

GENERAL CORPORATE FUND DEBT SERVICE

General Fund 080-013

This budget is for the repayment of \$4,000,000 in general obligation bonds (general sales tax alternate revenue source) issued in FY2006 for the purpose of financing additional costs of the Nursing Home Construction Project. The alternate revenue source for repayment is the County's 1% sales tax. Beginning in FY2010, the Nursing Home operating budget assumed responsibility for the debt service on this bond obligation through a transfer from the Nursing Home Fund to the General Corporate Fund. The County sets aside the sales tax revenue as required by the bond covenants, but the transfer from the Nursing Home effectively re-establishes the benefit of those sales taxes to the General Corporate Fund. At the end of the fiscal year, and after reimbursement from the Nursing Home, the Auditor's Office makes an adjustment to move the sales tax revenue that was originally allocated to the debt service.

BUDGET HIGHLIGHTS

In FY2016, the Nursing Home was unable to reimburse the county for the principal and second interest payment totaling \$262,114. Due to the backlog of state Medicaid payments and significant accounts payable obligations, it is anticipated that the home will be unable to reimburse the county for the debt service in FY2017 or FY2018. The voters approved a referendum authorizing the sale or disposal of the home in 2017. A sale of the home may generate sufficient funds to pay off the bonds which are callable on 12/15/18.

The county refunded the 2006A Nursing Home Construction Bonds in 2015 resulting in savings of \$272,770 after the cost of issuance. The Net Present Value (NVP) savings as a percentage was 9.8%. The county's debt management policies require that a minimum NVP savings of 3% be achieved over the life of an issue in order to be considered for refunding.

In FY2016, the county retired \$700,000 in general obligation bonds (general sales tax alternate revenue source). The bonds were issued in FY2007 for the purpose of financing a portion of the County Highway Fleet Maintenance Facility which is used to service the fleet of vehicles owned by the General Corporate Fund.

FINANCIAL

| Fund 080 Dept 013 | | | 2016 | 2017 | 2017 | 2018 |
|-------------------|----|---------------------------------------|-----------|-----------|-----------|-----------|
| | | | Actual | Original | Projected | Budget |
| 335 | 40 | 1% SALES TAX (UNINCORP.) | \$287,229 | \$282,670 | \$282,670 | \$280,198 |
| 335 | 41 | 1/4% SALES TAX (ALL CNTY) | \$72,112 | \$0 | \$0 | \$0 |
| | | FEDERAL, STATE & LOCAL SHARED REVENUE | \$359,341 | \$282,670 | \$282,670 | \$280,198 |
| 369 | 90 | OTHER MISC. REVENUE | \$4,855 | \$0 | \$0 | \$0 |
| | | MISCELLANEOUS | \$4,855 | \$0 | \$0 | \$0 |
| 381 | 81 | REIMB FROM NURSING HOME | \$23,712 | \$282,670 | \$0 | \$0 |
| | | INTERFUND REVENUE | \$23,712 | \$282,670 | \$0 | \$0 |

| | | | | | | |
|-----|----|----------------------------|------------------|------------------|------------------|------------------|
| | | REVENUE TOTALS | \$387,908 | \$565,340 | \$282,670 | \$280,198 |
| 571 | 50 | TO HWY FACIL BOND FUND350 | \$96,149 | \$0 | \$0 | \$0 |
| | | INTERFUND EXPENDITURE | \$96,149 | \$0 | \$0 | \$0 |
| 581 | 1 | GEN OBLIG BOND PRINCIPAL | \$240,000 | \$240,000 | \$240,000 | \$240,000 |
| 582 | 2 | INT & FEES-GEN OBLIG BONDS | \$45,814 | \$42,670 | \$42,670 | \$40,198 |
| | | DEBT | \$285,814 | \$282,670 | \$282,670 | \$280,198 |
| | | EXPENDITURE TOTALS | \$381,963 | \$282,670 | \$282,670 | \$280,198 |

DEBT SERVICE

Bond Issue 2015 - Refunding 2006A Nursing Home Construction Bonds (Private Placement)

| Maturity Date | Principal | Interest Rate |
|----------------------|--------------------|----------------------|
| 1/1/2019 | \$240,000 | 1.22% |
| 1/1/2020 | \$245,000 | 1.42% |
| 1/1/2021 | \$250,000 | 1.63% |
| 1/1/2022 | \$255,000 | 1.89% |
| 1/1/2023 | \$260,000 | 2.08% |
| 1/1/2024 | \$265,000 | 2.27% |
| 1/1/2025 | \$270,000 | 2.44% |
| 1/1/2026 | \$270,000 | 2.55% |
| Total | \$2,055,000 | |

Debt Service Payments

| Fiscal Year | Principal | Interest | Total |
|--------------------|--------------------|------------------|--------------------|
| FY 2018 | \$240,000 | \$40,198 | \$280,198 |
| FY 2019 | \$245,000 | \$37,270 | \$282,270 |
| FY 2020 | \$250,000 | \$33,791 | \$283,791 |
| FY 2021 | \$255,000 | \$29,716 | \$284,716 |
| FY 2022 | \$260,000 | \$24,897 | \$284,897 |
| FY 2023 | \$265,000 | \$19,489 | \$284,489 |
| FY 2024 | \$270,000 | \$13,473 | \$283,473 |
| FY 2025 | \$270,000 | \$6,885 | \$276,885 |
| TOTAL | \$2,055,000 | \$205,718 | \$2,260,718 |