

**City of Dearborn
Debt Service Fund
Proposed FY2014 - 2016 Budget**

The Debt Service Fund is used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt.

General Comments:

- The current outstanding bond issues being accounted for in the Debt Service Fund are: the 2004 General Obligation Limited Tax Refunding Bonds dated April 23, 2004 in relation to the expansion/renovation of the Police Station/Court Facility, and the Civic Center Facility General Obligation Unlimited Tax Bonds dated June 11, 1998 (refinanced April 5, 2007). Beginning in FY2009 this fund also began to account for the repayment of the General Obligation Limited Tax Refunding Bonds, Series 2008. These bonds were issued to refund the Building Authority bonds issued in 1998 to finance various capital improvement projects and to refund a portion of Building Authority Bonds issued for Golf Course Improvements in 1991.

Revenues:

- Tax revenue is used for the payment of principal and interest on the Civic Center bonds.
- The General Fund makes contributions to the Debt Service Fund for payment of principal and interest on the Police/Court bonds. These contributions are allocated to the 19th District Court and the Police department.
- The General Fund makes contributions to the Debt Service Fund for a portion of the payment of principal and interest on the 2008 GOLT bonds. These contributions are allocated to Ford Woods Park and the Dearborn Ice Skating Center.

Expenditures:

- The Civic Center bonds will be paid off in FY2013.
- The Ford Woods Park and Dearborn Ice Skating Center bonds will be paid off in FY2014.
- The Police Station/Court Facility bonds will be paid off in FY2016.

Fund Balance:

- Fund balance has been *exclusively* for the Civic Center bonds since the General Fund contributes the exact amount needed for debt service on the various bonds. The fund balance will be used to offset property tax appeals/settlements.