

## BUDGET FOOTNOTES DEBT SERVICE FUND

The purpose of the Debt Service Fund is to accumulate funds for the payment of principal and interest on the Village's outstanding bonds. Funding is provided by property taxes.

- 1 **Property Tax: (\$2,180,000)** - Property taxes are levied for payment of principal and interest on the following outstanding Village General Obligation (G.O.) bond issues:

Series 2001 GO Bonds  
Series 2002 GO Bonds  
Series 2003A GO Bonds

These 10 year bonds were issued in 2001 (\$4,000,000), 2002 (\$9,000,000) and 2003 (\$5,000,000) in response to the November 2000 voter-approved referendum authorizing the issuance of \$18 million in bonds to finance 17 storm sewer projects to be constructed in six years - associated with a comprehensive 20 year street and storm sewer improvement program recommended by the Capital Improvements Commission in July, 2000 and approved by the Village Board in August, 2000.

- 2 **Reimbursement / District #87: (FY08/09 Actual - \$272,089)** - The Village used its home-rule authority and provided financing assistance to Glenbard School District #87 by issuing the 2000 (10 year) \$1,840,000 General Obligation Bonds, the proceeds of which were used to purchase Memorial Park from the Glen Ellyn Park District for District #87. Each year, District #87 deposited with the Village, the amount of money needed for the next fiscal year's principal and interest payments. Upon receipt of these funds, the Village abated the related property taxes pledged on the bonds.

FY08/09 included the final deposit and abatement on these bonds. Final debt service was paid during FY09/10 and all outstanding bonds are now retired.

- 3 **IFT / Capital Projects, Water & Sanitary Sewer Funds: (\$0)** - Prior to the 1987 \$15 million infrastructure improvement bond referendum, the Village Board made a pledge to annually abate (remove from the tax levy) \$500,000 of the approximate \$1,500,000 of annual debt costs over the 20 year life of the bonds. The Village Board fulfilled this pledge on February 26, 2007 by completing the 20<sup>th</sup> annual property tax reduction connected with this issue, with total abatements exceeding \$10.2 million as shown below. The abatements were funded through available reserves in the Capital Projects and Water & Sewer Funds.

**BUDGET FOOTNOTES**  
**DEBT SERVICE FUND**

Although the Village Board had already exceeded its previous pledge, one additional abatement was approved in February, 2008 (from property taxes collected in FY08/09) in the amount of \$430,000. This abatement eliminated what would have been a one-time spike in debt service property taxes in FY08/09. Funds in the Debt Service Fund from accumulated interest earnings were used to pay for this final abatement.

Abatement No.	Ordinance Number(s)	Date Adopted	Abatement Amount	From Taxes Collected
1	3410	12/21/87	\$607,767	FY88/89
2	3592	3/13/89	514,660	FY89/90
3	3731	3/26/90	624,500	FY90/91
4	3816 – 3818	3/25/91	525,000	FY91/92
5	3894 – 3895	2/24/92	500,000	FY92/93
6	4000 – 4002	3/22/93	500,000	FY93/94
7	4099 – 4101	3/14/94	500,000	FY94/95
8	4241 – 4242	3/13/95	499,890	FY95/96
9	4357	3/11/96	501,634	FY96/97
10	4465	2/24/97	499,259	FY97/98
11	4573	3/23/98	501,808	FY98/99
12	4685	2/22/99	500,000	FY99/00
13	4815	2/28/00	500,000	FY00/01
14	4912	2/12/01	500,872	FY01/02
15	5039	2/11/02	500,000	FY02/03
16	5133	2/17/03	500,000	FY03/04
17	5243	2/23/04	500,000	FY04/05
18	5338	2/28/05	500,000	FY05/06
19	5440	2/27/06	500,000	FY06/07
20	5551	2/26/07	500,000	FY07/08
21	5659	2/25/08	<u>430,000</u>	FY08/09
Total Abatements to Date			<u>\$10,705,390</u>	

- 4 **IFT / Recreation Fund – 2003 G.O. Bonds: (\$0)** - In December, 2002, the Village Board used its home-rule authority and authorized the sale of \$4,580,000 in 20 year General Obligation bonds to provide partial financing to the Village Links for the renovation of its 18 hole golf course which was previously approved in October, 2002. The Village Links makes debt service payments each year to cover the entire annual bond principal and interest costs. These funds are provided from golf course revenues and not through the use of property taxes.

**BUDGET FOOTNOTES**  
**DEBT SERVICE FUND**

Beginning in FY08/09, debt service payments on this issue have been directly expensed in the Recreation Fund instead of transferring cash from the Recreation Fund to the Debt Service Fund to make the required payments.

- 5 **Interest Rebate – Dist #87: (\$0)** - The intergovernmental agreement with Glenbard High School District 87 required the deposit with the Village of future year debt service amounts well in advance of the bond principal and interest payment dates. As a result, the Village rebated to the District the amount of interest income generated on the funds deposited prior to payment of the bondholders.