

DEBT MANAGEMENT

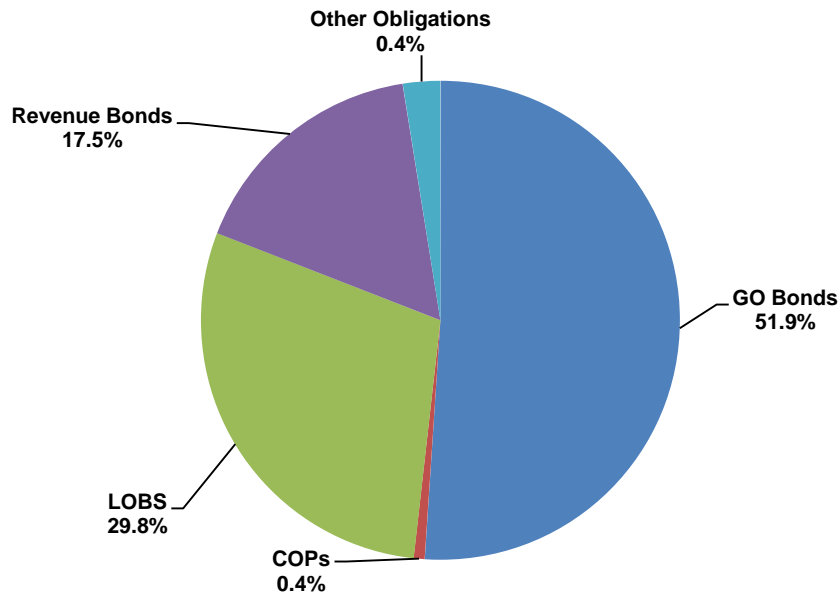
The City manages its long term financing needs through periodic issuance of General Obligation Bonds. Debt service expenditures include principal and interest payments on the City's outstanding bonded debt. These payments are budgeted in the funds that incur the debt: for example, water and sewer debt service is paid from the Water and Sewer Fund. In addition to General Obligation bonds, the City issues revenue bonds and enters into installment sales/lease obligations as allowed under state statutes.

Ratings: Bond ratings are measures of the City's credit worthiness. The rating agencies analyze the City's economic condition, debt management, administrative leadership, and fiscal planning and management to determine the quality of the City's credit. The City has a "triple A" rating from all three rating agencies (Standard and Poor's, Fitch Ratings Ltd. and Moody's Investor Service). This represents the highest possible rating for municipal debt, indicating that the City has outstanding credit worthiness. The City's high bond ratings have allowed it to broaden the market for its bonds and to lower the interest costs for borrowing.

Summary of Outstanding Debt Issues

	Fiscal Year 2015-16 Obligations			Future Obligations		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
General Obligation Bonds	\$17,230,000	\$8,164,447	\$25,394,447	\$175,465,000	\$46,044,090	\$221,509,090
Installment Sales	1,360,000	143,275	1,503,275	1,430,000	76,005	\$1,506,005
Revenue Bonds	3,400,000	3,062,463	6,462,463	59,040,000	38,474,513	\$97,514,513
Limited Obligation Bonds	9,405,000	3,862,691	13,267,691	100,575,000	29,426,776	\$130,001,776
<u>Other Obligations</u>	<u>8,107,490</u>	<u>99,977</u>	<u>8,207,467</u>	<u>1,444,750</u>	<u>86,474</u>	<u>\$1,531,224</u>
Total Debt Service:	\$38,502,490	\$15,332,851	\$54,835,341	\$337,954,750	\$114,107,857	\$452,062,607

**Outstanding Debt by Type of Issue
FY2015-16**



Legal Debt Limit:

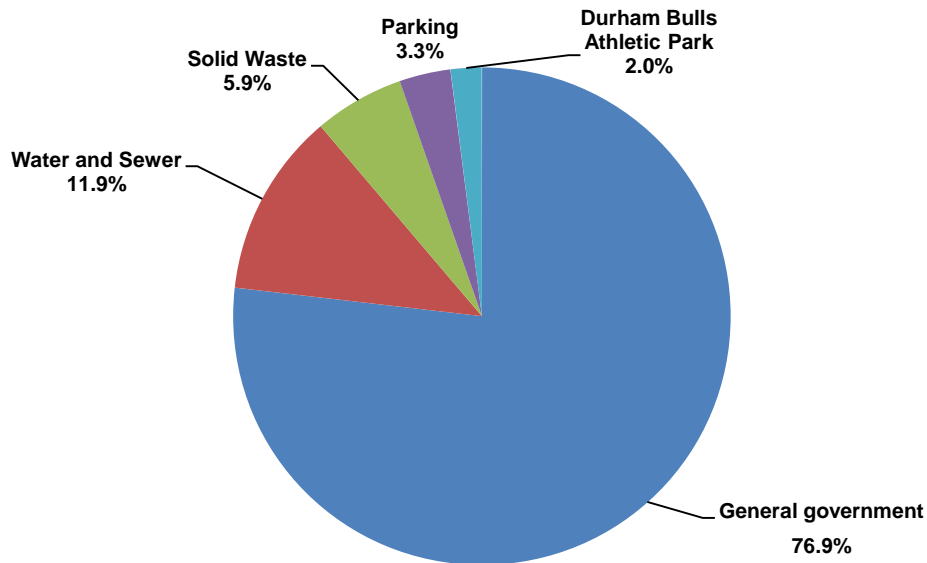
The City is subject to the Local Government Bond Act. The Act limits the net bonded debt that the City may have outstanding to eight percent of the appraised value of property subject to taxation. As of March 1st, 2015 the statutory limit for bonded debt for the City was \$1,837,919,363 providing a debt margin of approximately \$1,587,532,123.

Outstanding General Obligation Debt

General Obligations

General Government	\$148,054,130
Water & Sewer	23,048,418
Solid Waste	11,297,360
Parking	6,406,980
<u>Durham Bulls Athletic Park</u>	<u>3,888,113</u>
Total	\$192,695,000

**Outstanding General Obligation Debt
FY 2015-16**

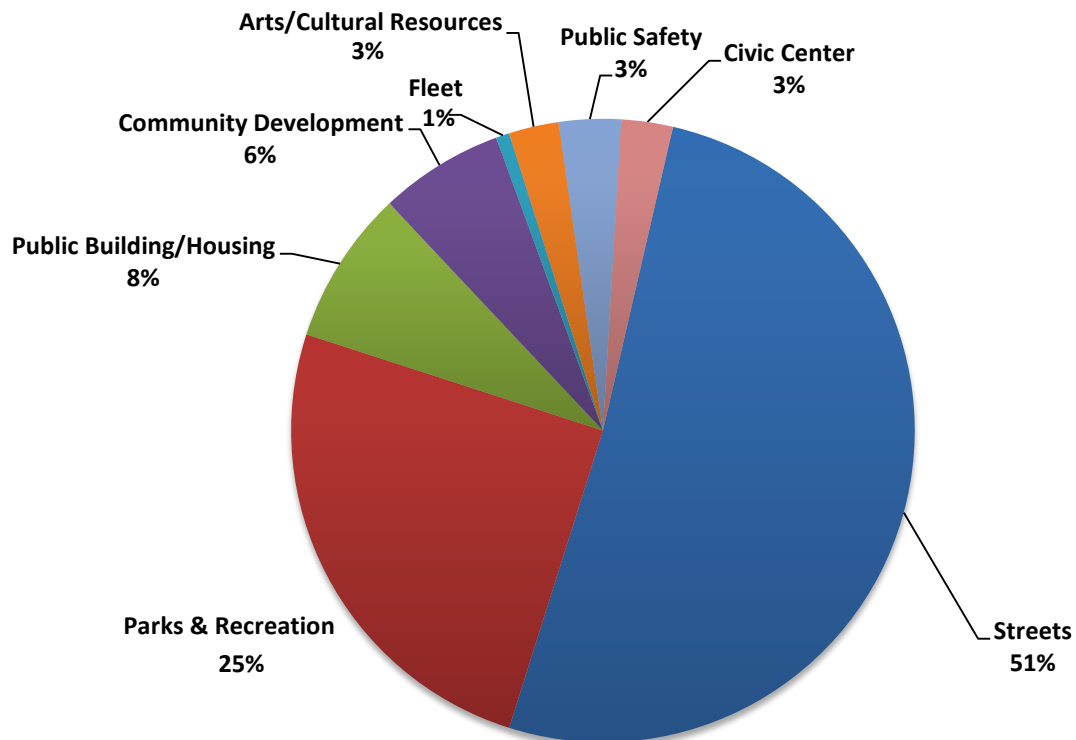


Outstanding General Government General Obligation Debt

General Government

Arts/Cultural Resources	\$3,801,999
Public Building /Housing	11,755,524
Community Development	9,452,386
Parks and Recreation	36,895,222
Fleet	1,023,783
Public Safety	4,725,426
Civic Center	3,927,250
Streets	75,272,779
Public Improvements	1,145,909
Technology	53,853
Total	\$148,054,130

Outstanding General Government G.O. Debt FY 2015-16



Outstanding General Government General Obligation Debt

The City currently has no Authorized and unissued Debt

Outstanding Variable Rate Debt

The City currently has no Authorized and unissued Debt

Annual Principal and Interest Requirements FY 2015-16

<u>Issue</u>	<u>Debt Purpose</u>	<u>Principal</u>	<u>Interest</u>	<u>Future Principal Obligations</u>
COPS-2005-A	2005 COPS	475,000	46,438	500,000
COPS-2007-A	Durham Performing Arts Center	885,000	96,837	930,000
GO-2005-B	GO Series 2005B taxable	650,000	30,875	0
GO-2006-A	Taxable Housing	475,000	39,618	510,000
GO-2006-B	2006B GOs	500,000	30,000	500,000
GO-2007-A	Refund (98 99 00B 02 04)	4,535,000	1,349,919	22,610,000
GO-2008-A	23 G.O. Bonds	375,000	75,613	1,345,000
GO-2008-B	05 & 07 authority (\$8 million Streets)	1,425,000	259,200	5,055,000
GO-2009-A	REFUNDING 98, 99, 00B, 02, 04	1,710,000	312,450	5,560,000
GO-2010-A	GO Series 2010A	2,190,000	1,374,471	32,855,000
GO-2012-A	General Obligation Bonds, Series 2012A	1,015,000	333,581	8,870,000
GO-2012-B	GO Series 2012B - DBAP Taxable	1,605,000	8,025	0
GO-2012-C	GO Bond Series 2012C 2005/2010 Bond Ref	630,000	1,591,950	37,890,000
GO-2012-D	GO Bond Series 2012D Refunding	985,000	472,950	10,630,000
GO-2015-A	General Obligation Refunding Bonds, Series 2015	1,135,000	2,285,796	49,640,000
LEASE-2011-A	Private Placement	624,750	15,249	634,750
LEASE-2013-A	RADIO LEASE	7,347,740	57,606	0
LOBS-2010-LOBA	LOBs 2010	1,225,000	924,284	18,330,000
LOBS-2010-LOBB	LOBs 2010 Fleet	1,075,000	88,876	2,150,000
LOBS-2010-R-1	2001 Refunded	675,000	151,600	3,290,000
LOBS-2010-R-2	2008 Refding Gen Fd	705,000	352,750	8,335,000
LOBS-2012-A	LOB Series 2012A Refunding COP2003	800,000	188,338	4,995,000
LOBS-2012-B	LOB Series 2012B Refunding COP 2005B	830,000	184,144	6,795,000
LOBS-2013-A	LOBS 2013A	2,195,000	680,256	14,165,000
LOBS-2013-B	LOBS 2013B	1,470,000	468,029	13,230,000
LOBS-2015-A	Taxable Refunding Limited Obligation Bonds Series 2015	430,000	824,415	29,285,000
REVENUE-2005-A	Revenue Refunding (1998, 2001 partial)	2,370,000	636,563	9,755,000
REVENUE-2011-R	Revenue Bond Series 2011	1,030,000	2,425,900	49,285,000
<u>STATE LOAN-2001-B</u>	<u>State Loan/Clean Water Revolving</u>	<u>135,000</u>	<u>27,122</u>	<u>810,000</u>
	Total	\$39,502,490	\$15,332,851	\$337,954,750