAL	**19,345,769.00**	**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, 2012

2011 A - General Obligation Bond (November 2011)

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

YEAR	PRINCIPAL	INTEREST
2013	555,000.00	235,481.26
2014	575,000.00	224,381.26
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	**6,785,000.00**	**2,831,018.84**

DEBT SERVICE REQUIREMENTS ON OUTSTANDING
GENERAL OBLIGATION BOND ISSUES AS OF DECEMBER 31, 2012

2011 General Obligation Bond (May 2011)

YEAR	PRINCIPAL	INTEREST
2013	90,000.00	306,463.75
2014	95,000.00	304,663.75
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	**6,260,000.00**	**5,370,723.75**

LEGAL DEBT MARGIN

As of December 31, 2011

Net Nonelectoral General Obligation Debt Limit:

Borrowing base (1)	$	78,450,129
Percentage limitation		350%
Net nonelectoral debt limit	$	274,575,453
Less: Net nonelectoral debt outstanding (2)		72,730,937
REMAINING BORROWING CAPACITY AS OF DECEMBER 31, 2011	**$**	**201,844,516**

Net Nonelectoral Plus Lease Rental Debt Limit:

Borrowing base (1)	$	78,450,129
Percentage limitation		350%
Net nonelectoral debt limit plus lease rental debt limit	$	274,575,453
Less: Net nonelectoral debt outstanding plus lease rental debt outstanding (2)		72,730,937
REMAINING BORROWING CAPACITY AS OF DECEMBER 31, 2011	**$**	**201,844,516**

(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, 2011

	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	6,555,000	100.0%	6,555,000
2004 General Obligation Bonds	36,740,000	100.0%	36,740,000
2006 General Obligation Bonds	10,193,168	100.0%	10,193,168
2007 General Obligation Bonds	27,230,769	100.0%	27,230,769
2008 General Obligation Bonds	4,100,000	100.0%	4,100,000
2009 General Obligation Bonds	4,777,000	100.0%	4,777,000
2011 General Obligation Bonds	13,690,000	100.0%	13,690,000
NET DIRECT DEBT	**$ 103,285,937**	**100.0%**	**$ 103,285,937**
OVERLAPPI Allentown School District	195,198,026	100.0%	195,198,026
Lehigh County General Obligation Bonds	177,671,805	20.2%	35,889,705
TOTAL OVERLAPPING DEBT	**$ 372,869,831**		**$ 231,087,731**
TOTAL DIRECT AND OVERLAPPING DEBT	**$ 476,155,768**		**$ 334,373,668**

(1) Leases and Water and Sewer General Obligation Bonds issued in 2011 are not included in the Direct Debt total

(2) 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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