

DEBT ISSUE EXPENSE (1987) BUDGET

DEPT: Debt Issue Expense

UNIT NO. 1987
FUND: General - 0001

Budget Summary

Category	2012 Budget	2012 Actual	2013 Budget	2014 Budget	2014/2013 Variance
Expenditures					
Personnel Costs	\$0	\$0	\$0	\$0	\$0
Operation Costs	\$0	\$0	\$0	\$0	\$0
Debt & Depreciation	\$11,500	\$149,836	\$11,500	\$11,500	\$0
Capital Outlay	\$0	\$0	\$0	\$0	\$0
Interdept. Charges	\$10,000	\$0	\$10,000	\$10,000	\$0
Total Expenditures	\$21,500	\$149,836	\$21,500	\$21,500	\$0
Revenues					
Direct Revenue	\$10,000	\$155,681	\$10,000	\$10,000	\$0
Intergov Revenue	\$0	\$0	\$0	\$0	\$0
Indirect Revenue	\$0	\$0	\$0	\$0	\$0
Total Revenues	\$10,000	\$155,681	\$10,000	\$10,000	\$0
Tax Levy	\$11,500	(\$5,845)	\$11,500	\$11,500	\$0
Personnel					
Full-Time Pos. (FTE)	0	0	0	0	0
Seas/Hourly/Pool Pos.	0	0	0	0	0
Overtime \$	\$0	\$0	\$0	\$0	\$0

Department Mission/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.¹ Because these items are largely technical in nature, they have no strategic outcomes and no activity data or performance measures.

¹ 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.

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Strategic Program Area 1: Debt Issue Expense

How We Do It: Program Budget Summary					
Category	2012 Budget	2012 Actual	2013 Budget	2014 Budget	2014/2013 Var
Expenditures	\$21,500	\$149,836	\$21,500	\$21,500	\$0
Revenues	\$10,000	\$155,681	\$10,000	\$10,000	\$0
Tax Levy	\$11,500	(\$5,845)	\$11,500	\$11,500	\$0
FTE Positions	0	0	0	0	0

Strategic Implementation:

Beginning in the 2013 Budget, the Office of the Comptroller-Capital Finance Division crosscharged the debt issue expense budget for costs associated with the preparation and issuance of the bond issues. The estimated amount for these costs for 2014 is \$10,000. This function was formerly in the Department of Administrative Services-Fiscal Affairs Division.

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; however, no airport issuance is anticipated for 2014. 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.

Expenses not eligible to be paid from financing proceeds are estimated to be \$11,500 for 2014 and will be financed with property tax levy.

	2012 <u>Actual</u>	2013 <u>Budget</u>	2014 <u>Budget</u>
Debt Issue Expense (8026)	\$ 149,836	\$ 208,500	\$ 11,500
Office of the Comptroller - Staff Costs (9787)	-	10,000	10,000
Total Expenditures	149,836	218,500	21,500
General Obligation Bond Proceeds (4907)	155,681	10,000	10,000
Build America Bond Proceeds (4915)	-	-	-
Airport Cash	-	-	-
Airport Revenue Bond Proceeds* (4907)	-	197,000	-
Total Revenues	155,681	207,000	10,000

* According to the Airport Master Lease Agreement, the Airport is required to pay all direct costs associated with the issuance of Airport debt.