

COUNTY EXECUTIVE'S 2013 BUDGET

DEPT: DEBT ISSUE EXPENSE

UNIT NO. 1987
FUND: General - 0001

BUDGET SUMMARY			
	2011 Actual	2012 Budget	2013 Budget
Debt Issue Expense	\$ 183,693	\$ 11,500	\$ 11,500

<u>STATISTICAL SUPPORTING DATA</u>	<u>2011 Actual</u>	<u>2012 Budget</u>	<u>2013 Budget</u>
Debt Issue Expense (8026)	\$ 328,523	\$ 261,500	\$ 208,500
Office of the Comptroller - Staff Costs (9787)	0	10,000	10,000
Total Expenditures	328,523	271,500	218,500
Performance Contracting Escrow Revenue (4925)	26,420		
General Obligation Bond Proceeds (4907)	118,410	10,000	10,000
Build America Bond Proceeds (4915)	0	0	0
Airport Cash	0	0	0
Airport Revenue Bond Proceeds* (4907)	0	250,000	197,000
Total Revenues	144,830	260,000	207,000
Property Tax Levy	\$ 183,693	\$ 11,500	\$ 11,500

* According to the Airport Master Lease Agreement, the Airport is required to pay all direct costs associated with the issuance of airport debt. Airport debt issuance costs totaling \$197,000 have been included in the Airport's 2013 operating budget and \$10,000 is included in the Debt Issue Expense Budget.

DESCRIPTION

Expenses not eligible to be paid from financing proceeds are reflected in this budgetary appropriation.

In addition, this non-departmental account exists to pay bond counsel, financial advisor fees and other costs associated with issuing debt, including credit rating agency fees, financial auditor fees, printing and distribution costs for the official statement, and fiscal agent and trustee fees.

Currently, a significant portion of debt issue expenses are paid from the proceeds of each financing. Under current Federal law, up to 2 percent of each financing may be used to cover expenses related to the issue.

BUDGET HIGHLIGHTS

- Beginning in the 2013 Budget, the Office of the Comptroller- Capital Finance Division crosscharges the debt issue expense budget for costs associated with the preparation and issuance of the bond issues and the fiscal monitoring of the expenditure of the bond proceeds. The estimated amount for these costs for 2012 is \$10,000. This function was formerly in the Department of Administrative Services- Fiscal Affairs Division.

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- Estimated costs of issuance for the general obligation bond will be budgeted in the Debt Issue Expense Budget. The costs of issuance for the Airport Revenue Bonds are budgeted in the Airport's operating budget in the debt issue expense object. Any adjustments to the costs of issuance amount, once the financing amounts have been determined, will be identified by the Office of the Comptroller and the Department of Administrative Services will process an administrative appropriation transfer in order to make the necessary adjustments. In addition, the revenue to finance the debt issue expense will be budgeted in the Debt Issue Expense and Airport operating budget instead of the General Debt Service Fund budget for a more transparent accounting of revenue and expenses associated with the issuance of debt.
- Estimated costs of issuance for 2013 consist of expenses for Airport revenue bond and general obligation bond issues. Expenses not eligible to be paid from financing proceeds are estimated \$11,500 for 2013 and will be financed with property tax levy.