

## VILLAGE OF ATTICA LOAN DEBT (Principal & Interest)

The Village of Attica has 12 outstanding loans with varying interest rates, repayment schedules, payoff dates, and funds responsible to retire these debts. Governmental accounting does not permit co-mingling of funds for revenues or expenses, so therefore for example, General Fund cannot retire the debt of another fund such as Water, Sewer, Street, or Police, or vice versa. The Total Village debt for all funds (as of Dec 31, 2010) is at \$ 7,286,187. (\$ 3,772,754 Principal and approx. \$ 3,513,433 Interest) through year 2048 when the water supply/treatment/distribution loans are paid off.

The following summary is a breakdown by fund of these loans. The amount of each debt listed (totals \$3,772,754.) represents the principal only. (Approx. Water Debt Service interest is \$3,362,523, other funds interest approx. \$ 150,910. for General, Street, Police, Water & Sewer Op. Funds thru year 2048.

GENERAL FUND 1000: 1) \$ 175,499. (P) debt with Sutton Bank for Village Hall (76% General Fund, 24% Police Fund) at 3.25% interest, began 7-25-03, with payoff on Jan. 25, 2034. Monthly payments of approx: \$ 674. (P & I) comes from General Fund. The revenue to pay General Fund debt and general operations of the village for streetlights, limited payroll, audit fees, utilities, property insurance, etc., comes from local property taxes (inside 10 mill, non-voted), and state (local) government funding that is being severely reduced due to State Budget cuts.

POLICE FUND 2901: 1) 24% (P) debt of above V. Hall loan, with a monthly payment of approx: \$ 213. (P & I) comes from the Police Fund. 2) \$5,282. (P) debt on Police car loan with Sutton 4.75%, began 7-23-08, payoff: 8/1/2011. Payment of \$ 314.95. (P & I). Revenue to pay Police debt along with wages & fringes of police officers, vehicle expenses, utilities, fuel and other operation needs comes from property taxes (voted millage on 2 different levies), and court fines received from Muni Court.

STREET FUND 2011: \$6,504. (P) debt ( 1/3 Of \$19,510.98 lease with John Deere at 5.50%, began 10-2-08, Payoff: 11-2-2012). \$231.85 per month payment from the street fund (P & I). Revenue to fund Street personnel wages/fringes, utilities, operational expense, repairs to streets, etc comes from State and local taxes levied upon gasoline and licenses.

WATER OPERATIONS FUND 5101: 1) \$ 6,504. (P) debt (on 1/3 Backhoe loan from above) \$231.85 per month 2) \$150,000: (P) debt for Kirk Bros. Water Construction Expense loan with OWDA at 2.0%, began 1-28-2010, Payoff: 1-28-2040. Semi-annual (Jan/July) payment of \$3,336.67 each (P & I). 3) \$38,768. (P) debt on Reservoir from Sutton Bank at 6.0%, began 10-17-2002, payoff: 10-25-2018 with a monthly payment of \$491.05 P & I). 4) \$ 11,340. debt on Ten Inch Water Main Line from OPWC at zero%, began 1994, payoff: 7-1-2014 for a semi-annual payment of \$1260.00 each (P). 5) \$ 50,151. (P) debt on Mill Street Water Line Replacement with OPWC at zero%, began 2006, payoff: 1-1-2026 with a semi-annual payment of \$1,567.22 each (P). 6) \$79,589. (P) debt on Water Treatment Plant at zero%, began 7-1-2010, payoff: 7-1-2025 for a semi-annual payment of \$2,250. Each (P). from the Water Operations Fund. The revenue to fund these loan payments along with general operations of the water plant in personnel for wages/fringes, content/liability insurances, utilities, repairs to equipment and plant, state fees, permits, audit fees, chemicals, water testing, parts, meters, stone, etc comes from

utility billing of water usage for residents of Attica, Caroline and Siam customers, along with bulk water sales .

WATER DEBT SERVICE FUND 5721: 1) \$2,992,106. (P) debt on Water Supply/Treatment/Distribution System loan with USDA/RD at 4.25% and 4.50% (2 loans combined, began 10-10-2008 with payoff in year 2048 for an annual (October) payment of approx. \$152,503. (P & I). 2) \$224,814 (P) debt on Water Tower from USDA/RD at 4.125%, began 3/22-2007 (with payoff in year 2047) for an annual (March) payment of \$11,922.50 P & I. from the Water Debt Service Fund. (Interest approx. \$ 3,362,523.) The revenue to fund these debts comes from utility billing of water usage for residents of Attica, Caroline and Siam customers.

SEWER OPERATIONS FUND 5201: 1) \$20,503. (P) debt for Sanitary Sewer Project from OPWC at zero %, began 1998, payoff: 1-1-2018 with a semi-annual payment of \$ 1,281.41 each (P). 2) \$5,190. (P) debt on Sludge drying beds with OPWC at zero%, began 2003, payoff: 1-1-2013, for a semi-annual payment of \$ 865.00 each (P). 3) \$6,504. (P) debt on 1/3 Backhoe loan from above), monthly payment of \$ 231.85 from the Sewer Operations Fund. (Interest approx. The revenue to pay sewer debts comes from the utility billing of sewer (based off of water usage) for Attica residents only.

Currently, in any one given year, approximately \$214,524.64 is spent on debt repayment(principal and interest) for outstanding loans for the Village of Attica.

Borrowing monies from Federal and State Agencies have strict guidelines as to use , recording, reporting and repayment of funds. The repayment of the USDA/RD loans from Fund 5721 Water Debt Service is one of those requirements. Monthly water receipts into Fund 5721, guarantees enough money to pay the yearly March/October payments to USDA. Another guideline is the establishment of Fund 5741 Water Debt Reserve to set-aside the final year 2048 payment of \$167,530.00 over a ten year period. That \$16,753. per year set-aside creates a burden on the Water Operations Funds. After ten years , the yearly \$16,753 reverts back to the Water Operations Fund for use in general water plant supply/treatment/distribution expenses.

(P) Principal (I) Interest (OPWC) Ohio Public Works Commission

(USDA/RD) United States Department of Agriculture, Rural Development

(OWDA) Ohio Water Development Authority

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