

Fund: DEBT SERVICE
Department: DEBT SERVICE
Division: 2003 G.O. REFUNDING BONDS
Division No.: 43012

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.

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 2014, the City of Carbondale issued \$9,015,000 in 2013 Series General Obligation Refunding bonds to refund the outstanding balances of the 2003 Series General Obligation Bonds (\$1,720,000), the IEPA loan for the upgrade of the South East Waste Water Treatment Plant (\$6,805,000) and provided funding for the reconstruction of Schwartz Street (\$490,000)

The FY 2014 debt service includes a June 1, 2013 interest payment of \$40,178; and December 1, 2013, interest and principal payments of \$5,700 and \$300,000, respectively; an additional interest accrual of \$33,872 is part of the refinancing and paying agent fees of approximately \$226 resulting in the FY 2014 debt service total of approximately \$379,976.

The 2003 Series General Obligation Refunding Bond

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EXPENDITURE CLASSIFICATION	AUTHORIZED		ESTIMATED	
	ACTUAL FY2013	BUDGET FY2014	ACTUAL FY2014	BUDGET FY2015
DEBT SERVICE				
600 General Obligation Bond Prin.	290,000	300,000	300,000	0
601 General Obligation Bond Int.	90,940	79,750	79,750	0
690 Paying Agent Fees	<u>400</u>	<u>400</u>	<u>226</u>	<u>0</u>
TOTAL DEBT SERVICE EXPENDITURES	381,340	380,150	379,976	0
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>381,340</u></u>	<u><u>2,100,150</u></u>	<u><u>2,099,976</u></u>	<u><u>0</u></u>