

DEBT SERVICE

PURPOSE

The Debt Service cost center accounts for expenditures used for the payment of principal and interest associated with the Town’s general obligation bonds and other financings.

BACKGROUND

In North Carolina, the Local Government Commission in the State Treasurer’s Office oversees local government bonded debt and assists local governments in all areas of fiscal management. This agency conducts all bond sales and ensures that local units have sufficient fiscal capacity to repay debt. The Town is subject to the Local Government Bond Act of North Carolina which limits the amount of net bonded debt the Town may have outstanding to 8% of the appraised value of property subject to taxation.

Debt Service Schedule- FY. 23-24			
Project	Principal	Interest	Total
Vehicles/Equipment	\$264,600	\$14,048	\$278,649
Sidewalk/Greenways	\$0.00	\$26,250.00	\$26,250
	\$250,000	\$26,250.00	\$276,250
	\$250,000	\$52,500	\$302,500
Fire Station #2	\$108,333	\$4,208	\$112,542
	\$108,333	\$2,805	\$111,139
203 Project	\$0.00	\$177,349	\$177,349
	\$662,000	\$177,349	\$839,349
	\$878,666	\$361,714	\$1,240,380
	\$1,393,267	\$428,262	\$1,821,530

Budget Summary- DEBT SERVICE

Department	FY 2023 Adopted	FY 2024 Adopted
Debt Service		
Operating Exp	\$1,368,217	\$1,821,530
TOTAL	\$1,368,217	\$1,821,530

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Principal and interest payments will largely increase in FY.24 due to debt related to the 203 Project.