

# KANE COUNTY AUDITOR'S REPORT

Finance & Budget Committee  
January 4, 2016

General Obligation Bonds and Debt Certificates  
Past, Present and Future



# Bonds Issued – Fiscal Year 2009

In October 2009 the County issued a total of \$40,000,000 in “Build America Bonds” as authorized under the American Recovery and Reinvestment Act of 2009. The act provides for a Federal subsidy through a refundable tax credit to be paid to the County equal to 35% of the total interest paid to investors.

The bonds were used to finance various road and bridge capital improvements in the County. They were issued in two separate series. Series A consisted of \$23.6M and Series B consisted of \$16.4M, for a total of \$40M.

Interest rates ranged from 1.15% to 2.00% on Series A and from 2.70% to 3.00% on Series B. Series A was retired in fiscal 2013. Series B was retired in fiscal 2015.

# Bonds Issued – Fiscal Year 2011

In December 2010 the County issued an additional \$7,670,000 in “Build America Bonds” as authorized under the American Recovery and Reinvestment Act of 2009. The act provides for a Federal subsidy through a refundable tax credit to be paid to the County equal to 45% of the total interest paid to investors.

These bonds were designated as Recovery Zone Economic Development Bonds. Principal and interest payments come from the Recovery Zone Bond Debt Service Fund.

Semi-annual interest is paid at rates ranging from 1.15% to 6.55%. This series is scheduled to be fully retired in 2031.

## Bonds Issued – Fiscal Year 2012

On December 28, 2011 the County issued \$1,960,000 in General Obligation Limited Tax Bonds to fund improvements of the County.

Interest was paid semi-annually at a rate of 1.5%.

The second of the two annual principal payments was made in December of 2013, and this series is now fully retired.

# Refinancing Bonds Issued – Fiscal Year 2013

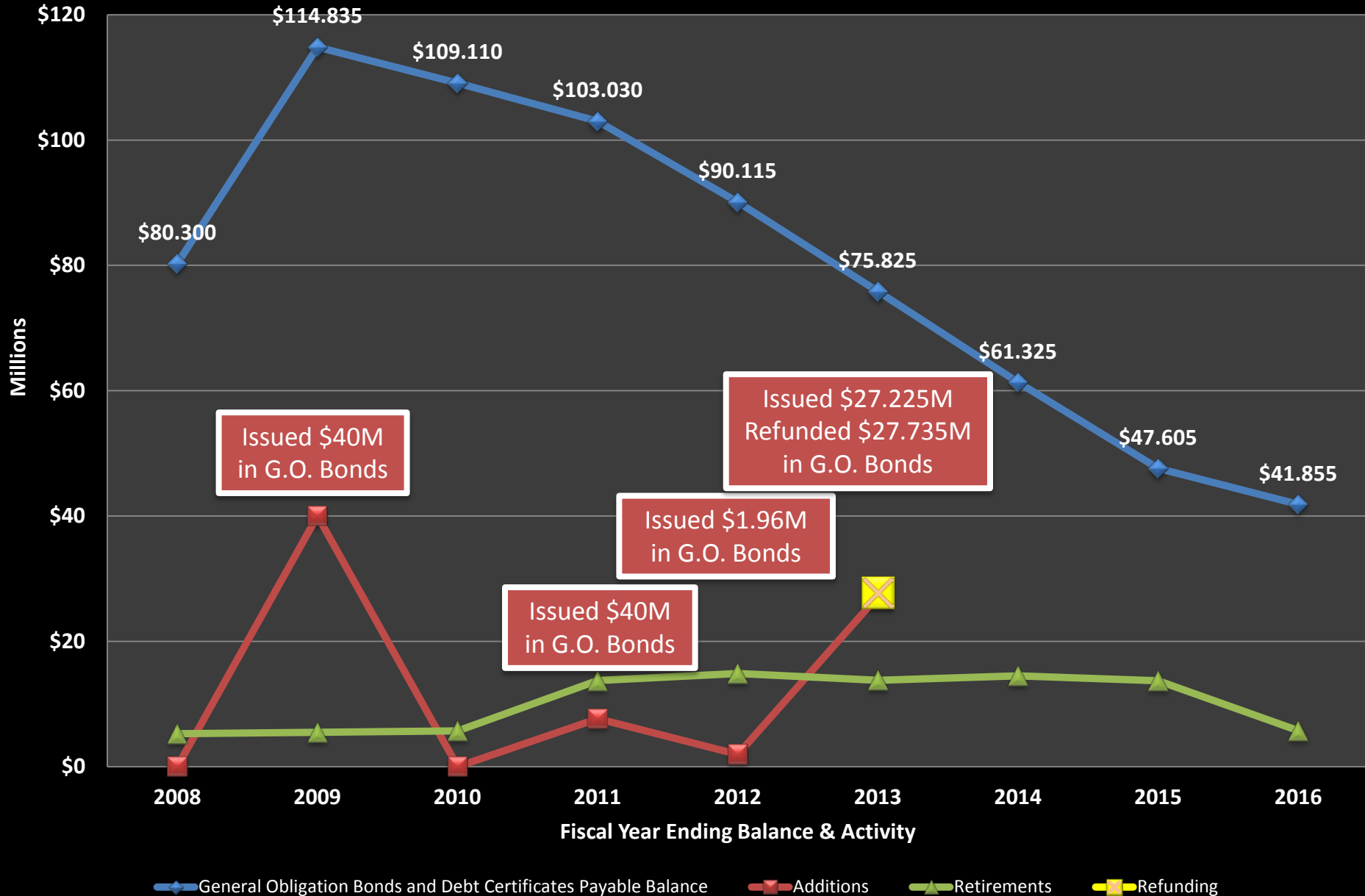
In April 2013 the County issued \$27,225,000 of General Obligation Bonds – Series 2013 for the purpose of refunding various debt instruments which carried higher interest rates to reduce the overall interest expense to the County.

The remaining principal balance of approximately \$2,320,000 in Series 2002 G.O. Bonds was fully refunded.

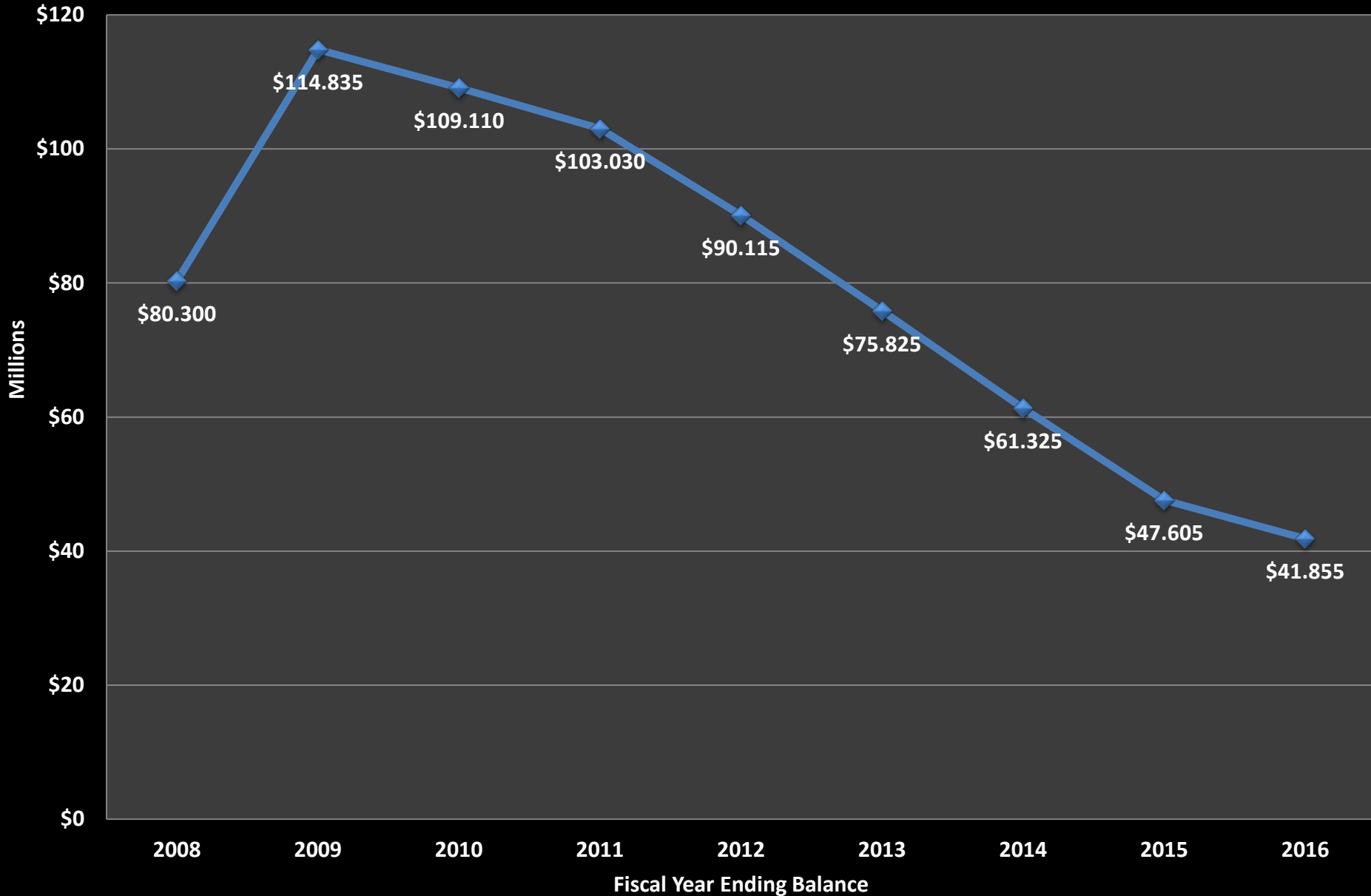
Additionally, partial refunding of approximately \$5,795,000 in Series 2005 Debt Certificates, and \$19,620,000 in Series 2006 Debt Certificates was made through the Series 2013 issue.

Interest between 2.00% and 3.00% is paid on a semi-annual basis. This series is scheduled to be fully retired in 2024.

# General Obligation Bonds & Debt Certificates Payable



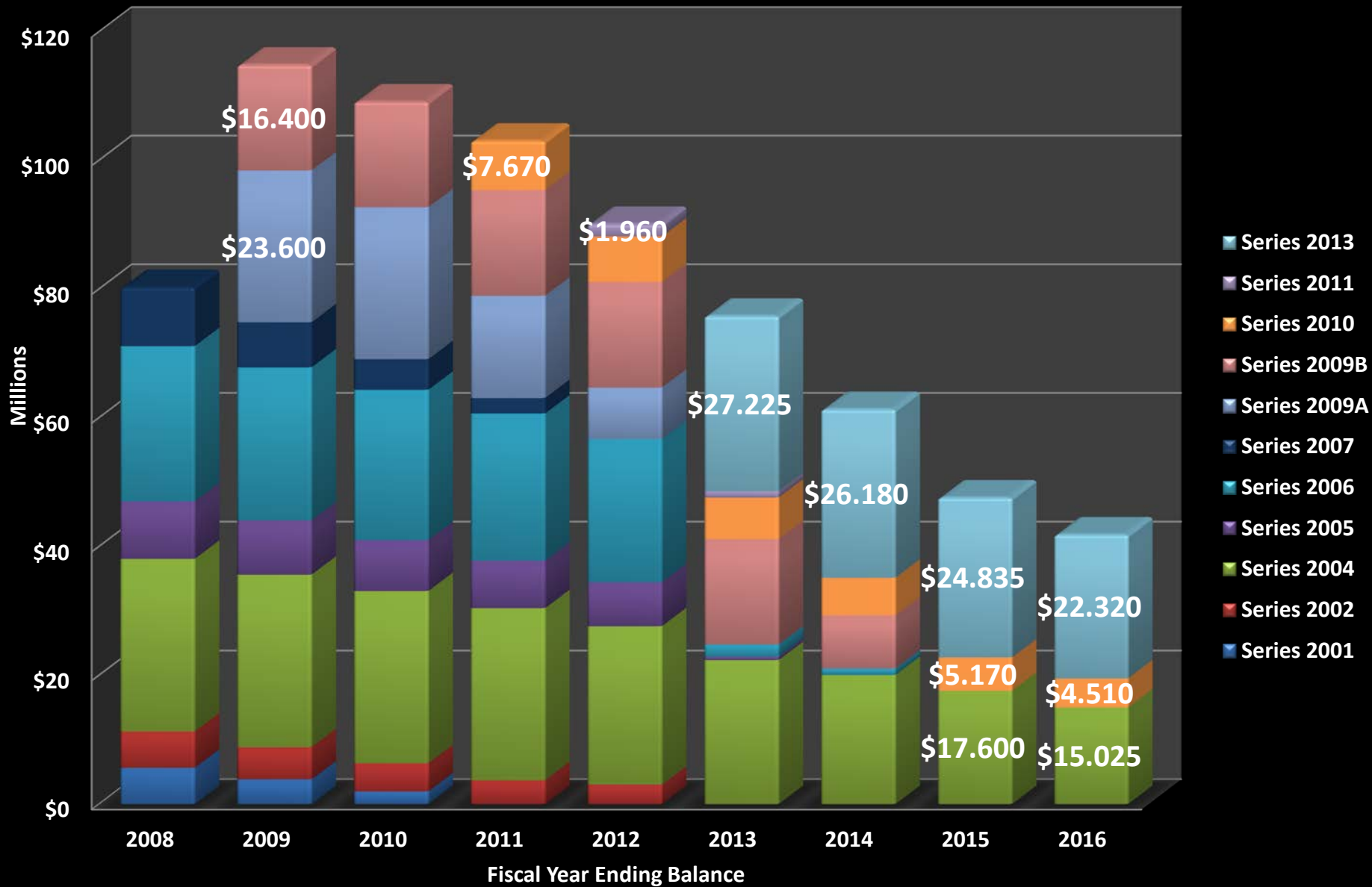
# General Obligation Bonds & Debt Certificates Payable







# General Obligation Bonds & Debt Certificates Payable



# Principal Balance on General Obligation Bonds After Making Scheduled Fiscal Year 2016 Principal Payments

Debt Series	Fiscal Year Scheduled to Retire	Principal Balance	Interest Rate Range
Series 2004	2021	\$15,025,000	5.00% - 5.25%
Series 2010	2031	4,510,000	2.60% - 6.55%
Series 2013	2024	22,320,000	3.00%
<b>TOTAL</b>		<b>\$41,855,000</b>	

# Questions?

