

## **Debt Service Fund**

### **Mission**

To provide policy direction and effective management as it relates to the City's borrowing capacity and repayment of all debt obligations

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**CITY OF ALLENTOWN  
FUND SUMMARY - DEBT SERVICE FUND (082)**

	<u>2015 Actuals</u>	<u>2016 Actuals</u>	<u>2017 Actuals</u>	<u>2018 Actuals</u>	<u>2019 Budget</u>	<u>2019 A&amp;E</u>	<u>2020 Budget</u>
<b>Revenues:</b>							
082-7130 General Fund Transfer In	12,515,979	11,165,733	10,894,060	9,233,912	9,186,572	9,022,230	8,706,963
082-7132 Sewer Fund Transfer In	0	0	0	0	0	0	0
082-7133 Liquid Fuels Fund Transfer In	0	46,563	60,437	61,228	61,760	61,760	66,786
082-7135 Golf Fund Transfer In	0	0					
<b>Total Revenue</b>	<u>12,515,979</u>	<u>11,212,296</u>	<u>10,954,497</u>	<u>9,295,140</u>	<u>9,248,332</u>	<u>9,083,990</u>	<u>8,773,749</u>
<b>Expenditures:</b>							
44 PROF SERVICES FEES	7,080	7,370	12,140	25,000	44,600	2,250	0
82 INTEREST EXPENSE	3,363,859	3,271,606	2,887,455	3,048,780	2,214,902	2,410,174	2,179,749
98 DEBT PRINCIPAL	9,145,040	7,933,320	8,054,902	6,221,360	6,988,830	6,671,566	6,594,000
<b>Total Expenditures</b>	<u>12,515,979</u>	<u>11,212,296</u>	<u>10,954,497</u>	<u>9,295,140</u>	<u>9,248,332</u>	<u>9,083,990</u>	<u>8,773,749</u>

**CITY OF ALLENTOWN  
PROGRAM BUDGET**

**082 DEBT SERVICE  
02 FINANCE  
8002 DEBT SERVICE  
0001 DEBT SERVICE**

<b><i>Account Number</i></b>	<b><i>2019 Budget</i></b>	<b><i>2019 Adj. Budget</i></b>	<b><i>2019 A&amp;E</i></b>	<b><i>2020 Budget</i></b>
0001-44 LEGAL SERVICES	44,600	44,600	5,000	0
0001-82 INTEREST EXPENSE	2,214,902	2,556,838	2,556,838	2,179,749
0001-98 DEBT PRINCIPAL	6,988,830	7,186,894	7,186,894	6,594,000
<b>Total DEBT SERVICE</b>	<b>9,248,332</b>	<b>9,788,332</b>	<b>9,748,732</b>	<b>8,773,749</b>

**CITY OF ALLENTOWN  
PROGRAM BUDGET**

**082 DEBT SERVICE  
02 FINANCE  
8002 DEBT SERVICE  
0001 DEBT SERVICE**

<b><i>Account Number</i></b>	<b><i>2015 Actuals</i></b>	<b><i>2016 Actuals</i></b>	<b><i>2017 Actuals</i></b>	<b><i>2018 Actuals</i></b>
0001-44 LEGAL SERVICES	7,080	7,370	12,140	6,555
0001-82 INTEREST EXPENSE	3,363,859	3,271,606	2,887,455	2,312,789
0001-98 DEBT PRINCIPAL	9,145,040	7,933,320	8,054,902	5,927,000
<b>Total DEBT SERVICE</b>	<b>12,515,979</b>	<b>11,212,296</b>	<b>10,954,497</b>	<b>8,246,344</b>

**DEBT SERVICE FUND**  
**GENERAL OBLIGATION DEBT**

	<b><u>OUTSTANDING</u></b> <b><u>DEBT</u></b> <b><u>JAN. 1, 2019</u></b>	<b><u>ADDITIONS</u></b> <b><u>(REDUCTIONS)</u></b> <b><u>IN 2019</u></b>	<b><u>OUTSTANDING</u></b> <b><u>DEBT</u></b> <b><u>DEC. 31, 2019</u></b>	<b><u>INTEREST</u></b> <b><u>EXPENSE</u></b> <b><u>2019</u></b>
2004 Pension Refunding Bonds (Refunded 2019)	12,175,000	(12,175,000)		316,056
2007 General Obligation Series A	14,773,981		14,773,981	-
2007 General Obligation Series B	3,730,000	(1,670,000)	2,060,000	217,281
2009 General Obligation	2,524,000	(379,000)	2,145,000	96,415
2015 General Obligation Bond (draw down)	1,917,566	(1,917,566)	0	13,451.72
2015 General Obligation Bond Series A	14,670,000	(330,000)	14,340,000	552,280
2015 General Obligation Bond Series B	9,435,000	(795,000)	8,640,000	363,476
2017 General Obligation Bond	7,150,000	(1,070,000)	6,080,000	236,869
2018 GOB Series B (Refunding of 2006 Lease)	7,900,000	(510,000)	7,390,000	295,399
2018 General Obligation Bond Series A	3,420,000		3,420,000	153,425.00
2019 GOB Series A (Refunding of 2004 POB)		12,460,000	12,460,000	178,463.80
<b>TOTALS</b>	<b>77,695,547</b>	<b>(6,386,566)</b>	<b>71,308,981</b>	<b>2,423,116</b>
<i>Cash Basis, unless otherwise stated</i>		<u><b>(6,386,566)</b></u>		

**DEBT SERVICE FUND  
GENERAL OBLIGATION DEBT AMORTIZATION SCHEDULE AS OF DECEMBER 31, 2020**

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL ANNUAL DEBT SERVICE</u>
2020	6,935,550.00	1,950,219.91	8,885,769.91
2021	6,176,944.75	2,263,204.88	8,440,149.63
2022	6,136,588.40	2,318,572.06	8,455,160.46
2023	4,589,382.90	2,548,300.31	7,137,683.21
2024	4,687,805.60	2,558,739.02	7,246,544.62
2025	4,032,030.00	2,793,664.06	6,825,694.06
2026	4,084,856.60	2,848,209.72	6,933,066.32
2027	4,158,687.20	2,888,597.30	7,047,284.50
2028	4,238,470.00	2,917,141.47	7,155,611.47
2029	4,345,682.60	2,923,112.78	7,268,795.38
2030	2,810,383.80	2,920,782.86	5,731,166.66
2031	2,874,468.20	2,898,168.79	5,772,636.99
2032	2,141,666.80	3,517,391.00	5,659,057.80
2033	2,116,578.50	3,586,594.50	5,703,173.00
2034	2,123,768.80	3,638,670.00	5,762,438.80
2035	1,835,860.80	5,406,478.00	7,242,338.80
2036	1,790,814.40	5,514,141.00	7,304,955.40
2037	645,000.00	257,437.50	902,437.50
2038	670,000.00	233,572.50	903,572.50
2039	695,000.00	208,782.50	903,782.50
2040	720,000.00	183,067.50	903,067.50
2041	745,000.00	155,347.50	900,347.50
2042	775,000.00	126,665.00	901,665.00
2043	805,000.00	96,827.50	901,827.50
2044	840,000.00	65,835.00	905,835.00
2045	870,000.00	33,495.00	903,495.00
2046	-	-	-
<i>Accretion</i>	-	-	-
<b>TOTAL</b>	<b>71,844,539.35</b>	<b>54,853,017.66</b>	<b>126,697,557.01</b>

**DEBT SERVICE REQUIREMENTS ON OUTSTANDING  
GENERAL OBLIGATION DEBT AMORTIZATION SCHEDULE AS OF DECEMBER 31, 2020**

<u>SERIES OF 2007B</u>			<u>SERIES OF 2009</u>		
<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2020	2,015,000.00	120,922.00	2020	394,000.00	80,452.40
2021	45,000.00	2,641.50	2021	411,000.00	63,829.15
2022	-	-	2022	428,000.00	46,503.80
2023	-	-	2023	447,000.00	28,435.05
2024	-	-	2024	465,000.00	9,602.25
2025	-	-	2025	-	-
<b>TOTAL</b>	<b>2,060,000.00</b>	<b>123,563.50</b>	<b>TOTAL</b>	<b>2,145,000.00</b>	<b>228,822.65</b>

**DEBT SERVICE REQUIREMENTS ON OUTSTANDING  
GENERAL OBLIGATION DEBT AMORTIZATION SCHEDULE AS OF DECEMBER 31, 2020**

<u>2006 NOTE (Loan)</u>			<u>SERIES OF 2007 A</u>		
<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2020	341,550.00	673,320.49	2020	-	-
2021	373,640.00	638,929.21	2021	842,304.75	554,730.00
2022	408,780.00	603,319.24	2022	914,808.40	763,074.00
2023	447,200.00	564,360.24	2023	1,120,182.90	1,139,330.00
2024	489,240.00	523,169.01	2024	1,038,565.60	1,270,699.00
2025	535,240.00	475,112.30	2025	1,121,790.00	1,615,758.00
2026	585,550.00	424,100.96	2026	1,044,306.60	1,748,640.00
2027	640,580.00	368,294.78	2027	973,107.20	1,875,490.00
2028	700,790.00	308,085.71	2028	907,680.00	1,997,262.00
2029	766,670.00	240,454.78	2029	844,012.60	2,106,208.00
2030	838,740.00	167,386.86	2030	786,643.80	2,213,971.00
2031	917,578.00	87,450.29	2031	731,890.20	2,312,256.00
2032	-	-	2032	866,666.80	3,061,266.00
2033	-	-	2033	806,578.50	3,174,532.00
2034	-	-	2034	748,768.80	3,273,930.00
2035	-	-	2035	1,050,860.80	5,091,398.00
2036	-	-	2036	975,814.40	5,227,341.00
<b>TOTAL</b>	<b>7,045,558.00</b>	<b>5,073,983.87</b>	<b>TOTAL</b>	<b>14,773,981.35</b>	<b>37,425,885.00</b>

*Year 2017 reverts to LIBOR plus 40 basis points*

**DEBT SERVICE REQUIREMENTS ON OUTSTANDING  
GENERAL OBLIGATION DEBT AMORTIZATION SCHEDULE AS OF DECEMBER 31, 2020**

<b>2015 A - General Obligation Bond</b>			<b>2015 B - General Obligation Bond</b>			<b>2017 - General Obligation Bond</b>		
			Refunds Series of 2003 (1,070,000), 2004 (4,095,000), 2011 (6,075,000)			Refunds Series of 2011A (4,735,000) and 2012 (4,175,000)		
<b>YEAR</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>YEAR</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>YEAR</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>
2020	415,000.00	539,080.00	2020	575,000.00	331,676.26	2020	1,095,000.00	204,768.76
2021	445,000.00	522,480.00	2021	595,000.00	308,676.26	2021	1,135,000.00	171,918.76
2022	440,000.00	500,230.00	2022	630,000.00	278,926.26	2022	900,000.00	126,518.76
2023	475,000.00	478,230.00	2023	660,000.00	247,426.26	2023	175,000.00	90,518.76
2024	515,000.00	454,480.00	2024	690,000.00	214,426.26	2024	180,000.00	86,362.50
2025	450,000.00	433,880.00	2025	380,000.00	186,826.26	2025	180,000.00	82,087.50
2026	470,000.00	421,505.00	2026	390,000.00	176,376.26	2026	185,000.00	77,587.50
2027	480,000.00	407,405.00	2027	405,000.00	164,676.26	2027	195,000.00	72,731.26
2028	500,000.00	392,405.00	2028	415,000.00	152,020.00	2028	195,000.00	67,368.76
2029	515,000.00	376,155.00	2029	435,000.00	138,532.50	2029	205,000.00	61,762.50
2030	535,000.00	359,417.50	2030	445,000.00	124,395.00	2030	205,000.00	55,612.50
2031	545,000.00	340,692.50	2031	465,000.00	108,820.00	2031	215,000.00	48,950.00
2032	575,000.00	321,617.50	2032	475,000.00	92,545.00	2032	225,000.00	41,962.50
2033	590,000.00	301,492.50	2033	490,000.00	75,920.00	2033	230,000.00	34,650.00
2034	610,000.00	280,105.00	2034	515,000.00	58,035.00	2034	250,000.00	26,600.00
2035	5,000.00	257,992.50	2035	530,000.00	39,237.50	2035	250,000.00	17,850.00
2036	10,000.00	257,807.50	2036	545,000.00	19,892.50	2036	260,000.00	9,100.00
2037	645,000.00	257,437.50	2037	-	-			
2038	670,000.00	233,572.50	2038	-	-			
2039	695,000.00	208,782.50	2039	-	-			
2040	720,000.00	183,067.50	2040	-	-			
2041	745,000.00	155,347.50	2041	-	-	<b>TOTAL</b>	<b>6,080,000.00</b>	<b>1,276,350.06</b>
2042	775,000.00	126,665.00	2042	-	-			
2043	805,000.00	96,827.50	2043	-	-			
2044	840,000.00	65,835.00	2044	-	-			
2045	870,000.00	33,495.00	2045	-	-			
	-	-						
<b>TOTAL</b>	<b>14,340,000.00</b>	<b>8,006,005.00</b>	<b>TOTAL</b>	<b>8,640,000.00</b>	<b>2,718,407.58</b>			

**DEBT SERVICE REQUIREMENTS ON OUTSTANDING  
GENERAL OBLIGATION DEBT AMORTIZATION SCHEDULE AS OF DECEMBER 31, 2020**

<b>2018 B (Refunding of 2006 Lease) - GOB</b>			<b>2018A - General Obligation Bond</b>			<b>2019 - General Obligation Bond</b>		
			Refunds Series of 2003 (1,070,000), 2004 (4,095,000), 2011 (6,075,000)			Refunds Series of 2011A (4,735,000) and 2012 (4,175,000)		
<b>YEAR</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>YEAR</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>YEAR</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>
2020	495,000.00	312,815.00	2020	1,085,000.00	143,875.00	2020	520,000.00	446,159.50
2021	510,000.00	295,638.50	2021	1,140,000.00	88,250.00	2021	680,000.00	431,547.50
2022	530,000.00	277,125.50	2022	1,195,000.00	29,875.00	2022	690,000.00	411,555.50
2023	550,000.00	257,038.50	2023			2023	715,000.00	390,924.50
2024	570,000.00	235,643.50	2024			2024	740,000.00	368,831.00
2025	595,000.00	212,672.50	2025			2025	770,000.00	345,225.00
2026	615,000.00	187,801.50	2026			2026	795,000.00	319,738.00
2027	645,000.00	161,295.00	2027			2027	820,000.00	292,628.50
2028	670,000.00	132,850.50	2028			2028	850,000.00	263,436.50
2029	705,000.00	102,633.50	2029			2029	875,000.00	232,156.50
2030	735,000.00	70,133.00	2030			2030	910,000.00	198,994.00
2031	770,000.00	35,882.00	2031			2031	935,000.00	163,595.00
2032			2032			2032	1,015,000.00	126,756.00
2033			2033			2033	1,050,000.00	86,562.00
2034			2034			2034	1,095,000.00	44,457.00
2035			2035			2035		
2036			2036			2036		
2037			2037	-	-			
2038			2038	-	-			
2039			2039	-	-			
2040			2040	-	-			
2041			2041	-	-	<b>TOTAL</b>	<b>12,460,000.00</b>	<b>4,122,566.50</b>
2042			2042	-	-			
2043			2043	-	-			
2044			2044	-	-			
2045			2045	-	-			
<b>TOTAL</b>	<b>7,390,000.00</b>	<b>2,281,529.00</b>	<b>TOTAL</b>	<b>3,420,000.00</b>	<b>262,000.00</b>			

**LEGAL DEBT MARGIN**

**As of December 31, 2018**

**Net Nonelectoral General Obligation Debt Limit:**

Borrowing base (1)	\$	100,782,227
Percentage limitation		<u>250%</u>
Net nonelectoral debt limit	\$	251,955,566
Less: Net nonelectoral debt outstanding		71,308,981

**REMAINING BORROWING CAPACITY AS OF D** **\$ 180,646,585**

**Net Nonelectoral Plus Lease Rental Debt Limit:**

Borrowing base (1)	\$	100,782,227
Percentage limitation		<u>350%</u>
Net nonelectoral debt limit plus lea:	\$	352,737,795
Less: Net nonelectoral debt outstanding plus lease rental debt outstar		71,308,981

**REMAINING BORROWING CAPACITY AS OF D** **\$ 281,428,814**

*(1) The Commonwealth of Pennsylvania has enacted the "Local Government Unit Debt Act" which limits debt to revenues. Briefly, the revenues of the last three years are adjusted for various nonrecurring and excludable items. The average of the adjusted revenues is then the borrowing base. Certain percentages are applied to the borrowing base to determine the debt limitations. For the purposes of this calculation, Total Revenues from 2016, 2017 and 2018 were used to calculate the borrowing base.*

CITY OF ALLENTOWN PENNSYLVANIA

COMPUTATION OF DIRECT AND OVERLAPPING DEBT (1)

As of December 31, 2019

	<u>Net Debt</u> <u>Outstanding</u>	City of Allentown <u>Pro-Rata Share</u>	City of Allentown <u>Share of Debt</u>
<b><u>DIRECT DEBT</u></b>			
City General Obligation Bonds			
2007 General Obligation Bonds	14,773,981	100.00%	14,773,981
2007 General Obligation Bonds	2,060,000	100.00%	2,060,000
2009 General Obligation Bonds	2,145,000	100.0%	2,145,000
2015 A General Obligation Bonds	14,340,000	100.0%	14,340,000
2015 B General Obligation Bonds	8,640,000	100.0%	8,640,000
2017 General Obligation Bonds	6,080,000	100.0%	6,080,000
2018 GOB Series A	3,420,000	100.0%	3,420,000
2018 GOB Series B (Refunding of Lease)	7,390,000	100.0%	7,390,000
2019 GOB Series A (Refunding of 2004 POB)	12,460,000	100.0%	12,460,000
<b>NET DIRECT DEBT</b>	<b>\$ 71,308,981</b>	<b>100.0%</b>	<b>\$ 71,308,981</b>
<b><u>OVERLAPPING DEBT(1)</u></b>			
Allentown School District	194,854,565	100.0%	194,854,565
Lehigh County General Obligation Bonds	<u>107,955,956</u>	(2) 17.8%	<u>19,191,956</u>
<b>TOTAL OVERLAPPING DEBT</b>	<b>\$ 302,810,521</b>		<b>\$ 214,046,521</b>
<b>TOTAL DIRECT AND OVERLAPPING DEBT</b>	<b><u>\$ 374,119,502</u></b>		<b><u>\$ 285,355,502</u></b>

(1) Overlapping debt is calculated by using Allentown's percentage of Lehigh County's total assessments.

This percentage is used to determine Allentown's percent of the debt. The debt for Allentown School District is included at 100%.

(Most recent information from 2018 CAFR)

(2) Lehigh County Debt as of 3/1/2019

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