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)

	2012 Actuals	2013 Actuals	2014 Actuals	2015 Actuals	2016 Budget	2016 A&E	2017 Resubmitted
Revenues:							
082-7130 General Fund Transfer In	7,230,967	7,547,852	12,534,936	12,515,979	11,263,316	11,220,441	11,432,703
082-7132 Sewer Fund Transfer In	31,860	54,051	0	0	0	0	0
082-7133 Liquid Fuels Fund Transfer In	0	0	0	0	46,563	46,563	60,437
082-7135 Golf Fund Transfer In	106,480	106,480	106,480	0	0	0	0
082-7136 CDBG Transfer In	15,930	0	0	0	0	0	0
082-7137 E-911 Transfer In	0	0	0	0	0	0	0
Total Revenue	**7,385,237**	**7,708,383**	**12,641,416**	**12,515,979**	**11,309,879**	**11,267,004**	**11,493,140**
Expenditures:							
44 PROF SERVICES FEES	12,013	6,078	8,830	7,080	35,000	35,000	35,000
82 INTEREST EXPENSE	3,977,475	3,827,906	3,704,434	3,363,859	3,321,559	3,298,684	3,167,290
98 DEBT PRINCIPAL	3,395,750	3,874,400	8,928,152	9,145,040	7,953,320	7,933,320	8,290,850
Total Expenditures	**7,385,238**	**7,708,383**	**12,641,416**	**12,515,979**	**11,309,879**	**11,267,004**	**11,493,140**

CITY OF ALLENTOWN
PROGRAM BUDGET

082 DEBT SERVICE
02 FINANCE
8002 DEBT SERVICE
0001 DEBT SERVICE

Account Number		*2016 Budget*	*2016 Adj. Budget*	*2016 A & E*	*2017 Resubmitted*
0001-44	PROF SERVICES FEES	35,000	35,000	35,000	35,000
0001-82	INTEREST EXPENSE	3,321,559	3,321,559	3,298,684	843,723
0001-98	DEBT PRINCIPAL	7,953,320	7,953,320	7,933,320	8,290,850
Total	**DEBT SERVICE**	**11,309,879**	**11,309,879**	**11,267,004**	**9,169,573**

CITY OF ALLENTOWN
PROGRAM BUDGET

082 DEBT SERVICE
02 FINANCE
8002 DEBT SERVICE
0001 DEBT SERVICE

Account Number		*2012 Actuals*	*2013 Actuals*	*2014 Actuals*	*2015 Actuals*
0001-44	PROF SERVICES FEES	12,013	6,078	8,830	7,080
0001-82	INTEREST EXPENSE	3,977,475	3,827,906	3,704,434	3,363,859
0001-98	DEBT PRINCIPAL	3,395,750	3,874,400	8,928,152	9,145,040
Total	**DEBT SERVICE**	**7,385,238**	**7,708,384**	**12,641,416**	**12,515,979**

DEBT SERVICE FUND
GENERAL OBLIGATION DEBT

	OUTSTANDING DEBT JAN. 1, 2016	ADDITIONS (REDUCTIONS) IN 2016	OUTSTANDING DEBT DEC. 31, 2016	INTEREST EXPENSE 2016
2004 Pension Refunding Bonds	18,290,000	(2,725,000)	15,565,000	862,566
2006 General Obligation Note ($10,000,000)	8,416,278	(512,320)	7,903,958	499,702
2007 General Obligation Series A (includes accretion as of 12/31/14)	25,310,204	-	25,310,204	
2007 General Obligation Series B	7,145,000	(905,000)	6,240,000	411,099
2008 General Obligation	1,190,000	(575,000)	615,000	42,580
2009 General Obligation	3,570,000	(334,000)	3,236,000	140,544
2011 General Obligation Series A	5,080,000	(345,000)	4,735,000	195,631
2012 General Obligation Bond	4,820,000	(645,000)	4,175,000	114,413
2015 General Obligation Note (draw down)	1,543,395	(1,322,000)	221,395	30,893
2015 General Obligation Bond Series A	15,360,000	(90,000)	15,270,000	575,180
2015 General Obligation Bond Series B	11,425,000	(480,000)	10,945,000	426,076
TOTALS	**102,149,877**	**(7,933,320)**	**94,216,557**	**3,298,684**

(1) Cash Basis, unless otherwise stated

DEBT SERVICE FUND

GENERAL OBLIGATION DEBT AMORTIZATION SCHEDULE AS OF DECEMBER 31, 2016

YEAR	PRINCIPAL	INTEREST	TOTAL ANNUAL DEBT SERVICE
2017	5,525,850.00	2,586,881.31	8,112,731.31
2018	5,722,360.00	2,393,086.56	8,115,446.56
2019	5,934,190.00	2,178,796.81	8,112,986.81
2020	4,830,550.00	1,956,932.41	6,787,482.41
2021	2,994,640.00	1,717,862.38	4,712,502.38
2022	3,629,084.75	2,809,512.05	6,438,596.80
2023	3,089,008.40	2,944,380.65	6,033,389.05
2024	3,429,422.90	3,366,794.62	6,796,217.52
2025	2,558,805.60	3,326,552.96	5,885,358.56
2026	2,727,340.00	3,663,292.22	6,390,632.22
2027	2,739,886.60	3,647,569.44	6,387,456.04
2028	2,763,897.20	3,623,253.51	6,387,150.71
2029	2,809,350.00	3,588,437.28	6,397,787.28
2030	2,852,752.60	3,534,836.76	6,387,589.36
2031	2,914,221.80	3,474,418.99	6,388,640.79
2032	1,991,890.20	3,397,372.30	5,389,262.50
2033	2,166,666.80	4,215,870.70	6,382,537.50
2034	2,161,578.50	4,231,236.50	6,392,815.00
2035	1,528,768.80	4,232,211.20	5,760,980.00
2036	1,860,860.80	6,278,951.70	8,139,812.50
2037	1,620,814.40	6,321,623.10	7,942,437.50
2038	670,000.00	233,572.50	903,572.50
2039	695,000.00	208,782.50	903,782.50
2040	720,000.00	183,067.50	903,067.50
2041	745,000.00	155,347.50	900,347.50
2042	775,000.00	126,665.00	901,665.00
2043	805,000.00	96,827.50	901,827.50
2044	840,000.00	65,835.00	905,835.00
2045	870,000.00	33,495.00	903,495.00
2046	-	-	-
Accretion	*10,536,222.65*		
TOTAL	**82,508,162.00**	**74,593,465.95**	**146,565,405.30**

DEBT SERVICE REQUIREMENTS ON OUTSTANDING

GENERAL OBLIGATION DEBT ISSUES AS OF DECEMBER 31, 2016

TAXABLE PENSION REFUNDING BONDS SERIES OF 2004

YEAR	PRINCIPAL	INTEREST	TOTAL ANNUAL PENSION DEBT	TOTAL ANNUAL ALL DEBT
2017	465,000.00	677,065.50	1,142,065.50	9,254,796.81
2018	485,000.00	654,420.00	1,139,420.00	9,254,866.56
2019	510,000.00	630,800.50	1,140,800.50	9,253,787.31
2020	535,000.00	605,963.50	1,140,963.50	7,928,445.91
2021	560,000.00	579,909.00	1,139,909.00	5,852,411.38
2022	590,000.00	551,013.00	1,141,013.00	7,579,609.80
2023	620,000.00	520,569.00	1,140,569.00	7,173,958.05
2024	645,000.00	488,577.00	1,133,577.00	7,929,794.52
2025	685,000.00	454,327.50	1,139,327.50	7,024,686.06
2026	720,000.00	418,707.50	1,138,707.50	7,529,339.72
2027	760,000.00	381,267.50	1,141,267.50	7,528,723.54
2028	795,000.00	341,747.50	1,136,747.50	7,523,898.21
2029	835,000.00	300,407.50	1,135,407.50	7,533,194.78
2030	885,000.00	256,987.50	1,141,987.50	7,529,576.86
2031	930,000.00	210,525.00	1,140,525.00	7,529,165.79
2032	975,000.00	161,700.00	1,136,700.00	6,525,962.50
2033	1,025,000.00	110,512.50	1,135,512.50	7,518,050.00
2034	1,080,000.00	56,700.00	1,136,700.00	7,529,515.00
2035				5,760,980.00
2036				8,139,812.50
2037				7,942,437.50
2038				903,572.50
2039				903,782.50
2040				903,067.50
2041				900,347.50
2042				901,665.00
2043				901,827.50
2044				905,835.00
2045				903,495.00
2046				-
				-
TOTAL	**13,100,000.00**	**7,401,200.00**	**20,501,200.00**	**167,066,605.30**

DEBT SERVICE REQUIREMENTS ON OUTSTANDING
GENERAL OBLIGATION DEBT ISSUES AS OF DECEMBER 31, 2016

	SERIES OF 2007B		SERIES OF 2008		SERIES OF 2009	
YEAR	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
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
2025	-	-	-	-	-	-
TOTAL	**6,240,000.00**	**991,579.50**	**615,000.00**	**34,110.00**	**3,236,000.00**	**563,414.60**

	SERIES OF 2012		SERIES OF 2015	
YEAR	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
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	-	-	-	-
2025	-	-	-	-
TOTAL	**4,175,000.00**	**388,437.50**	**4,078,000.00**	**86,340.63**

DEBT SERVICE REQUIREMENTS ON OUTSTANDING
GENERAL OBLIGATION DEBT ISSUES AS OF DECEMBER 31, 2016

	2006 NOTE (Loan)			SERIES OF 2007 A	
YEAR	PRINCIPAL	INTEREST	YEAR	PRINCIPAL	INTEREST
2016	260,850.00	753,291.11	2016		
2017	285,360.00	728,430.66	2017		
2018	312,190.00	701,234.27	2018		
2019	341,550.00	673,320.49	2019		
2020	373,640.00	638,929.21	2020		
2021	408,780.00	603,319.24	2021	842,304.75	1,232,695.25
2022	447,200.00	564,360.24	2022	914,808.40	1,505,191.60
2023	489,240.00	523,169.01	2023	1,120,182.90	2,049,817.10
2024	535,240.00	475,112.30	2024	1,038,565.60	2,121,434.40
2025	585,550.00	424,100.96	2025	1,121,790.00	2,538,210.00
2026	640,580.00	368,294.78	2026	1,044,306.60	2,610,693.40
2027	700,790.00	308,085.71	2027	973,107.20	2,681,892.80
2028	766,670.00	240,454.78	2028	907,680.00	2,752,320.00
2029	838,740.00	167,386.86	2029	844,012.60	2,810,987.40
2030	917,578.00	87,450.29	2030	786,643.80	2,873,356.20
2031	-	-	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	*10,536,222.65*	
TOTAL	**7,903,958.00**	**7,256,939.91**	**TOTAL**	**25,310,204.00**	**49,721,018.65**

Year 2017 reverts to LIBOR plus 40 basis points

DEBT SERVICE REQUIREMENTS ON OUTSTANDING
GENERAL OBLIGATION DEBT ISSUES AS OF DECEMBER 31, 2016

2011 A - General Obligation Bond (November 2011)

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

YEAR	PRINCIPAL	INTEREST
2016	355,000.00	185,281.26
2017	370,000.00	174,631.26
2018	385,000.00	163,531.26
2019	390,000.00	151,981.26
2020	405,000.00	139,306.26
2021	140,000.00	125,637.50
2022	145,000.00	120,737.50
2023	150,000.00	115,300.00
2024	155,000.00	109,300.00
2025	160,000.00	103,100.00
2026	170,000.00	96,500.00
2027	175,000.00	88,850.00
2028	185,000.00	80,975.00
2029	190,000.00	72,650.00
2030	200,000.00	64,100.00
2031	210,000.00	55,100.00
2032	220,000.00	45,125.00
2033	230,000.00	34,675.00
2034	245,000.00	23,750.00
2035	255,000.00	12,112.50
2036	-	-
TOTAL	**4,735,000.00**	**1,962,643.80**

2015 A - General Obligation Bond

YEAR	PRINCIPAL	INTEREST
2016	290,000.00	573,380.00
2017	310,000.00	564,680.00
2018	330,000.00	552,280.00
2019	415,000.00	539,080.00
2020	445,000.00	522,480.00
2021	440,000.00	500,230.00
2022	475,000.00	478,230.00
2023	515,000.00	454,480.00
2024	450,000.00	433,880.00
2025	470,000.00	421,505.00
2026	480,000.00	407,405.00
2027	500,000.00	392,405.00
2028	515,000.00	376,155.00
2029	535,000.00	359,417.50
2030	545,000.00	340,692.50
2031	575,000.00	321,617.50
2032	590,000.00	301,492.50
2033	610,000.00	280,105.00
2034	5,000.00	257,992.50
2035	10,000.00	257,807.50
2036	645,000.00	257,437.50
2037	670,000.00	233,572.50
2038	695,000.00	208,782.50
2039	720,000.00	183,067.50
2040	745,000.00	155,347.50
2041	775,000.00	126,665.00
2042	805,000.00	96,827.50
2043	840,000.00	65,835.00
2044	870,000.00	33,495.00
2045	-	-
TOTAL	**15,270,000.00**	**9,696,345.00**

2015 B - General Obligation Bond

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

YEAR	PRINCIPAL	INTEREST
2016	740,000.00	416,476.26
2017	770,000.00	394,276.26
2018	795,000.00	363,476.26
2019	575,000.00	331,676.26
2020	595,000.00	308,676.26
2021	630,000.00	278,926.26
2022	660,000.00	247,426.26
2023	690,000.00	214,426.26
2024	380,000.00	186,826.26
2025	390,000.00	176,376.26
2026	405,000.00	164,676.26
2027	415,000.00	152,020.00
2028	435,000.00	138,532.50
2029	445,000.00	124,395.00
2030	465,000.00	108,820.00
2031	475,000.00	92,545.00
2032	490,000.00	75,920.00
2033	515,000.00	58,035.00
2034	530,000.00	39,237.50
2035	545,000.00	19,892.50
2036	-	-
2037	-	-
2038	-	-
2039	-	-
2040	-	-
2041	-	-
2042	-	-
2043	-	-
2044	-	-
2045	-	-
TOTAL	**10,945,000.00**	**3,892,636.36**

LEGAL DEBT MARGIN

As of December 31, 2015

Net Nonelectoral General Obligation Debt Limit:

Borrowing base (1)	$	91,549,781
Percentage limitation		350%
Net nonelectoral debt limit	$	320,424,232
Less: Net nonelectoral debt outstanding		102,149,877
REMAINING BORROWING CAPACITY AS OF DECEMBER 31, 2015	**$**	**218,274,355**

Net Nonelectoral Plus Lease Rental Debt Limit:

Borrowing base (1)	$	91,549,781
Percentage limitation		350%
Net nonelectoral debt limit plus lease rental debt limit	$	320,424,234
Less: Net nonelectoral debt outstanding plus lease rental debt outstanding		104,568,954
REMAINING BORROWING CAPACITY AS OF DECEMBER 31, 2015	**$**	**215,855,280**

(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, 2015

		Net Debt Outstanding	City of Allentown Pro-Rata Share	City of Allentown Share of Debt
DIRECT DEBT				
City General Obligation Bonds				
	2004 General Obligation Bonds	18,290,000	100.0%	18,290,000
	2006 General Obligation Bonds	8,416,278	100.0%	8,416,278
	2007 General Obligation Bonds	32,455,204	100.0%	32,455,204
	2008 General Obligation Bonds	1,190,000	100.0%	1,190,000
	2009 General Obligation Bonds	3,570,000	100.0%	3,570,000
	2011 General Obligation Bonds	5,080,000	100.0%	5,080,000
	2012 General Obligation Bonds	4,820,000	100.0%	4,820,000
	2015 General Obligation Bonds	28,328,395	100.0%	28,328,395
	NET DIRECT DEBT	**$ 102,149,877**	**100.0%**	**$ 102,149,877**
OVERLAPPING DEBT	Allentown School District	186,053,465	100.0%	186,053,465
	Lehigh County General Obligation Bonds	141,659,186	20.0%	28,331,837
TOTAL OVERLAPPING DEBT		**$ 327,712,651**		**$ 214,385,302**
TOTAL DIRECT AND OVERLAPPING DEBT		**$ 429,862,528**		**$ 316,535,179**

(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%.