

DEPARTMENT DEBT SERVICE
FUND 40

Program Description

This fund is used to account for the principal and interest payments associated with the Village's general obligation debt. The Village has worked very hard to put itself in a strong financial position which enables it to use debt financing to support as many capital improvement projects as possible while staying fiscally responsible.

In 2019 the Village issued its first levy-related General Obligation debt in several years which was used to finance the expansion of the Department of Public Works (DPW) facility, the completion of the recreational trail and the reconstruction of streets and infrastructure in the Churchview Estates (St. Paul) subdivision. This was done in coordination with the Water Utility's issuance of revenue bonds that financed the installation of an iron filter at Well #3 and the purchase of land for a future well in the northern area of the Village. These projects have all been completed.

In 2020, the Village initiated another General Obligation bond issue to finance the Hartford Road/James Street reconstruction project and splashpad project. These projects are also complete. The Village's generally conservative fiscal practices and the robust growth we have been experiencing combined with the favorable debt market conditions enabled us to absorb this second debt issue without an increase to the Village's tax rate. This was an important consideration for the Village Board.

For 2022, the Village has once again completed another General Obligation bond funding for the pedestrian trails, Breuer Park project, and Cedar Creek Road Reconstruction.

2022 Accomplishments

- Successfully completed a bond issue to finance the capital projects mentioned above.
- Successfully processed all debt services payments and continued to evaluate debt portfolio to identify any potential refunding opportunities.

2023 Objectives

- Consider a possible debt issuance later in 2023 to finance the 2024 Village Facilities Expansion projects.
- Continue monitoring the new impact fee accounts to ensure that impact fees collected are applied to the appropriate debt service as needed.

2023 General Obligation (non-utility) Debt Payments

Debt Issued	Principal	Interest	Total
2022 STF	\$122,549.14	\$16,128.49	\$138,677.63
2019 GO Bonds	\$235,000.00	\$143,625.00	\$378,625.00
2020 GO Bonds	\$100,000.00	\$41,900.00	\$141,900.00
2022 GO Bonds	\$175,000.00	\$295,311.43	\$470,311.43
TOTAL	\$632,549.14	\$496,964.92	\$1,129,514.06

Debt Level

Under State statute, municipalities are authorized to borrow no more than 5% of the equalized value of taxable property within the municipality. The Village's equalized value for 2022 is \$871,809,200, so the Village's debt limit, or 5% of its equalized value, is \$43,590,460. With \$14,505,000 in outstanding general obligation debt, this means the Village is utilizing 33.3% of its debt capacity. It should also be pointed out that approximately 8% of this outstanding G.O. debt is paid through Sewer Utility revenue. Although it was issued as general obligation and therefore has to be included in our debt limit calculation, it does not require any levy for repayment.

The accompanying chart labelled "Debt Service Fund Payment Schedule" shows all debt service planned for any part of the Village or its utilities in 2023.

The chart titled "Outstanding General Obligation Debt – 2023" shows the debt issue that technically qualifies as debt that must be measured against the Village's debt limit. Once again, the 2011 Sewer Bonds are shown here since they are considered general obligation debt but their repayment is not made through the debt service levy.

The chart labelled "Outstanding Revenue Bonds – 2023" shows the debt service paid by the Village's utilities and a total principal owed by each of the three utilities currently using debt financing.

Account Detail

41110 – Real & Personal Property Tax: The 2023 repayment schedule has been established, and the Village increased the levy for debt service to accommodate the additional bond issues. This amount includes an additional \$623,029 over the Village's authorized levy limit specifically earmarked for debt service purposes, as authorized under the State levy limit legislation.

49200 – Transfer from Other Funds: This account tracks the payments received from other sources such as the Village's impact fee funds. For 2023 this account will include a transfer from Fund 76 – Central Services since that is the fund responsible for municipal facilities in general, Fund 33 – DPW Facilities Impact Fees, and Fund 34 – Library Facilities Impact Fees. Reserves accumulated in those funds will be used to help offset the financing costs for the DPW expansion project. Fund 31 – Parks Facilities Impact Fees will help offset the financing costs for Breuer Park.

55200-300 – Supplies & Expenses: This account monitors miscellaneous expenses such as investment fees.

**Debt Service Fund Payment Schedule
2023 General and Utilities**

GENERAL FUND EXPENDITURES

State Trust Fund loan (F10)	Principal	\$122,549.14	03-15-23 Principal	\$122,549.14
General Fund reserves)	Interest	\$16,128.49	03-15-23 Interest	\$16,128.49
	Total	\$138,677.63		
2019 GO Bonds	Principal	\$235,000.00	03-01-23 Principal	\$235,000.00
(DPW garage/trail/ road projects)	Interest	\$143,625.00	03-01-23 Interest	\$73,575.00
	Total	\$378,625.00	09-01-23 Interest	\$70,050.00
2020 GO Bonds	Principal	\$100,000.00	03-01-23 Principal	\$100,000.00
(road projects, sewerage project, and P&R projects)	Interest	\$41,900.00	03-01-23 Interest	\$21,450.00
	Total	\$141,900.00	09-01-23 Interest	\$20,450.00
2022 GO Bonds	Principal	\$175,000.00	03-01-23 Principal	\$175,000.00
(road project, trails Breuer Park)	Interest	\$295,311.43	03-01-23 Interest	\$177,917.67
	Total	\$470,311.43	09-01-23 Interest	\$117,393.76
	Total Debt Service:	\$1,129,514.06		

UTILITIES PAYMENTS

Electric Utility:

2018 Electric Bonds Series A	Principal	\$55,000.00	06-01-23 Principal	\$55,000.00
(Areas 1-3 upgrades)	Interest	\$10,225.00	06-01-23 Interest	\$5,525.00
	Total	\$65,225.00	12-01-23 Interest	\$4,700.00
2018 Electric Bonds Series B	Principal	\$45,000.00	06-01-23 Principal	\$45,000.00
(Areas 1-3 acquisitions)	Interest	\$36,462.50	06-01-23 Interest	\$18,681.25
	Total	\$81,462.50	12-01-23 Interest	\$17,781.25

Water Utility:

2019 Revenue Bonds	Principal	\$85,000.00	05-01-23 Principal	\$85,000.00
(Well #3 Iron Filter, Well #7 Land)	Interest	\$55,875.00	05-01-23 Interest	\$28,575.00
	Total	\$140,875.00	11-01-23 Interest	\$27,300.00

Sewer Utility:

2008 Clean Water Fund	Principal	\$262,766.09	05-01-23 Principal	\$262,766.09
(WWTP Upgrade)	Interest	\$29,837.12	05-01-23 Interest	\$16,490.56
	Total	\$292,603.21	11-01-23 Interest	\$13,346.56
2011 GORB	Principal	\$275,000.00	05-01-23 Interest	\$15,835.00
(WWTP Upgrade)	Interest	\$31,670.00	11-01-23 Principal	\$275,000.00
	Total	\$306,670.00	11-01-23 Interest	\$15,835.00

Outstanding Revenue Bonds - 2023

	2008 CWF (sewer)		2018A Bonds (electric)		2018B Bonds (electric)		2019B Bonds (water)	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$262,766.09	\$29,837.12	\$55,000.00	\$10,225.00	\$45,000.00	\$36,462.50	\$85,000.00	\$55,875.00
2024	\$269,054.09	\$23,473.90	\$55,000.00	\$8,575.00	\$45,000.00	\$34,662.50	\$90,000.00	\$53,250.00
2025	\$275,492.55	\$16,958.39	\$60,000.00	\$6,850.00	\$50,000.00	\$32,762.50	\$95,000.00	\$50,475.00
2026	\$282,085.09	\$10,286.99	\$55,000.00	\$4,987.50	\$50,000.00	\$30,762.50	\$95,000.00	\$47,625.00
2027	\$288,835.38	\$3,455.91	\$55,000.00	\$3,062.50	\$50,000.00	\$28,762.50	\$95,000.00	\$44,775.00
2028			\$60,000.00	\$1,050.00	\$55,000.00	\$26,731.25	\$105,000.00	\$41,775.00
2029					\$55,000.00	\$24,668.75	\$105,000.00	\$38,625.00
2030					\$55,000.00	\$22,606.25	\$110,000.00	\$35,400.00
2031					\$60,000.00	\$20,450.00	\$110,000.00	\$32,100.00
2032					\$60,000.00	\$18,125.00	\$115,000.00	\$28,725.00
2033					\$65,000.00	\$15,625.00	\$115,000.00	\$25,275.00
2034					\$65,000.00	\$13,025.00	\$120,000.00	\$21,750.00
2035					\$70,000.00	\$10,325.00	\$125,000.00	\$18,075.00
2036					\$65,000.00	\$7,543.75	\$135,000.00	\$14,175.00
2037					\$70,000.00	\$4,675.00	\$130,000.00	\$10,200.00
2038					\$75,000.00	\$1,593.75	\$135,000.00	\$6,225.00
2039							\$140,000.00	\$2,100.00
	\$1,378,233.20	\$84,012.31	\$340,000.00	\$34,750.00	\$935,000.00	\$328,781.25	\$1,905,000.00	\$526,425.00
Total		\$5,532,201.76						
Electric:		\$1,275,000.00						
Water:		\$1,905,000.00						
Sewer:		\$1,378,233.20						
Total Principal		\$4,558,233.20						

**PROPOSED 2023 BUDGET
DEBT SERVICE FUND 40- REVENUES**

		2021 ACTUAL	2022 ACTUAL	PROJECTED	2022	2023	
		12/31/2021	7/31/2022	YEAR-END	AMENDED	PROPOSED	% CHANGE
					BUDGET	BUDGET	
400-41110-000-000	REAL & PERSONAL PROPERTY TAX	345,785.00	367,325.00	367,325.00	367,325.00	623,029.00	69.61%
400-48120-000-000	DEBT SERVICE INTEREST INCOME	(296.51)	9.04	15.50	-	-	0.00%
400-48129-000-000	DEBT SPECIAL INTEREST INCOME	-	-	-	-	-	0.00%
400-49100-000-000	PROCEEDS FROM DEBT	-	-	620,000.00	1,975,000.00	-	100.00%
400-49200-000-000	TRANSFERS FROM OTHER FUNDS	160,000.00	-	125,000.00	125,000.00	219,575.00	75.66%
400-49210-000-000	TRANSFER FROM GENERAL FUND	-	-	-	-	-	0.00%
400-49220-000-000	TRANSFER FROM RESERVES	-	-	-	-	295,311.00	0.00%
TOTAL REVENUES		505,488.49	367,334.04	1,112,340.50	2,467,325.00	1,137,915.00	-53.88%

**PROPOSED 2023 BUDGET.
DEBT SERVICE FUND 40 - EXPENDITURES**

		2021 ACTUAL	2022 ACTUAL	PROJECTED	2022	2023	
		12/31/2021	7/31/2022	YEAR-END	AMENDED	PROPOSED	% CHANGE
					BUDGET	BUDGET	
400-55200-300-000	SUPPLIES & EXPENSE	-	-	-	8,400.00	8,400.00	
400-58100-000-000	PRINCIPAL	112,072.50	195,000.00	290,000.00	290,000.00	632,550.00	118.12%
400-58200-000-000	INTEREST & FISCAL CHARGES	110,815.75	91,194.31	193,925.00	193,925.00	496,965.00	156.27%
TOTAL EXPENDITURES		222,888.25	286,194.31	483,925.00	483,925.00	1,137,915.00	135.14%
Excess Revenues over Expenditures		282,600.24	81,139.73	628,415.50	1,983,400.00	-	