

## Debt

**Department:** Debt Service 01.18  
**Division\Program:** Fiscal & Administrative Services Fund: General  
**Program Administrator:** Deborah Hudson, Director of Fiscal & Administrative Services

Expenditure Category	FY2011 Actual	FY2012 Adopted	FY2013 Proposed	FY2013 Adopted	\$ Change from FY2012	% Chg.
Operating Costs	\$2,188,033	\$174,000	\$175,500	\$187,700	\$13,700	7.9%
Debt Service	40,291,121	20,408,900	19,629,500	19,617,300	(791,600)	-3.9%
Transfers Out	388,762	404,100	418,400	418,400	14,300	3.5%
<b>Total Expenditures</b>	<b>\$42,867,916</b>	<b>\$20,987,000</b>	<b>\$20,223,400</b>	<b>\$20,223,400</b>	<b>(\$763,600)</b>	<b>-3.6%</b>
<b>Revenues</b>	<b>\$19,396,030</b>	<b>\$1,517,600</b>	<b>\$1,575,900</b>	<b>\$1,575,900</b>	<b>\$58,300</b>	<b>3.8%</b>

### Changes and Useful Information:

- Expenses declined due to the retirement of old debt.
- FY2011 Actuals include a Bond Refunding which increased Debt Service by \$16.9 million and Operating Costs by \$1.6 million. Offsetting revenues are reflected above.
- Revenues includes the use of Fund Balance from the 2011 Bond Premium.

### Description:

This department is used to account for the annual General Fund principal, interest, and bond expenses associated with general obligation bonds and capital lease agreements. Debt service requirements are reviewed periodically in order to maintain a strong fiscal position relative to infrastructure financing

### A breakdown of the annual debt service payment by function is listed below:

	FY2011 Actual	FY2012 Adopted	FY2013 Adopted	\$ Change from FY2012	% Chg.
<b>Bonds</b>					
Board Of Education	\$4,502,594	\$4,354,000	\$3,690,000	(\$664,000)	-15.3%
College of Southern Maryland	1,180,917	1,201,800	1,246,500	44,700	3.7%
General Government	4,513,430	4,467,760	4,588,300	120,540	2.7%
Public Safety	2,402,286	2,421,400	2,231,700	(189,700)	-7.8%
Transportation	8,483,144	5,999,540	6,431,100	431,560	7.2%
FHA Loan	10,948	10,900	10,900	0	0.0%
Pisgah Closure	570,767	570,800	0	(570,800)	N/A
<b>Bond Principal &amp; Interest</b>	<b>\$21,664,085</b>	<b>\$19,026,200</b>	<b>\$18,198,500</b>	<b>(\$827,700)</b>	<b>-4.4%</b>
<b>Bond Refunding</b>	<b>\$16,865,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>
<b>Leases</b>					
Public Works - Facilities	\$514,677	\$385,900	\$392,500	\$6,600	1.7%
Emergency Services	341,956	289,000	401,600	112,600	39.0%
Fiscal & Administrative Services	151,160	137,600	134,300	(3,300)	-2.4%
Community Services	18,409	16,400	11,000	(5,400)	-32.9%
General Government	23,479	26,100	17,500	(8,600)	-33.0%
Planning & Growth Management	1,952	0	0	0	N/A
Sheriff	686,378	515,500	421,900	(93,600)	-18.2%
Library	18,288	3,500	16,300	12,800	365.7%
Other Agencies	5,737	8,700	23,700	15,000	172.4%
<b>Capital Lease Principal &amp; Interest</b>	<b>\$1,762,036</b>	<b>\$1,382,700</b>	<b>\$1,418,800</b>	<b>\$36,100</b>	<b>2.6%</b>
<b>Transfer to Enterprise Fund</b>	<b>\$388,762</b>	<b>\$404,100</b>	<b>\$418,400</b>	<b>\$14,300</b>	<b>3.5%</b>
<b>Operating Costs</b>	<b>\$2,188,033</b>	<b>\$174,000</b>	<b>\$187,700</b>	<b>\$13,700</b>	<b>7.9%</b>
<b>Total</b>	<b>\$42,867,916</b>	<b>\$20,987,000</b>	<b>\$20,223,400</b>	<b>(\$763,600)</b>	<b>-3.6%</b>

### Objectives & Measurements:

	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Actual	FY13 Estimated
<i>Objective: To maintain or improve the County's bond rating. The higher the rating, the lower the interest rate will be on County issued bonds; which translates into less revenue needed to meet the costs.</i>					
Standard & Poor's	AA	AA	AA	AA	AA
Moody's Investors Service	Aa2	Aa2	Aa1	Aa1	Aa1
Fitch Investors Service	AA+	AA+	AAA	AAA	AAA