

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. The county refunded the 2006A Nursing Home Construction Bonds in 2015 resulting in a Net Present Value (NVP) savings of 9.8%.

BUDGET HIGHLIGHTS

In fiscal years 2010 through 2015, 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-established 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 made an adjustment to move the sales tax revenue that was originally allocated to the debt service. The financially struggling home was only able to reimburse the County for the first interest payment in FY2016, and in fiscal years 2017 through 2019 there is no reimbursement for the debt service from the home.

A sale of the Nursing Home will result in the defeasance of the bonds, and subsequent abatement of the taxes levied in the bond ordinances, which will relieve the General Fund of \$282,000 in debt service payments in FY2019. Appropriation for the debt service is included in the FY2019 budget (080-013) as the closing has not yet occurred, and the bonds are not yet defeased.

FINANCIAL

Fund 080 Dept 013			2017 Actual	2018 Original	2018 Projected	2019 Budget
335	40	1% SALES TAX (UNINCORP.)	\$308,847	\$280,198	\$280,198	\$282,270
		FEDERAL, STATE & LOCAL SHARED REVENUE	\$308,847	\$280,198	\$280,198	\$282,270
		REVENUE TOTALS	\$308,847	\$280,198	\$280,198	\$282,270
581	1	GEN OBLIG BOND PRINCIPAL	\$240,000	\$240,000	\$240,000	\$245,000
582	2	INT & FEES-GEN OBLIG BONDS	\$42,711	\$40,198	\$40,198	\$37,270
		DEBT	\$282,711	\$280,198	\$280,198	\$282,270
		EXPENDITURE TOTALS	\$282,711	\$280,198	\$280,198	\$282,270

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

Maturity Date	Principal	Interest Rate
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	\$1,815,000	

Debt Service Payments

Fiscal Year	Principal	Interest	Total
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	\$1,815,000	\$165,520	\$1,980,520