

Fund:

DEBT SERVICE

Department:

DEBT SERVICE

Division:

2003 G.O. REFUNDING BONDS

Division No.: **43012**

MISSION:

This Division provides current funding for redemption of principal, the interest cost and paying agent fees for the 2003 Series General Obligation Refunding Bonds.

PROGRAM HIGHLIGHTS:

In October 2003, the City of Carbondale issued \$4,255,000 General Obligation Refunding Bonds to refund the 1993 Series General Obligation Refunding Bonds. The 1993 Series General Obligation Refunding Bonds were originally issued to refund the 1990 Tax Allocation Bonds which financed the expansion of the University Mall.

As a result of declining interest rates, the City issued the 2003 Series General Obligation Refunding Bonds which had an average coupon rate of 3.69% replacing the outstanding 1993 Series General Obligation Refunding Bonds which had a coupon rate of 5.58%. This reduction in interest rate enabled the City to realize a savings of approximately \$390,000 due to reduced interest expenditures over the period of Bond maturities.

In FY 2013 the City of Carbondale issued \$8,915,000 in 2013 Series General Obligation Refunding bonds to refund the outstanding balances of the 2003 Series General Obligation Bonds (\$1,740,000) and the IEPA loan for the construction of the South East Waste Water Treatment Plant (\$7,175,000).

The FY 2014 debt service includes a June 1, 2013, interest payment of \$5,700; and December 1, 2013, interest and principal payments of \$5,700 and \$300,000, respectively; and paying agent fees of approximately \$400 resulting in the FY 2013 debt service total of approximately \$381,340.

The 2003 Series General Obligation Refunding Bond Debt Service is funded entirely through funding source transfers from the General Fund. With the refunding in 2013 the 2003 Series General Obligation Refunding Bond will be paid off in FY 2014.

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EXPENDITURE CLASSIFICATION	AUTHORIZED		ESTIMATED	
	ACTUAL FY2012	BUDGET FY2013	ACTUAL FY2013	BUDGET FY2014
DEBT SERVICE				
600 General Obligation Bond Prin.	285,000	290,000	290,000	300,000
601 General Obligation Bond Int.	100,915	90,940	90,940	11,400
690 Paying Agent Fees	<u>400</u>	<u>400</u>	<u>400</u>	<u>400</u>
TOTAL DEBT SERVICE EXPENDITURES	386,315	381,340	381,340	311,800
OTHER FINANCING USES				
990 Bond Refunding	<u>0</u>	<u>1,720,000</u>	<u>1,720,000</u>	<u>0</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u><u>386,315</u></u>	<u><u>2,101,340</u></u>	<u><u>2,101,340</u></u>	<u><u>311,800</u></u>