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Long-term Debt Training

Department of Administrative Services

Statewide Accounting & Reporting Services

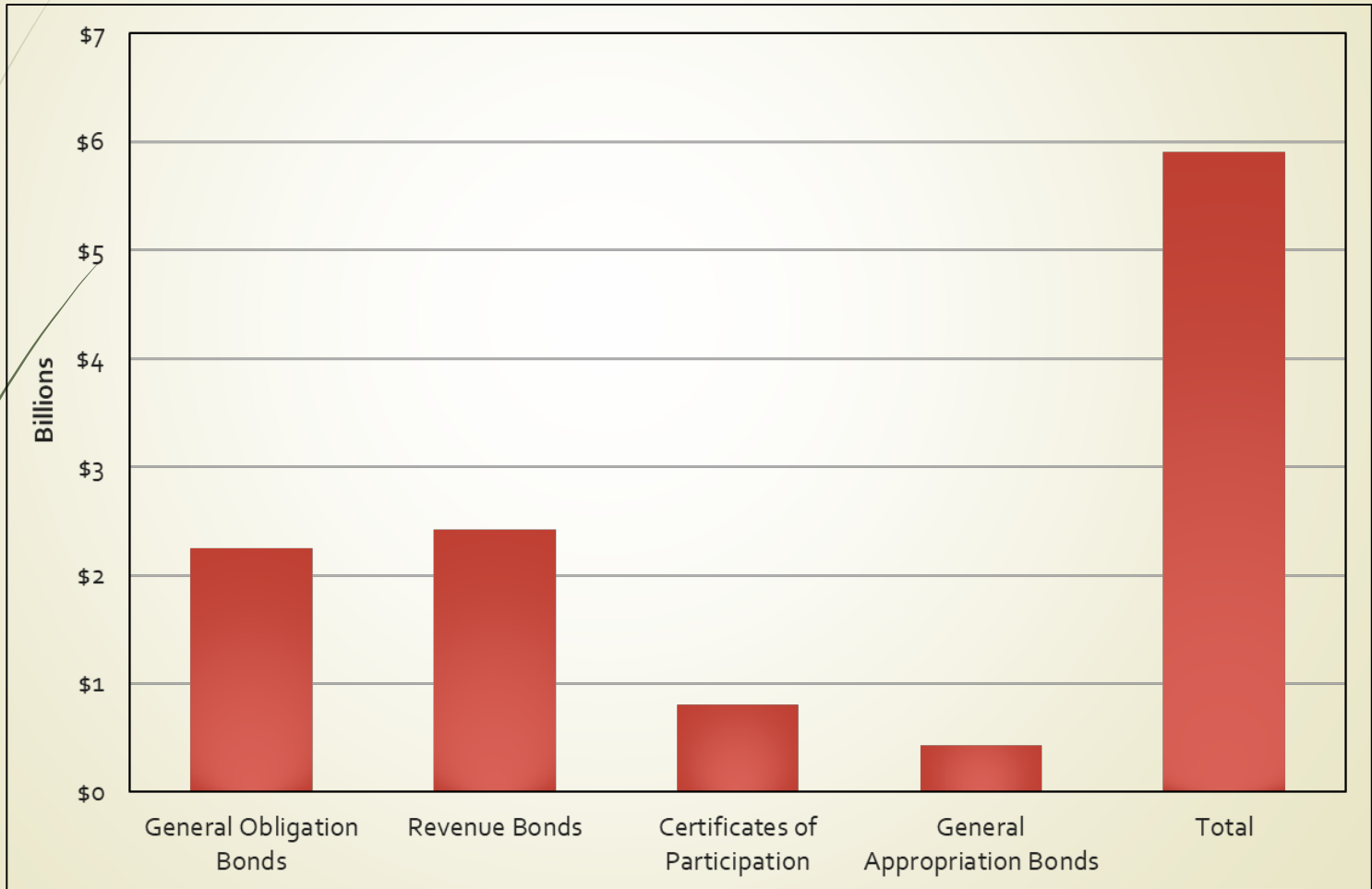
June 27, 2019

Agenda

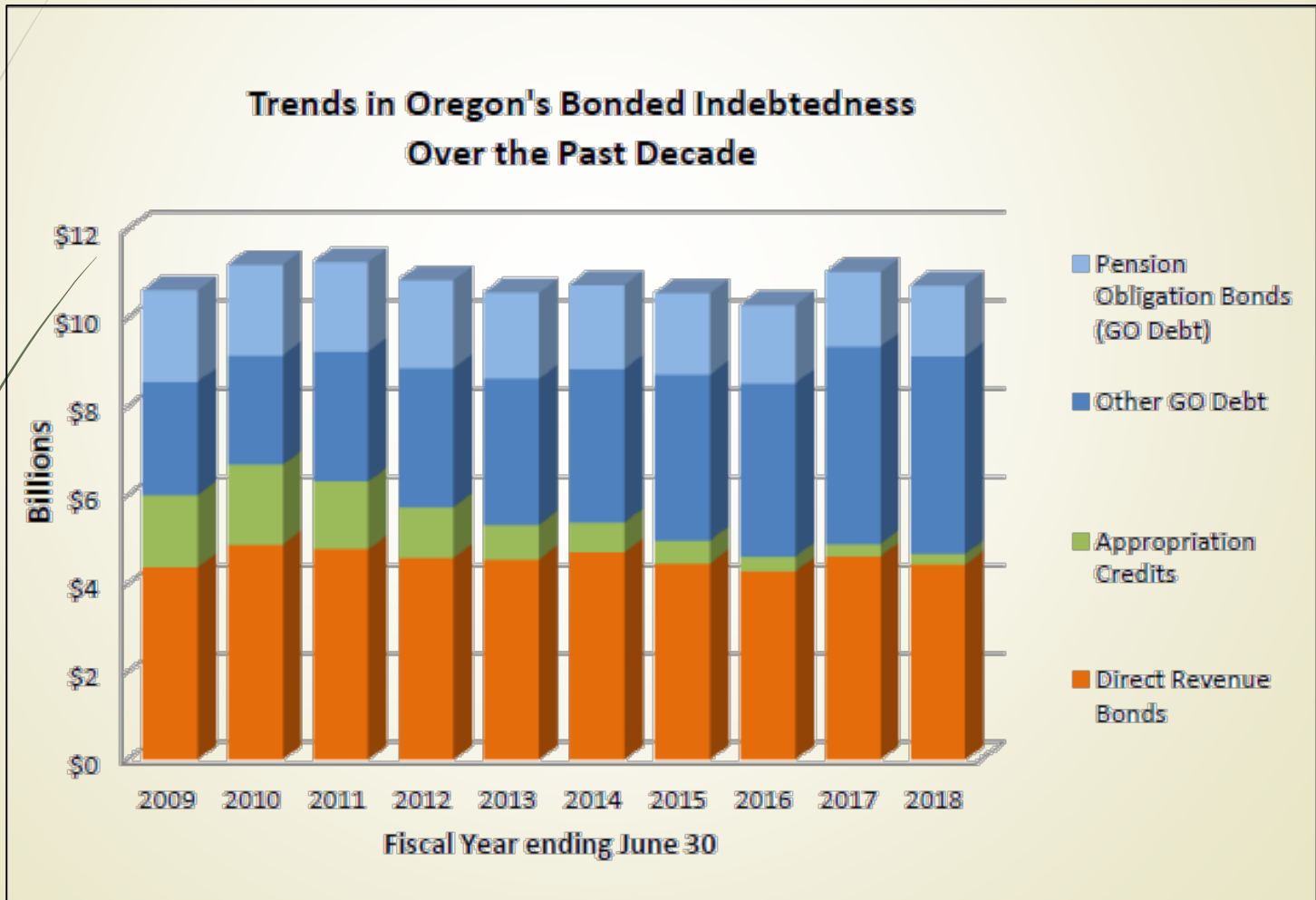
- ▶ Overview of Oregon's Debt
- ▶ Determining the Appropriate Fund Structure
- ▶ Recording the Initial Debt Issuance
- ▶ Recording Debt Service Payments
- ▶ Refunding a Debt Issue
- ▶ Recording Year End Transactions
- ▶ Disclosure Requirements
- ▶ Learning Opportunities

Overview of Oregon's Debt

Outstanding Debt Balance – As of FY 2003



Outstanding Debt Balance – Past 10 years



Types of Long-term Debt

- General Obligation (GO) Bonds
 - Authorized by the Oregon Constitution.
 - Are direct, general obligations of the State of Oregon
 - The full faith, credit, and taxing power of the State of Oregon are irrevocably pledged to pay the bonds
 - Includes governmental, business, and fiduciary activities

Types of Long-term Debt (cont.)

- GO Bond examples:
 - Pension bond liability.
 - Higher education facilities.
 - Correctional facilities for adult and youth offenders.
 - State hospital replacement.
 - Statewide building projects.
 - Seismic rehab of public schools and emergency buildings.
 - Loan programs at Veterans' Affairs, Housing, Energy, and DEQ.

Types of Long-term Debt (cont.)

- Revenue Bonds
 - Authorized by Oregon Revised Statutes.
 - Secured by pledge of revenues derived from the operation of the program funded by bond issuance.
 - Includes both governmental and business activities.

Types of Long-term Debt (cont.)

- Revenue Bond examples:
 - Lottery bonds finance education, economic development, state parks, light rail, acquisition of state forestland, watershed improvements, and economic development projects in rural and distressed communities.
 - Highway user taxes repay bonds issued to fund road building and improvement.
 - Single family loans and multi-family housing projects.

Types of Long-term Debt (cont.)

- Lottery Revenue Bonds:
 - Not general obligations of the state.
 - Not secured or payable from funds other than amounts pledged.
 - All contain a statement that says the state is not obligated to pay lottery bond principal, interest or premiums from any source other than the amounts pledged for payment and the full faith and credit or taxing powers of the state of Oregon are not pledged to the payment of lottery bonds.

Types of Long-term Debt (cont.)

- Other Types of Long-term Debt:
 - Certificates of participation
 - Tax anticipation notes
 - Short-term debt
 - Demand bonds
 - Conduit debt
 - Direct borrowings/placements

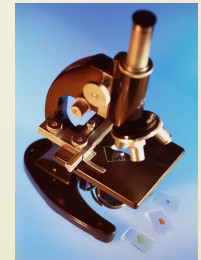


Types of Long-term Debt (cont.)

- Certificates of Participation (COPs)
 - Authorized in ORS Chapter 283.
 - Financing agreements normally secured by the asset being purchased or constructed.
 - Includes both governmental purpose and business-type activities.
 - Majority being refinanced and replaced with Q bonds.

Types of Long-term Debt (cont.)

- Historical COP project examples:
 - Computer and telecommunications systems.
 - Capital construction.
 - Building acquisition.
 - Deferred maintenance.
 - Equipment purchases.



Types of Long-term Debt (cont.)

- Tax Anticipation Notes
 - Issued with expectation that:
 - ✓ Government will receive specific resources in the near future.
 - ✓ These resources will be used to retire the liability.
 - Often issued as part of a cash management strategy.
 - Generally short-term in nature.

Types of Long-term Debt (cont.)

- Demand Bonds
 - Allows bondholders to redeem bonds on the basis of terms specified in the bond agreement.
 - Financial institution makes agreement to provide funds if the call is exercised.
 - Can be long or short term depending on terms of agreement.
 - Additional disclosure is required.

Types of Long-term Debt (cont.)

- **Conduit Debt**
 - Limited-obligation bonds or similar debt instruments that provide capital financing for third parties not part of the reporting entity.
 - Issuer has no obligation for the debt.
 - Debt repaid by third party.
 - Not recorded in the financial statements but still must be disclosed.

Determining the Appropriate Fund Structure

Important Factors

- Purpose of debt issuance.
- Source of funds for repayment.
- Legal requirements.
- Where cash is held.
- How costs are budgeted.

Purpose of Debt

- Governmental
- Proprietary
- Fiduciary



Source of Repayment

- General fund appropriation
- Lottery funds
- Federal grants
- Assessments
- User charges
- Program operations
- Loan repayments



Governmental Funds Structure

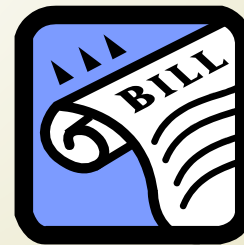
- Requires **at least** two funds.
- “Project” funds for expenditure of proceeds.
- Debt service fund to record capitalized (accrued) interest received from proceeds and payment of principal and interest.
- Possibly a third fund for reserves (debt service fund)
- Possible a fourth fund for issuance costs (fund type as budgeted)
- Government-wide Reporting Fund
 - To record long-term liability

Proprietary/Fiduciary Funds Structure

- Best to set up same number of D23 funds as described for Governmental Funds.
- All would be in the same GAAP fund type:
 - Enterprise Fund
 - Internal Service Fund
 - Pension Trust Fund

Legal Requirements

- Debt service reserve
- Sinking fund



Where the Cash is Held

- Due to cash controls in SFMA:
 - Cash in Bank **must** be separated from Cash in State Treasury.
 - Cash in State Treasury Funds (separate Treasury account numbers) **must be separated**.
 - If the agency has multiple Treasury accounts, a separate D23 fund is required for each.

How Costs are Budgeted

- Many times costs of issuance are required to be paid out of regular operating budgets.
- Some costs **may** be paid from a separate appropriation but this is less common.
- Advanced refundings require the establishment of administrative limitation (could be more than one) in a non-limited fund.

Recording the Initial Debt Issuance

Official Statement

\$238,415,000

State of Oregon

2017 Series A

General Obligation Bonds

Feb 21, 2017

Official Statement

➤ Source of Funds:

Principal amount of 2017 bonds	\$238,415,000
Original issue premium	<u>40,688,724</u>
Total sources	\$279,103,724

➤ Uses of Funds:

Project construction and acquisition	\$278,130,381
Underwriter's discount	785,625
Cost of issuance	<u>188,018</u>
Total uses	\$279,103,724

Official Statement

- ▶ Description of the 2017 Series A projects we will focus on:
 - ▶ Oregon Department of Corrections, Facility Capital Improvements (example)
 - ▶ Oregon Department of Justice, Child Support Enforcement System (exercise)

Department of Corrections Facility Capital Improvements

Source of Funds:

Principal amount of 2017 bonds	\$11,785,000
Original issue premium	<u>2,023,239</u>
Total sources	\$13,808,239

Uses of Funds:

Project Funds	\$13,770,432
Underwriter's discount	32,320
Cost of issuance	<u>5,487</u>
Total uses	\$13,808,239

Project Funds – Proceeds (Treasury)

➤ **T-code 190** To record face value of the bond

- DR 0065 Unreconciled Deposit 11,785,000.00

(debits to GL 0070 – cash deposit with treasurer
after reconciling to Screen 13 in R*stars)

- CR 3100 Rev Control – Cash 11,785,000.00

(c/o 1501 GO Bonds – Debt service from GF)

➤ **Fund Type – Governmental (Capital Projects)**

Project Funds – Premium (Treasury)

- **T-code 190** To record the premium received on bonds

- DR 0065 Unreconciled Deposit 2,023,239.25

(debits to GL 0070 – cash deposit with treasurer
after reconciling to Screen 13 in R*stars)

- CR 3100 Rev Control – Cash 2,023,239.25

(c/o 1510 OIP – Bonds)

- **Fund Type – Governmental (Capital Projects)**

Project Funds – Underwriter's Discount Costs (Treasury)

➤ **T-code 167R** To record the underwriter's discount

- DR 3500 Expend Control – Cash 32,320.29
(c/o 4050 Bond Costs)

- CR 0065 Unreconciled Deposit 32,320.29
(credits to GL 0070 – cash deposit with treasurer
after reconciling to Screen 13 in R*stars)

➤ Fund Type – Governmental (Capital Projects)

Project Funds – Premium(Treasury)

If not enough cash to record Bond Costs

- ▶ **T-code 190** To record the premium received on bonds(subtract underwriter's discount)

- DR 0065 Unreconciled Deposit 1,990,918.96

(debits to GL 0070 – cash deposit with treasurer
after reconciling to Screen 13 in R*stars

- CR 3100 Rev Control – Cash 1,990,918.96

(c/o 1510 OIP – Bonds)

- ▶ Fund Type – Governmental (Capital Projects)

Project Funds – Underwriter's Discount Costs(Treasury) If not enough cash to record Bond Costs

- ▶ **T-code 409** To record the underwriter's discount
 - DR 3500 Expend Control – Cash 32,320.29
(c/o 4050 Bond Costs)
 - CR 0070 Cash on deposit w/Treas 32,320.29

- ▶ **T-code 410** To record the remaining premium received on bonds
 - DR 0070 Cash on deposit w/Treas 32,320.29
 - CR 3100 Rev Control - Cash 32,320.29
(c/o 1510 OIP – Bonds)

- ▶ Fund Type – Governmental (Capital Projects)

Project Funds – Bond Issuance Costs(Treasury)

- ▶ **T-code 760** To remit the cost of issuance payment to DAS
 - DR 3500 Expend Control – Cash 5,486.96
(c/o 4050 Bond Costs)
 - CR 0070 Cash on deposit w/Treas 5,486.96

- ▶ **T-code 761** To record the other side of payment for DAS
 - DR 0070 Cash on deposit w/Treas 5,486.96
 - CR 0501 A/R – Other billed 5,486.96

Fund Type – Governmental (Capital Projects)

Accrued Interest

- ▶ Record in the fund where principal and interest payments are made.
- ▶ **T-code 191** - Cash on Deposit with Treasury
 - ▶ DR GL 0065 – Unreconciled Deposit
 - ▶ CR GL 1225 – Accrued Interest on Bonds sold (use GL 1235 for COPs)
- ▶ Do not use GL 1230 (It is for year-end accruals)

Liability – Bond Payable

- ▶ **T-code 504** To record face value of GO Bond liability

-DR 3200 GAAP Revenue Offset	11,785,000.00
(c/o 1501 Bond Proceeds)	
- CR 1714 Bond Payable – NC	11,785,000.00

- ▶ Fund Type – Government-wide Reporting Fund

Liability – Premium on Bonds

- ▶ **T-code 504** To record the premium on bonds sold

- DR GL 3200 GAAP Revenue Offset	2,023,239.25
(c/o 1510 OIP on Bonds)	

- CR GL 1713 Premium on Bonds	2,023,239.25
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- ▶ Fund Type – Government-wide Reporting Fund

Underwriter's Discount or Issuance cost

- ▶ Expense at the time of issuance
- ▶ Capitalize prepaid insurance if any.
 - ▶ Use T-code 514
 - ▶ DR GL 0602 – Prepaid Insurance
 - ▶ CR GL 3600 – GAAP Expenditure offset
 - ▶ (c/o 4050 Bond costs for bonds, c/o 4055 COPs cost for COPs, c/o 4041 Direct Borrowings/ Placement costs)

Variations

- ▶ Cash in State Treasury vs. Cash in bank
 - Uses different t-codes
- ▶ Other types of debt
 - Certificates of Participation
 - Direct Borrowings/Placements
 - Uses different comp objects and general ledger accounts

Basic Accounting Entry

DR Cash	13,770,432.00	
DR Bond Costs	37,807.25	
CR Bond Premium		2,023,239.25
CR Bonds Payable		11,785,000.00

To record debt issuance.

Recording Debt Service Payments

Where to Record Payments?

- ▶ Governmental activities
 - Principal and interest payment in governmental fund
 - Liability adjusted in government-wide fund

- ▶ Proprietary funds
 - Payments and liability adjustments are recorded in the same fund

Principal and Interest

- ▶ Paid through DAS
- ▶ Paid by agency
- ▶ Comp objects – Interest expense
 - Bonds - 7250
 - COPs – 7300
 - Direct Placements/Borrowings - 7225
- ▶ Comp objects – Principal
 - Bonds - 7100
 - COPs - 7150
 - Direct Placements/Borrowings - 7125

Principal & Interest Payment

➤ **T-code 760** To record DOC second payment on Series A GO Bond

- DR 3500 Exp Control – Cash	835,000.00
(c/o 7100 Principal)	
- CR 0070 Cash w/Treasury	835,000.00
- DR 3500 Exp Control – Cash	294,625.00
(c/o 7250 Interest)	
- CR 0070 Cash w/Treasury	294,625.00

➤ Fund Type – Governmental (Debt Service)

Principal & Interest Payment

▶ **T-Code 761** To record the other side of debt service payment for DAS

- DR 0070	Cash w/Treasury	835,000.00	
- CR 0501	A/R – Billed		835,000.00
- DR 0070	Cash w/Treasury	294,625.00	
- CR 0501	A/R - Billed		294,625.00

Lottery Bonds

- DAS transfers lottery monies (Revenue) to agency accounts using
 - **T-code 185R** – moves money out of DAS
 - DR GL 3550 Operating Transfer Out
 - CR GL 0065 Unreconciled Cash
 - **T-code 186**-Deposit into agency
 - DR 0077 – Cash in Bank
 - CR 3150 Operating Transfer In control
- **T-code 568** Agency record debt service payment
 - DR 3500 Expend Control – Cash
 - (c/o 7100 – Principal on Bonds, or c/o 7250 – Interest on Bonds)
 - CR 0077 Cash in Bank

Certificate of Participation

- ▶ COPS are issued through DAS

- ▶ **T-code 760** To payment on COPS
 - DR 3500 Exp Control – Cash
(c/o 7150 - Principal, or 7300 - Interest)
 - CR 0070 Cash w/Treasury

- ▶ **T-Code 761** To record the other side of debt service payment for DAS
 - DR 0070 Cash w/Treasury
 - CR 0501 A/R – Billed

ACH Wire Payment – Outside Treasury

- ▶ **T-code 167R** (ACH wire transfer)
 - DR 3500 Exp. Control – Cash
(c/o 7100 Principal Bonds)
 - CR 0065 Unreconciled Deposit

- ▶ **T-code 167R** (ACH wire transfer)
 - DR 3500 Exp. Control – Cash
(c/o 7250 Interest Bonds)
 - CR 0065 Unreconciled Deposit

Transfer to Treasury – Suspense Account

- ▶ **T-code 714** (BT with TC 715)
 - DR 3500 Exp Control – Cash
(c/o 7100 – Principal Bonds)
 - CR 0070 Cash on Deposit with Treasury

- ▶ **T-code 714** (BT with TC 715)
 - DR 3500 Exp Control – Cash
(c/o 7250 – Interest Bonds)
 - CR 0070 Cash on Deposit with Treasury

Reduce Liability

➤ **T-code 528** Reduce bond payable

- DR	GL 1714 Bonds Payable NC	835,000.00	
- CR	GL 3600 GAAP Expend Offset (c/o 7100 Principal)		835,000.00

➤ Government-wide Reporting Fund

GASB 88 Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements

- ▶ Disclosure required by GASB 88:
 - ▶ Amount of unused lines of credit
 - ▶ Assets pledged as collateral for debt
 - ▶ Terms specified in debt agreements related to significant
 - ▶ (1) events of default with finance-related consequences,
 - ▶ (2) termination events with finance related consequences, and
 - ▶ (3) subjective acceleration clauses

- ▶ Should provide separate information in debt disclosures regarding (a) direct borrowings and direct placements of debt from (b) other debt.

GASB 88 (continued)

DEBT DISCLOSURE CHECKLIST

	<u>Excel Tab Name</u>
I. Complete the listed disclosures on the following Excel tabs, N/A is not an option.	
A. Debt Covenant Violations	A - C
B. Other Debt	A - C
C. Build America Bonds	A - C
D. Arbitrage Rebate Liability	D
E. Lines of Credit - <i>New</i>	E - F
F. Asset Pledged as Collateral - <i>New</i>	E - F
G. Terms in Debt Agreement - <i>New</i>	G
II. Complete the following separate Excel disclosures or mark N/A for "not applicable".	<u>N/A dropdown</u>
1. Short-Term Debt	_____
2. General Obligation Bonds	_____
3. Revenue Bonds	_____
4. Certificates of Participation	_____
5. Direct Placements and Borrowings - <i>New</i>	_____
6. Demand Bonds	_____
7. No-Commitment Debt	_____
8. Advance or Current Refundings of Debt	_____
9. Defeased Debt	_____

GASB 88 (continued)

5a. Direct Placements and Borrowings - Changes in Outstanding Debt

Please complete the following schedule to reflect the changes in your direct placements and borrowings. Ending balances should agree to R*STARS balances at the close of month 13. Complete a separate page for each fund type (Government-wide Reporting Fund, Enterprise Fund, Internal Service Fund, or Pension and Other Employee Trust Fund) and each constitutional provision. Complete as many pages as necessary.

Fund Type:

Note ~ Use a separate page for each constitutional provision.

Constitutional Provision:

Describe the projects or purposes for which the proceeds are being used:

Schedule of Changes in Outstanding Direct Placements and Borrowings

	Balance 7/1/2018	Post-close, Transfers & Other Adjustments**	Additions (Sale of Debt)	Deductions (Principal payments & Amortization)	Balance 6/30/2019
Principal					\$ -
Discount (GL1732)					\$ -
Premium (GL 1733)					\$ -
Accreted Interest (GL1709)					\$ -
Total:	\$ -	\$ -	\$ -	\$ -	\$ -

**Provide adjustment description:

(See disclosure 5b for Debt Repayment Schedule)

	Balance 7/1/2018	Post-close, Transfers & Other Adjustments**	Additions (Sale of Debt)	Deductions (Amortization)**	Balance 6/30/2019
Deferred Outflows - Loss on Refunding (GL 1000)					\$ -
Deferred Inflows - Gain on Refunding (GL 1851)					\$ -

GASB 88 – (continued) New Accounts

▶ GLs:

- ▶ 1277 - Bonds Pay -Current – Direct Place/Borrow
- ▶ 1732 - Disc on Bonds Sold – Direct Place/Borrow
- ▶ 1733 - Prem on Bonds Sold – Direct Place/Borrow
- ▶ 1734 - Bonds Pay-Noncurr – Direct Place/Borrow

▶ Comp Objects:

- ▶ 1515 - Direct Placements/Borrowings
- ▶ 1516 - OID Direct Placements/Borrowings
- ▶ 1517 - OIP Direct Placements/Borrowings
- ▶ 4041 - Direct Placements/Borrowings Costs
- ▶ 7125 - Principal Direct Placements/Borrowings
- ▶ 7225 - Interest Direct Placements/Borrowings
- ▶ 7457 - Amort-Discount/Premium on Direct Place/Borrowings

GASB 88 (continued) – Reclassify GL Accounts

- ▶ Use T-codes 475 and 475R to reclassify GLs related to Direct Borrowings/Placements from Bonds Payable if any.
- ▶ You will also have to reclassify comp objects related to Direct Borrowings/Placements.



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Exercise 1

Exercise 1

- ▶ Debt issuance – Series A GO Bond for Department of Justice
 - ▶ Proceeds and issuance cost
 - ▶ Establish liabilities accounts
- ▶ Debt service payment – Department of Justice
- ▶ Reduce liability
- ▶ Assume a governmental fund for Department of Justice & DAS
- ▶ Issuance is through DAS and Oregon State Treasury

Answer: Debt Issuance

➤ **1. TC 190** Record bond proceeds at face value

- DR 0065 Unreconciled Deposit	2,655,000.00	
- CR c/o 1501 GO Bond Proceeds		2,655,000.00

➤ **2. TC 190** Record premium on GO Bonds

- DR 0065 Unreconciled Deposit	308,567.75	
- CR c/o 1510 OIP – Bonds		308,567.75

➤ Governmental Fund

Answer: Debt Issuance

➤ 3. TC 167R Record underwriter's discount costs

- DR c/o 4050 Bond Costs	6,638.14	
- CR 0065 Unreconciled Deposit		6,638.14

➤ Governmental fund

Answer: Debt Issuance – not enough cash to cover bond costs

- ▶ **2a. TC 190** Record premium on GO Bonds (subtract underwriters discount)

- DR 0065 Unreconciled Deposit	301,929.61	
- CR c/o 1510 OIP – Bonds		301,929.61

- ▶ Governmental fund

Answer: Debt Issuance – not enough cash to cover bond costs

- ▶ **3a. T-code 409** To record the underwriter's discount
 - DR 3500 Expend Control – Cash 6,638.14
(c/o 4050 Bond Costs)
 - CR 0070 Cash on deposit w/Treas 6,638.14

- ▶ **T-code 410** To record the remaining premium received on bonds
 - DR 0070 Cash on deposit w/Treas 6,638.14
 - CR 3100 Rev Control - Cash 6,638.14
(c/o 1510 OIP – Bonds)

- ▶ Governmental fund

Answer: Debt Issuance

➤ **4. T-code 760** To remit bond issuance costs to DAS

- DR c/o 4050 Bond Costs	1,157.61	
- CR 0070 Cash with Treasury		1,157.61

➤ **5. T-code 761** To collect bond issuance costs on invoice

- DR 0070 Cash with Treasury	1,157.61	
- CR 0501 A/R – Billed		1,157.61

➤ Governmental Fund

Answer: Establish New Debt

- ▶ **6. T-code 504** Record bond payable at face value
 - DR c/o 1501 GO Bond Proceeds 2,655,000.00
 - CR 1714 Bonds Payable - NC 2,655,000.00

- ▶ **7. T-code 504** Record Premium on Bonds Sold
 - DR c/o 1510 OIP – Bonds 308,567.75
 - CR 1713 Premium on Bonds 308,567.75

- ▶ Government-wide Reporting Fund

Answer: Debt Payment

- ▶ **8. T-code 760** To remit principal payment to DAS
 - DR c/o 7100 Principal on Bonds 455,000.00
 - CR 0070 Cash with Treasury 455,000.00

- ▶ **9. T-code 761** To collect principal on invoice
 - DR 0070 Cash with Treasury 455,000.00
 - CR 0501 A/R – Billed 455,000.00

- ▶ Governmental Fund

Answer: Debt Payment

- ▶ **10. T-code 760** To remit interest on bonds to DAS
 - DR c/o 7250 Interest on Bonds 66,375.00
 - CR 0070 Cash with Treasury 66,375.00

- ▶ **11. T-code 761** Collect interest on invoice
 - DR 0070 Cash with Treasury 66,375.00
 - CR 0501 A/R Billed 66,375.00

- ▶ Governmental Fund

Answer: Reduce Liability

- **12. T-code 528** To reduce bond payable for principal payment

- DR 1714 Bonds Payable NC	455,000.00	
-CR c/o 7100 Principal on Bonds		455,000.00

- Government-wide Reporting Fund

Refunding a Debt Issue

Types of Refunding

- ▶ Debt refunding: The State issues debt and uses the proceeds to repay previously issued debt.
- ▶ Current refunding: New debt used to redeem the existing debt within 90 days of issuance.
- ▶ Advanced refunding: Proceeds held by escrow for future payments.
- ▶ In-substance defeasance: Debt is considered defeased “in-substance” if all of the following conditions apply:
 - ▶ The placement of the resources in escrow is irrevocable.
 - ▶ Escrow resources can be used only for the scheduled debt service payments on the old debt.
 - ▶ The possibility of the State having to make future payments on that debt is remote.
 - ▶ All escrow resources are monetary and essentially risk-free.
 - ▶ Cash flows approximately coincide as to timing and amount with scheduled debt service payments.

COPs Refunded with Q Bonds

- ▶ What GAAP fund accounts for the refunding debt?
 - ▶ GAAP Fund 2003 – General Obligation Bond
 - ▶ Report the debt itself in the Government-wide Reporting Fund

- ▶ What GAAP fund accounts for the payoff of old debt?
GAAP Fund 2002 – Certificate of Participation Bond

COPs Refunded with Q Bonds (continued)

- ▶ Which GAAP funds report the deferred gain or loss on refunding?
 - ▶ Government-wide Reporting Fund or Proprietary fund
 - ▶ Deferred gain is recorded as Deferred Inflows – Gain on Debt Refunding
 - ▶ Deferred loss is recorded as Deferred Outflows – Loss on Debt Refunding
 - ▶ Do not net deferred gain and loss.
 - ▶ Deferred gain or loss is amortized over the remaining life of old debt or refunding debt whichever is shorter

What Goes Where?

Debt service fund ~ Cash transactions

- Face value of refunding debt issuance
- Premium or discount on issuance
- Underwriter's discount
- Bond issuance costs
- Remittance to Escrow for refunded debt

What Goes Where?

Government-wide reporting fund / Proprietary fund ~ Use full accrual method

- Establish refunding debt
- Capitalize premium/discount
- Remove old debt and contra accounts
- Record deferred gain/loss on debt refunding

Example: Bond Refunding

- ▶ Old debt ~ Advance refunded 2009 Series A COP, Junction City; Original face value was \$4,745,000.00
- ▶ New debt ~ Refunds COP with 2016 Series F GO Bond (XI-Q) for \$347,000.00
- ▶ Amount to escrow agent is \$396,969.92

Checklist for Recording Debt

- ✓ Review documents from DAS
 - Interagency Agreement (page 11)
 - Sources and Uses Statement (page 12)
 - Savings Summary (page 14)
 - Revised debt service schedules

- ✓ Set up new D23 funds if required

Checklist for Recording Debt

- ✓ Prior to recording the sale, reconcile GL accounts related to debt
- ✓ Using an amortization schedule amortize related debt accounts for old debt up to settlement date
- ✓ Verify the balances in amortized GL accounts
- ✓ Calculate percentage of refunded debt by dividing principal amount that is refunded by balance of old debt prior to sale.

Checklist for Recording Debt

- ✓ Prepare T-accounts to analyze transactions and ensure entries will result in accurate balances. (very helpful)

- ✓ Prepare batches to record:
 - Cash transactions
 - Removal of refunded debt and related accounts from books in government-wide or proprietary funds
 - Record refunding debt in government-wide or proprietary funds

Cash Transactions

➤ **T-code 567** To record face value of refunding debt

- DR 0077 Cash in Bank	347,000.00
- CR 3100 Rev Control – Cash	347,000.00
(c/o 1505 Proceeds from Refunding Bond/COP Debt)	

➤ Fund Type – Governmental (Debt Service)

Cash Transactions

- ▶ **T-code 567** Record original issue premium
 - DR 0077 Cash in Bank 51,195.08
 - CR 3100 Revenue Control - cash 51,195.08
 - (c/o 1510 Premium on Bonds)
- ▶ **T-code 568** Record underwriter's discount and cost of issuance
 - DR 3500 Exp Control – Cash 1,225.16
 - (c/o 4050 Bond Costs)
 - CR 0077 Cash in Bank 1,225.16
- ▶ Fund Type ~ Governmental (Debt Service)

Payment to Escrow Agent

➤ **T-code 568** Record payment to escrow

- DR 3500 Expend Control – Cash	396,969.92
(c/o 7050 Rfnd Pym to Escrow)	
- CR 0077 Cash in Bank	396,969.92

➤ Fund Type – Governmental (Debt Service)

Eliminate Old Debt

- ▶ **T-code 528** to remove the COP payable in the Government-wide reporting fund

- DR 1704 COP Payable - NC	355,000.00	
- CR 3600 GAAP Exp Offset (c/o 7050 Rfnd Pym to Escrow)		355,000.00

- ▶ **T-code 514** To remove partial premium on COP

- DR 1703 Premium on COP	41,715.08	
- CR 3600 GAAP Exp Offset (c/o 7050)		41,715.08

- ▶ Fund Type – Government-wide Reporting

Record New Debt

- ▶ **T-code 504** To record the face value of the refunding debt in the Government-wide reporting fund
 - DR 3200 GAAP Rev Offset 347,000.00
(c/o 1505 Proceeds on Rfnd Bonds)
 - CR 1714 Bond Payable NC 347,000.00

- ▶ **T-code 504** To capitalize premium on bond
 - DR 3200 GAAP Rev Offset 51,195.08
(c/o1510 Premium)
 - CR 1713 OIP on Bonds Sold 51,195.08

- ▶ Fund Type – Government-wide Reporting

Deferred Gain/Loss Calculation

Face value of refunded debt	355,000.00
Unamortized Premium on COP	<u>41,715.08</u>
Net Carrying Value	396,715.08 (a)
Bond Payable	347,000.00
Original Issue Premium	51,195.08
Underwriter's Discount	(970.29)
Costs of Issuance	<u>(254.87)</u>
Net Proceeds to Escrow	396,969.92 <u>(b)</u>
Deferred Loss on Refunding (b - a)	<u>254.84</u>

Deferred Gain/Loss on Refunding

▶ **T-code 514** To record loss on debt refunding

- DR 1000 Deferred Outflows-Loss on Debt
Refunding 254.84

- CR 3600 GAAP Exp Offset 254.84
(c/o 7050 Rfnd Pym to Escrow)

▶ Fund Type – Government-wide reporting

GASB 86 *Certain Debt Extinguishment Issues*

- Establishes accounting and financial reporting requirements for in-substance defeasance of debt using existing resources other than the proceeds of refunding debt. (gain/loss recognized in the period of defeasance)
- Include remaining prepaid insurance associated with debt that is extinguished in the net carrying amount of debt for purpose of calculating the gain or loss on refunding. This applies to all refundings.
- Substitution of essentially risk-free investments with not essentially risk-free investments in subsequent periods would reverse in-substance defeasance accounting.
- Effective FY 2018.

GASB 86 Certain Debt Extinguishment Issues

Example:

Existing Bond:

Bonds payable – noncurrent: \$90,000.00

Unamortized discount as of date of defeasance: \$2,000.00

Remaining Prepaid Insurance: \$1,200.00

Agency cash payment to escrow to defease debt (using existing resources): \$100,000.00

GASB 86 *Certain Debt Extinguishment Issues - Entries*

- ▶ **TC 167R** Record payment to escrow from existing resources.

- DR 3500 Expend Cntrl–Cash	100,000.00
(C/O 4051 Bond Refund Debt Pmt)	
- CR 0065 Unreconciled Deposit	100,000.00

- ▶ Governmental fund

GASB 86 *Certain Debt Extinguishment Issues – Entries - continued*

➤ **TC 528** Eliminate defeased debt.

- DR 1714 Bonds Payable - Noncurrent	90,000.00	
- CR 3600 GAAP Expend Offset		90,000.00
(C/O 4051 Bond Refund Debt Pmt)		

➤ **TC 514R** Eliminate discount related to defeased debt.

- DR 3600 GAAP Expend Offset	2,000.00	
(C/O 4051 Bond Refund Debt Pmt)		
- CR 1712 Discount on Bonds Sold		2,000.00

➤ Government-wide Reporting Fund

GASB 86 *Certain Debt Extinguishment Issues – Entries - continued*

▶ **TC 514R** Eliminate prepaid insurance related to defeased debt.

- DR 3600 GAAP Expend Offset	1,200.00	
(C/O 4051 Bond Refund Debt Pmt)		
- CR 0602 Prepaid Expense		1,200.00

▶ Government-wide Reporting Fund

GASB 86 *Certain Debt Extinguishment Issues – Entries - continued*

Agencies must calculate gain or loss as follows:

Face value of refunded debt	\$90,000
Discount on refunded debt	(2,000)
Prepaid Insurance	<u>(1,200)</u>
Net carrying amount	<u>86,800 (a)</u>
Payment to escrow agent	<u>100,000 (b)</u>
Loss on refunding (b-a)	<u><u>(13,200)</u></u>

GASB 86 Certain Debt Extinguishment Issues – Entries - continued

- ▶ **TC 113:** To record loss on refunding.

- DR 1714 3200 GAAP Revenue Offset	13,200.00
(C/O 2317 Gain/Loss on Refunding)	
- CR 3060 Prior period adjustment	13,200.00

- ▶ **TC 114:** To reclassify Bond Refund Debt Payment.

- DR 3060 Prior period adjustment	13,200.00
- CR 3600 GAAP Expend Offset	13,200.00
(C/O 4051 Bond Refund Debt Pmt)	

- ▶ Government-wide Reporting Fund



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Exercise 2

Exercise 2

- ▶ Record Cash Transactions
- ▶ Remove old debt
- ▶ Record refunding debt
- ▶ Record deferred gain/loss on refunding
- ▶ Assume Governmental Fund
- ▶ Issuance is through DAS

Answer: Cash Transactions

➤ **1. T-Code 567** To record refunding debt proceeds

- DR 0077 Cash in Bank	15,216,000.00	
- CR 3100 Rev Control – Cash		15,216,000.00
(c/o 1505 Proceeds from Refunding)		

➤ **2. T-Code 567** To record cash from premium

- DR 0077 Cash in Bank	2,936,471.95	
- CR 3100 Rev Control – Cash		2,936,471.95
(c/o 1510 Premium - Bond)		

➤ Fund Type – Governmental Fund (Debt Service)

Answer: Cash Transactions

➤ **3. T-code 568** Record underwriter's discount and cost of issuance

- DR 3500 Expend Control – Cash	51,246.05
(c/o 4050 Bond Costs)	
- CR 0077 Cash in Bank	51,246.05

➤ Fund Type – Governmental Fund (Debt Service)

Answer: Cash Transactions

▶ 4. T-code 568 Record payment to escrow

- DR 3500 Exp Control - Cash	18,101,225.90
(c/o 7050 Rfnd Pym to Escrow)	
- CR 0077 Cash in Bank	18,101,225.90

▶ Fund Type – Governmental Fund (Debt Service)

Answer: Debt Elimination

➤ **5. T-code 528** To remove defeased debt

- DR 1704 COP Payable	15,870,000.00
- CR 3600 GAAP Exp Offset	15,870,000.00
(c/o 7050 Rfnd Pym to Escrow)	

➤ **6. T-code 514** To remove premium on COP

- DR 1703 Premium on COP	1,273,821.57
- CR 3600 (c/o 7050)	1,273,821.57

➤ Fund Type – Government-wide Reporting Fund

Answer: Record New Debt

➤ **7. T-code 504** To record bond payable

- DR 3200 GAAP Rev Offset	15,216,000.00	
(c/o 1505 Proceeds from Rfndg)		
- CR 1714 Bond Payable		15,216,000.00

➤ **8. T-code 504** To capitalize premium

- DR 3200 (c/o 1510 Premium-Bond)	2,936,471.65	
- CR 1713 Premium on Bond		2,936,471.65

➤ Fund Type – Government-wide Reporting Fund

9. Answer: Deferred Gain/(Loss)

Calculation of Deferred Loss/Gain on Debt Refunding 2009 Series D COP

Face Value of Refunded Debt	15,870,000.00
Add: Original Issue Premium	<u>1,273,821.57</u>
Net Carrying Value (a)	17,143,821.57
Bond Payable	15,216,000.00
Add: Original Issue Premium	2,936,471.95
Less: Underwriter's Discount	(42,547.46)
Less: Costs of Issuance	<u>(8,698.59)</u>
Net Proceeds to Escrow Agent (b)	18,101,225.90
Deferred Loss on Refunding (b-a)	<u>957,404.33</u>

Answer: Deferred Gain/(Loss)

➤ **9. T-code 514** To record deferred (loss) on debt refunding

- DR 1000 Deferred Outflows - Loss on

Debt Refunding

957,404.33

- CR 3600 GAAP Exp Offset

957,404.33

(c/o 7050 Rfnd Debt Payment)

➤ Fund Type – Government-wide Reporting Fund

Recording Year End Transactions

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Premium Amortization Calculation

■ Original premium amount (2009A)	\$ 319,122.10
■ Amortized to date (05/31/2016)	(158,679.50)
■ Amount written off with refunding	<u>(41,715.08)</u>
■ Remaining premium amount	\$ 118,727.52
■ Months outstanding on old debt	36
■ Original Premium (Refunding Debt)	\$51,195.08
■ Months outstanding on new debt	48
■ Amortization amount=	
(\$118,727.52 / 36 months) X 1 month = \$3,297.99 for refunded COP	
(51,195.08/48 months) X 1 month = \$1,066.56 for refunding debt	

Premium Amortization Entry

- **T-code 523** Record amortization of premium
 - ✓ **DR 1713** Premium on Bonds Sold
 - ✓ **CR 3600** GAAP Expenditure Offset
 - (**comp obj 7450** Amort – Discount/Premium on Bonds)

...or Discount

- **T-code 520** Amortize discount
- ✓ **DR 3600** GAAP Expenditure Offset
(**comp obj 7450** Amort Disc/Prem on bonds)
- ✓ **CR 1712** Discount on Bonds Sold



Loss Amortization Entry

- **T-code 520** Amortize deferred outflow loss on refunding
 - ✓ **DR 3600** GAAP Expenditure Offset
(**comp obj 7470** Amort Deferred Loss/Gain on Refunding)
 - ✓ **CR 1000** Deferred Outflows-Loss on Debt Refunding

Interest Payable Calculation

- New debt interest payment \$5,205.00
- Remaining old debt payment 13,708.98
- Total interest payment \$18,913.98

- Divide by 6 months $\$18,913.98/6=\$3,152.33$
- Multiply by 2 months $\$3,152.33*2=\$6,304.66$

Interest Payable Entry

- **T-code 437** Establish estimated expense w/auto reverse
 - ✓ **DR 3505** Expenditure Control
(**comp obj 7250** Interest bonds)
 - ✓ **CR 1230** Interest Payable – current

Arbitrage Rebate Payable

- Arbitrage rebate payable represents amounts due to the Internal Revenue Service for interest earned on unspent bond or COP proceeds that exceeds legally allowable returns.
- Liability must be adjusted at least annually.

Arbitrage Rebate Entry (part 1)

- **T-code 526** Record the full amount of the liability
 - ✓ **DR 3200** GAAP Revenue Offset
(**comp obj 0800** Interest on Investments)
 - ✓ **CR 1719** Arbitrage Rebate Payable

Arbitrage Rebate Entry (part 2)

- **T-code 475R/475** To reclassify the current portion of the liability
 - ✓ **DR 1719** Arbitrage Rebate Payable
 - ✓ **CR 2951** System Clearing
 - ✓ **DR 2951** System Clearing
 - ✓ **CR 1619** Arbitrage Rebate Payable-Current

Reclass Cash in Bank

- Bank statement – Lottery bonds
 - Reclass in R*Stars
- Cash balances held at Treasury
 - Disclosure
- COP certificate accounts - DAS will provide necessary information

Reclass Cash in Bank Entry

- **T-code 474R/474** To reclassify cash to restricted
 - ✓ **DR 2951** System clearing
 - ✓ **CR 0077** Cash in Bank
 - ✓ **DR 0928** Cash-Restricted
 - ✓ **CR 2951** System Clearing

Disclosure Requirements

Changes in Debt Outstanding

Agency #

2a. General Obligation Bonds - Changes in Outstanding Debt

Please complete the following schedule to reflect the changes in your general obligation bonds. Ending balances should agree to R*STARS balances at the close of month 13. Complete a separate page for each fund type (Government-wide Reporting Fund, Enterprise Fund, Internal Service Fund, or Pension and Other Employee Benefit Trust Fund) and each constitutional provision .

Fund Type:

Note ~ Use a separate page for each constitutional provision.

Constitutional Provision:

Describe the projects or purposes for which the proceeds are being used:

Facility Capital Improvements

Changes in Debt Outstanding

Schedule of Changes in Outstanding General Obligation Bonds					
	Balance 7/1/2016	Post-closing & other Adjustments**	Additions	Deductions	Balance 6/30/2017
Principal			(\$ 11,785,000.00)	\$ 0.00	(\$11,785,000.00)
Discount (GL 1712)					
Premium (GL 1713)			(\$ 2,023,239.25)	\$ 66,335.71	(\$1,956,903.54)
Accreted Interest (GL 1709)					
Total:			(\$13,808,239.25)	\$66,335.71	(\$13,741,903.54)

**Provide adjustment
description:

(See disclosure 2b for Debt Repayment Schedule)

	Balance 7/1/2016	Post-closing & other Adjustments**	Additions	Deductions	Balance 6/30/2017
Deferred Outflows- Loss on Refunding (GL1000)					
Deferred Inflows - Gain on Refunding (GL1851)					

Debt Repayment Schedule

Debt Repayment Schedule - General Obligation Bonds			
Year Ending	Principal	Interest	Total
2018	\$835,000.00	\$703,826.39	\$1,538,826.39
2019	\$995,000.00	\$547,500.00	\$1,542,500.00
2020	\$1,045,000.00	\$497,750.00	\$1,542,750.00
2021	\$1,095,000.00	\$445,500.00	\$1,540,500.00
2022	\$1,150,000.00	\$390,750.00	\$1,540,750.00
2023-2027	\$6,665,000.00	\$1,032,000.00	\$7,697,000.00
2028-2032			
2033-2037			
2038-2042			
2043-2047			
2048-2052			
2053-2057			
2058-2062			
Totals:	\$11,785,000.00	\$3,617,326.39	\$15,402,326.39

Debt Refunding

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GAAP Fund: 8500

a. Date of new debt	<u>5/25/2016</u>
b. Amount of new debt	<u>\$ (347,000.00)</u>
c. Type of new debt issued (Revenue, COP, etc)	<u>General Obligation</u>
d. New debt series number (ex. 2019 Series B)	<u>2016 Series F</u>
e. Average interest rate of new issue	<u>4.9291%</u>
f. Amount of agency cash used to refund debt	<u>\$ -</u>
g. Amount of debt refunded	<u>\$ 355,000.00</u>
h. Type of debt refunded (Revenue, COP, etc)	<u>COP</u>
i. Refunded debt series number (ex. 2001 Series C)	<u>2009 Series A</u>
j. Average interest rate of issue refunded	<u>5.1461%</u>
k. Is this a current or advanced refunding?	<u>Advanced</u>
l. Period of time over which the cash flow savings will occur	<u>11/01/2017 - 05/01/2020</u>
m. Difference between the cash flow required to service the new debt and complete the refunding and the cash flow required to service the old debt. (Gain) \ loss	<u>\$ (35,633.60)</u>
n. Economic (gain) or loss resulting from the transaction	<u>\$ (34,006.49)</u>

Refunding Savings Summary Disclosure Statement

as of May 25, 2016

Refunded Bond 2009A COP
 Refunding Bond 2016F XI-Q
 Project: DOC Junction City
 Agency: Department of Corrections

Principal Savings Summary		
	Date	Amount
COP 2009A Original Principal	on 5/25/2016	1,340,000.00
COP 2009A Unrefunded Principal	on 5/25/2016	985,000.00
COP 2009A Principal Refunded	on 5/25/2016	355,000.00
XI-Q 2016F Refunding Principal	on 5/25/2016	347,000.00
Savings on Principal	on 5/25/2016	8,000.00
Debt Service(P+I) Savings Summary		
	Date	Amount
COP 2009A Original Debt Service	2015-17	744,406.83
COP 2009A Unrefunded Debt Service	2015-17	727,261.93
COP 2009A Debt Service Savings	2015-17	17,144.90
XI-Q 2016F Refunding Debt Service	2015-17	9,716.00
Debt Service Savings	2015-17	7,428.90
Debt Service Savings	11/1/2017 - 5/1/2020	28,204.70
Total Savings		35,633.60
Net PV Savings (based on "all-in TIC")		\$ 34,006.49
Average coupon of refunded bonds		5.146146%
Average coupon of the Series replacement coupons		4.929052%
All-In TIC		2.926133%

Debt Refunding

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GAAP Fund: 8500

a. Date of new debt 5/25/2016

b. Amount of new debt \$ (347,000.00)

c. Type of new debt issued (Revenue, COP, etc) General Obligation

d. New debt series number (ex. 2019 Series B) 2016 Series F

e. Average interest rate of new issue 4.9291%

f. Amount of agency cash used to refund debt \$ -

g. Amount of debt refunded \$ 355,000.00

h. Type of debt refunded (Revenue, COP, etc) COP

i. Refunded debt series number (ex. 2001 Series C) 2009 Series A

j. Average interest rate of issue refunded 5.1461%

k. Is this a current or advanced refunding? Advanced

l. Period of time over which the cash flow savings will occur 11/01/2017 - 05/01/2020

m. Difference between the cash flow required to service the new debt and complete the refunding and the cash flow required to service the old debt. (Gain) \ loss \$ (35,633.60)

n. Economic (gain) or loss resulting from the transaction \$ (34,006.49)

STATE OF OREGON

INTEROFFICE MEMO

DEPARTMENT OF ADMINISTRATIVE SERVICES

DATE: June 27, 2016

TO: Joan Brooks, Oregon Dept. Of Corrections

FROM: Sandra Rosier, Chief Financial Office

SUBJECT: 2016 Series F & G Article XI-Q Refunding Bonds

As we prepared for the 2016 Series Article XI-Q Bond sale, an opportunity to achieve debt service savings was identified. As a result, portions of your agency's outstanding COPs & XI-Q's were refunded. The following table provides the information on which COPs were affected by the refunding.

COP Series Refunded	Refunding XI-Q Bonds	Type	Partial or Entire Refunding
2008 Series A	2016 Series F	Advance	Partial
2009 Series A	2016 Series F	Advance	Partial
2011 Series J	2016 Series F	Advance	Partial
2009 Series D	2016 Series G	Advance	Partial



Defeased Debt

9. Defeased Debt (GASB Codification, Section D20)

A. Has any escrow holding investment that is essentially risk-free, been substituted with an investment that is not essentially risk-free, subsequent to the in-substance defeasance transaction? No

NOTE: If yes, substitution of essentially risk-free investments with not essentially risk-free investments in subsequent periods would reverse in-substance defeasance accounting.

B. Please complete the following chart to indicate the status of your defeased debt from prior years as of June 30.

NOTE: The redemption date may also be referred to as the call date or the prepayment date.

New Refunding Series	Old Series Refunded	Type of Debt Refunded	Redemption Date (mm/dd/yyyy)	Principal Amount Outstanding at 6/30/2019
2013 Series F	2007 Series A	COP	5/1/2017	\$ 28,940,000.00
2013 Series G	2006 Series A	COP	11/1/2016	53,065,000.00
2015 Series H	2008 Series A	COP	5/1/2018	1,750,000.00
2015 Series H	2009 Series A	COP	5/1/2019	2,490,000.00
2016 Series F	2008 Series A	COP	5/1/2018	860,000.00
2016 Series F	2009 Series A	COP	5/1/2019	555,000.00
2016 Series G	2009 Series D	COP	11/1/2019	15,870,000.00
Total Defeased:				\$ 103,530,000.00

Defeased Debt Schedule

CAFR DEBT DISCLOSURES - DEFEASED COPs YEAR ENDED JUNE 30, 2016

SERIES	DOC	REDEMPTION DATE
2013 Series F, Q Bonds, Refunding 2007 A COPs	28,940,000	5/1/2017
2013 Series G, Q Bonds, Refunding 2006 A COPs	53,065,000	11/1/2016
2015 Series H, Q Bonds, Refunding 2008 A COPs	1,750,000	5/1/2018
2015 Series H, Q Bonds, Refunding 2009 A COPs	2,490,000	5/1/2019
2016 Series F, Q Bonds, Refunding 2008 A COPs	860,000	5/1/2018
2016 Series F, Q Bonds, Refunding 2009 A COPs	555,000	5/1/2019
2016 Series G, Q Bonds, Refunding 2009 D COPs	15,870,000	11/1/2019
TOTALS	103,530,000	

~~Disclosure Bloopers~~

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LEARNING
OPPORTUNITIES

6610/6620 Doesn't Match

Schedule of Changes in Outstanding General Obligation Bonds					
	Balance 7/1/2018	Post-close, Transfers & Other Adjustments**	Additions (Sale of Debt)	Deductions (Principal payments & Amortization)	Balance 6/30/2019
Principal	\$ (21,745,000.00)	\$ -	\$ (11,700,985.40)	\$ -	\$ (33,445,985.40)
Discount (GL1712)	-	-	-	-	\$ -
Premium (GL 1713)	(2,942,781.30)	-	(1,995,172.24)	146,606.60	\$ (4,791,346.94)
Accreted Interest (GL1709)	-	-	-	-	\$ -
Total:	\$ (24,687,781.30)	\$ -	\$ (13,696,157.64)	\$ 146,606.60	\$ (38,237,332.34)

**Provide
adjustment
description:

--

(Continue to disclosure 2b for Debt Repayment Schedule)

	Balance 7/1/2018	Post-close, Transfers & Other Adjustments**	Additions (Sale of Debt)	Deductions (Amortization)	Balance 6/30/2019
Deferred Outflows- Loss on Refunding (GL 1000)	-	-	915,564.64	-	\$ 915,564.64
Deferred Inflows - Gain on Refunding (GL 1851)	-	-	-	-	\$ -

6610/6620 Doesn't Match

(continued)

DAFR 6620				
<u>GL Acct</u>	<u>GL ACCT Title</u>	<u>Prior Year</u>	<u>Current Year</u>	
1276	BONDS PAYABLE-CURRENT	-	(595,000.00)	
1714	BONDS PAYABLE-NONCURRENT	(21,745,000.00)	(33,212,938.29)	(33,807,938.29)
1713	PREMIUM BONDS SOLD	(2,942,781.30)	(4,791,346.94)	
DAFR 6610 - REVENUE				
<u>Compt Obj</u>	<u>Compt Obj Title</u>		<u>Current Year</u>	
1500	LONG TERM DEBT ISSUED		(3,900,000.00)	
1505	PROCEEDS FRM REFUNDING		(8,162,938.29)	(12,062,938.29)
1515	DEBT ISSUANCE PREMIUM-PROP		(1,995,172.24)	
DAFR 6610 - EXPENDITURE				
<u>Compt Obj</u>	<u>Compt Obj Title</u>		<u>Current Year</u>	
7450	AMORT-DISC/PREM ON BONDS		146,606.60	

6610/6620 Doesn't Match

(continued)

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Debt Repayment Schedule - General Obligation Bonds			
Year Ending	Principal	Interest	Total
2020	\$ (595,000.00)	\$ (1,538,618.37)	\$ (2,133,618.37)
2021	(640,000.00)	(1,499,532.54)	\$ (2,139,532.54)
2022	(660,000.00)	(1,476,607.54)	\$ (2,136,607.54)
2023	(685,000.00)	(1,447,207.54)	\$ (2,132,207.54)
2024	(720,000.00)	(1,412,707.54)	\$ (2,132,707.54)
2025-2029	(11,870,985.00)	(5,637,918.62)	\$ (17,508,903.62)
2030-2034	(5,145,000.00)	(4,043,500.00)	\$ (9,188,500.00)
2035-2039	(6,570,000.00)	(2,610,750.00)	\$ (9,180,750.00)
2040-2044	(6,560,000.00)	(793,500.00)	\$ (7,353,500.00)
2045-2049	-	-	\$ -
2050-2054	-	-	\$ -
2055-2059	-	-	\$ -
2060-2064	-	-	\$ -
Total:	\$ (33,445,985.00)	\$ (20,460,342.15)	\$ (53,906,327.15)

Netted Additions/Deductions

Schedule of Changes in Outstanding General Obligation Bonds					
	Balance 7/1/2018	Post-close, Transfers & Other Adjustments**	Additions (Sale of Debt)	Deductions (Principal payments & Amortization)	Balance 6/30/2019
Principal	\$ (196,960,000.00)	\$ -	\$ (25,257,512.45)	\$ 4,125,000.00	\$ (218,092,512.45)
Discount (GL1712)	-	-	-	-	\$ -
Premium (GL 1713)	(19,258,999.39)	-	(3,649,051.54)	-	\$ (22,908,050.93)
Accreted Interest (GL1709)	-	-	-	-	\$ -
Total:	\$ (216,218,999.39)	\$ -	\$ (28,906,563.99)	\$ 4,125,000.00	\$ (241,000,563.38)

**Provide
adjustment
description:

--

(Continue to disclosure 2b for Debt Repayment Schedule)

	Balance 7/1/2018	Post-close, Transfers & Other Adjustments**	Additions (Sale of Debt)	Deductions (Amortization)	Balance 6/30/2019
Deferred Outflows- Loss on Refunding (GL 1000)	-	-	3,044,683.13	-	\$ 3,044,683.13
Deferred Inflows - Gain on Refunding (GL 1851)	-	-	-	-	\$ -

Netted Additions/Deductions (continued)

<u>GI Acct</u>	<u>GI Acct Title</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Change</u>
1000	DEFERRED OUTFLOWS-LOSS ON DEBT REFUNDING	0.00	3,044,683.13	3,044,683.13
1713	PREMIUM ON BONDS SOLD	(19,258,999.39)	(22,908,050.93)	(3,649,051.54)
8500 - GOVERNMENT-WIDE REPORTING FUND - TOTAL:		(19,258,999.39)	(19,863,367.80)	(604,368.41)

<u>Compt Obj</u>	<u>Compt Obj Title</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Change</u>
1505	PROCEEDS FRM REFUNDING BOND/COP DEBT	0.00	25,257,512.45	25,257,512.45
1510	OIP - BONDS	8,806,794.05	4,820,110.36	(3,986,683.69)
Revenue - Total:		8,806,794.05	30,077,622.81	21,270,828.76

<u>Compt Obj</u>	<u>Compt Obj Title</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Change</u>
7100	PRINCIPAL-BONDS	(3,930,000.00)	(4,125,000.00)	(195,000.00)
7450	AMORT-DISCOUNT/PREMIUM ON BONDS	(820,560.12)	(1,171,058.82)	(350,498.70)
7470	AMORT DEFERRED LOSS/(GAIN) ON REFUNDING	0.00	64,030.93	64,030.93
Expenditure - Total:		(4,750,560.12)	(5,232,027.89)	(481,467.77)

Zero Balance

8. Defeased Debt (GASB Codification, Section D20)

Please complete the following chart to indicate the status of your defeased debt from prior years as of June 30.
NOTE: The redemption date may also be referred to as the call date or the prepayment date.

New Refunding Series	Old Series Refunded	Type of Debt Refunded	Redemption Date (mm/dd/yyyy)	Principal Amount Outstanding at 6/30/2015
2015 Series C	2008 Series A	Lottery <input type="text"/>	04/01/2015	\$0.00
		<input type="text"/>		

Duplication of Work

B. Other Debt

Is there other short-term or long-term debt that you are aware of at your agency that should be disclosed? Please provide a description of this debt with supporting documents identifying principal owed, interest schedules, etc. *Note: You do not need to include liabilities for compensated absences or any other debt already reported in the general or debt disclosures.*

Yes

No

Description: Line of Credit with Oregon Treasury, \$3,000,000 balance at FYE 2015, GL 1635

Proceeds being used for:

Describe the projects or purposes for which the proceeds are being used:

Capital Construction

Describe the projects or purposes for which the proceeds are being used:

Economic Development

Describe the projects or purposes for which the proceeds are being used:

Deferred maintenance

Describe the projects or purposes for which the proceeds are being used:

Refund COPS

Describe the projects or purposes for which the proceeds are being used:

Multiple Project, Lottery Bonds

Does it make sense?

m. Economic (gain) or loss resulting from the transaction

\$0.00



Questions?



Resources

- ▶ OAMs:
 - ▶ 15.65.10 Bonds and Certificates of Participation
 - ▶ 15.65.20 Arbitrage
 - ▶ 15.65.30 Debt Refunding
- ▶ Government Finance Officers Association
Governmental Accounting, Auditing, and Financial Reporting Blue Book
- ▶ SARS analyst

tenki takk спасибо kam sah hamnida
ध्याकुय hvála ขอขอบคุณคุณ dhanyavadagalu tack
gracias djere deuf mési xièxie tanemirt
arigatô manana diolch akun bedankt dank je
ačiū grazzi shukriya ありがとう kia ora dankon děkuji
dhanyavad barka mamnun gràcie kiltos spas
gracias ago tau dankie शुक्रिया supáy tapadh leat
teşekkür ederim bayarlalaa obrigada chnorakaloutioun
sagolun murakoze taiku mahalo didi madloba sukriya obrigado chokrane rahmat
terima kasih misaotra welain mercé najis tuke
asante grazie nandri 謝謝 mersi kőszönőm sobodí اراكش
mauruuru matondo cam on ban go raibh maith agat merci nanni vinaka
paldies ngiyabonga