

COUNTY EXECUTIVE'S 2012 BUDGET

DEPT: DEBT ISSUE EXPENSE

UNIT NO. 1987
FUND: General - 0001

BUDGET SUMMARY			
	2010 Actual	2011 Budget	2012 Budget
Debt Issue Expense	\$ 0	\$ 11,500	\$ 11,500

<u>STATISTICAL SUPPORTING DATA</u>	<u>2010 Actual</u>	<u>2011 Budget</u>	<u>2012 Budget</u>
Debt Issue Expense (8026)	\$ 340,398	\$ 261,500	\$ 261,500
DAS-Fiscal Affairs Division - Staff Costs (9787)	11,044	10,000	10,000
Total Expenditures	351,442	271,500	271,500
General Obligation Bond Proceeds (4907)	341,674	10,000	0
Airport Cash	0	0	0
Airport Revenue Bond Proceeds* (4907)	9,768	250,000	260,000
Total Bond Proceeds	351,442	260,000	260,000
Property Tax Levy	\$ 0	\$ 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 \$250,000 have been included in the Airport's 2012 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

- The Department of Administrative Services-Fiscal Affairs Division crosscharges the debt issue expense budget for costs associated with the preparation and issuance of the bond issues, the preparation of the capital improvements budget as it relates to capital improvements for which bonds will be issued and fiscal monitoring of the expenditure of the bond proceeds. The estimated amount for these costs for 2012 is \$10,000.
- 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

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amounts have been determined, will be done through a DAS-only appropriation transfer. 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 2012 consist of \$10,000 for an Airport revenue bond issue. Non-Airport debt issue expenses not eligible to be paid from financing proceeds totaled \$11,500 for 2012 and will be financed with property tax levy.