



Installment Financing Review

MAY 6, 2024

Projects

- ▶ **CAD Software purchase: \$5,196,015**
 - ▶ **5 year financing term**
- ▶ **Emergency Radios purchase: \$5,062,000**
 - ▶ **7 year financing term**
- ▶ **Assumptions:**
 - ▶ **Interest Rate: 5%**
 - ▶ **Level debt service payments**

Current Debt Model

Fiscal Year	Estimated Principal	Estimated Interest Cost	Projected Debt Service
FY 2025	0.00	256,450.00	256,450.00
FY 2026	1,562,061.69	512,900.75	2,074,962.44
FY 2027	1,640,164.77	434,797.67	2,074,962.44
FY 2028	1,722,173.01	352,789.43	2,074,962.44
FY 2029	1,808,281.66	266,680.78	2,074,962.44
FY 2030	1,898,695.74	176,266.69	2,074,962.44
FY 2031	793,482.01	81,331.91	874,813.92
FY 2032	<u>833,156.12</u>	<u>41,657.81</u>	<u>874,813.92</u>
Total	10,258,015.00	2,122,875.03	12,380,890.03

Current Debt Model

- ▶ **FY 2024-2025 One Interest payment**
- ▶ **FY 2025-2026 Debt Service Payment**
Principal and Interest: \$2,074,962
- ▶ **Future Potential tax increase needed: 0.82 of a penny**

County-Fund Balance Purchase

Fiscal Year Ending	CAD	Radios	Debt Service	Portion of a Penny Needed
FY 2025	1,039,203.00	723,142.86	1,762,345.96	0.70
FY 2026	1,039,203.00	723,142.86	1,762,345.96	
FY 2027	1,039,203.00	723,142.86	1,762,345.96	
FY 2028	1,039,203.00	723,142.86	1,762,345.96	
FY 2029	1,039,203.00	723,142.86	1,762,345.96	
FY 2030	0.00	723,142.86	723,142.86	0.29
FY 2031	<u>0.00</u>	<u>723,142.86</u>	<u>723,142.86</u>	
Total	5,196,015.00	5,062,000.00	10,258,015.00	

Fund Balance Impact

Per FY 22-23 Audit

- ▶ **FY 22-23 Unassigned Balance: \$46,767,306**
- ▶ **FY 22-23 Expenditures: \$196,888,272**
- ▶ **Unassigned Fund Balance Percentage: 23.8%**

Fund Balance Impact

Fiscal Policy

- ▶ **Alamance County will maintain a minimum Unassigned Fund Balance, as defined by the Governmental Accounting Standards Board, at the close of each fiscal year equal to 20% of General Fund Expenditures.**
- ▶ **In the event that funds are available over and beyond the policy amount, those funds may be transferred to capital reserve funds or capital projects funds at the Governing Body's discretion.**

Fund Balance Impact

- ▶ **FY 22-23 Unassigned Balance: \$46,767,306**
- ▶ **FY 23-24 Transfer to Capital Reserve: \$7,389,652**
- ▶ **Calculated fund balance: \$39,377,654**
 - ▶ **Fund Balance figures do not change until the fiscal year is closed**
- ▶ **Fund Balance Percentage: 20.0%**

Fund Balance Impact

- ▶ **Calculated fund balance: \$39,377,654**
- ▶ **CAD Purchase: - 5,196,015**
- ▶ **Radio Purchase: - 5,062,000**
\$29,119,639

- ▶ **Projected FY 23-24 expenditures: \$206,811,362**
- ▶ **Fund Balance Percentage: 14.1%**

Fund Balance Impact

Fiscal Policy

- ▶ **The Governing Body may, from time-to-time, utilize fund balances that will reduce Unassigned Fund Balance below the 20% minimum for the purposes of a declared fiscal emergency or other such purpose as to protect or enhance the long-term fiscal security of Alamance County. In such circumstances, the Governing Body will adopt a plan to restore the Unassigned Fund Balance to the target level within 36 months. If restoration cannot be accomplished within such time period without severe hardship to Alamance County, then the Governing Body will establish a different but appropriate time period .**

Fund Balance Impact

36 Month Repayment Plan

- ▶ **CAD Software purchase: \$5,196,015**
 - ▶ **Annual repayment: \$1,732,005**

- ▶ **Emergency Radios purchase: \$5,062,000**
 - ▶ **Annual repayment: \$1,687,334**

- ▶ **Total Annual Repayment: \$3,419,339**
- ▶ **Tax Increase: 1.36 cents**