

DEBT SERVICE

Debt Service Appropriation in Annual Budget

Debt service consists of expenditures for the retirement of debt and expenditures for interest on debt, except principal and interest of current loans (money borrowed and paid back during the same year).

The debt service expenditures to be recorded under this group of accounts in the business office are those in the 1300 series, and consist of money received during the current fiscal year from revenue receipts which can be used to pay obligations currently due, and surpluses re-appropriated for the current fiscal year. Payments from sinking funds and refunding of bonds will be handled through clearing accounts.

Principal of Debt

Expenditures to retire serial bonds will consist of expenditures from money appropriated in the current fiscal year to retire serial bonds regardless of the purpose for which the bonds were issued.

Expenditures to retire notes will consist of expenditures from money received in the current fiscal year to retire notes regardless of the purpose for which the notes were issued. Such notes extend for a period of three years or less from the date on which the initial note was issued. Expenditures for the principal on current notes (money borrowed and paid back during the same fiscal year) will be recorded under clearing accounts.

Interest on Debt

Expenditures for interest on serial bonds will consist of expenditures from money appropriated in the current fiscal year for interest on serial bonds, and term bonds, if any.

Expenditures for interest on notes will consist of expenditures from money appropriated in the current fiscal year for interest on notes which extend for a period of three years or less from the date of the initial note and are not paid back during the fiscal year in which obtained.

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