

The Debt Service Fund is used to account for resources that are restricted, committed, or assigned for payment of certain debt obligations and related costs. Major sources of revenue for the fund include ad valorem taxes, local option sales taxes, loan repayments from other internal service centers, proceeds from the sale of delinquent ad valorem tax receivables, and Tourism Development Zone revenue.

General obligation bonds and notes are direct obligations of the City. The full faith, credit and unlimited taxing power of the City as to all property subject to ad valorem taxation within the City are pledged to the payment of the principal of and interest on the City's general obligation debt.

Although there are no statutory limitations on the amount of general obligation debt the City can issue, the City conducts its finances so that the amount of general obligation debt outstanding does not exceed twelve percent (12%) of the City's taxable assessed valuation.

The City manages its general obligation debt conservatively as it does not have any outstanding variable rate debt or derivative agreements, although both are permitted in the City's Debt Management Policy and Procedures manual. The City does, however, utilize commercial paper proceeds as a source of interim construction financing for projects contained in the City's CIP Budget. Commercial paper has proven to be a low cost source of funds for the City.

The size of the City's Commercial Paper Program is \$150 million which, if fully utilized, would represent approximately 11% of outstanding general obligation debt. Such percentage falls within generally accepted guidelines for variable rate or short term debt exposure.

Moody's Investors Service Inc., S&P Global Ratings and Fitch Ratings, Inc. have assigned ratings of "Aa2", "AA" and "AA-", respectively, to the City's general obligation bonds. Such ratings express only the views of the Rating Agencies. An explanation of the significance of such ratings may be obtained from the Rating Agencies furnishing the ratings. There is no assurance that either or all of such ratings will be maintained for any given period of time or that it will not be revised or withdrawn entirely by the Rating Agencies if, in the judgment of the respective Rating Agency, circumstances so warrant.

In addition to general obligation debt, the City issues leases and other appropriation obligations whereby the City budgets and appropriates legally available funds each fiscal year for the payment of principal of and interest on such obligations.

DEBT SERVICE FUND

SUMMARY

The **Debt Service Fund** is used to account for resources that are restricted, committed, or assigned for payment of debt obligations and related costs.

Category	FY 2015 Actual	FY 2016 Adopted	FY 2016 Forecast	FY 2017 Adopted
<u>Revenues and Other Sources</u>				
Current Property Taxes	112,819,696	113,024,150	115,000,000	115,900,000
Delinquent Property Taxes	2,792,696	2,300,000	1,500,000	2,400,000
Sale of Delinquent Property Taxes	4,268,576	3,000,000	2,600,000	3,500,000
Local Option Sales Tax	7,802,856	7,488,000	8,150,058	8,200,000
In Lieu Of Taxes - Contractual	1,816,551	1,964,678	1,964,678	1,964,678
Tourism Development Zone	12,073,534	13,750,000	16,818,431	23,500,000
Use of Money	169,501	125,000	266,602	223,000
Federal Grants	2,107,986	2,337,834	2,337,834	2,355,769
State Gas-Motor Fuel Tax	0	0	1,768,300	1,768,300
Other	3,924,548	2,622,903	2,881,684	2,323,700
Proceeds from Loan	85,450	0	47	0
Issuance of Refunding Debt	224,138,661	0	75,520,000	0
Transfers In - Hotel - Motel Tax	1,187,853	1,186,252	1,365,752	1,366,517
Transfers In - State Street Aid	1,768,300	1,768,300	(294,717)	0
Transfers In - New Memphis Arena	0	0	3,693,896	0
Transfers In - Solid Waste	3,454,807	5,055,687	5,055,687	4,553,723
Transfers In - Storm water	1,893,502	1,893,502	1,893,502	3,787,004
Transfers In - GF	4,822,170	5,360,125	5,166,504	5,360,125
Transfers In - Grant Funds	192,596	0	193,621	194,496
Total Revenues and Other Sources	385,319,283	161,876,431	245,881,879	177,397,312
<u>Expenditures and Other Uses</u>				
Principal - Serial Bonds, Notes and Leases	89,714,924	93,984,794	93,770,508	94,712,122
Interest - Serial Bonds, Notes and Leases	67,464,925	66,005,366	65,618,141	65,806,403
Other (M&S & COI & Svrc. Chrg.)	3,748,225	1,243,945	1,766,445	1,253,890
Retirement of Refunded Debt	222,170,890	0	75,000,000	0
Transfers Out - Capital Projects	0	0	4,269,307	0
Transfers Out - General Fund	0	0	0	500,000
Total Expenditures and Other Uses	383,098,964	161,234,105	240,424,401	162,272,415
Contribution to (Use of) Fund Balance	2,220,319	642,326	5,457,478	15,124,897
Restricted Fund Balance - Beg. of Year	29,056,219	25,873,291	25,873,291	26,900,980
Contribution to (Use of) Fund Balance	(3,182,928)	(1,686,334)	1,027,689	7,938,601
Restricted Fund Balance - End of Year	25,873,291	24,186,957	26,900,980	34,839,581
Committed Fund Balance - Beginning of Year	17,338,409	22,741,657	22,741,657	27,101,162
Contribution to (Use of) Fund Balance	5,403,248	2,328,660	4,359,505	7,186,296
Committed Fund Balance - End of Year	22,741,657	25,070,317	27,101,162	34,287,458



**DEBT RATIO TRENDS
Last Five Fiscal Years**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Estimated Population(1)	646,889	652,050	657,457	653,450	656,861
Appraised Value of Property(2)	38,788,129	38,069,899	37,757,901	36,455,804	35,448,458
Assessed Valuation of Property(2)	12,053,354	11,816,478	11,720,563	11,483,484	11,142,251
Total GO Debt(2)	1,256,868	1,230,060	1,163,755	1,271,320	1,228,825
Bond Premiums(2)	0	0	0	0	79,464
Self Supporting Debt(2)	2,015	0	0	0	0
Net Debt(2)	1,254,853	1,230,060	1,163,755	1,271,320	1,308,289
Net GO Debt per Capita	1,943	1,886	1,770	1,946	1,992
Total Debt	1,940	1,886	1,770	1,946	1,992
Net Debt					
Net GO Debt to Appraised Value					
Total Debt	3.24%	3.23%	3.08%	3.49%	3.47%
Net Debt	3.24%	3.23%	3.08%	3.49%	3.69%
Net GO Debt to Assessed Value					
Total Debt	10.43%	10.41%	9.93%	11.07%	11.03%
Net Debt	10.41%	10.41%	9.93%	11.07%	11.74%

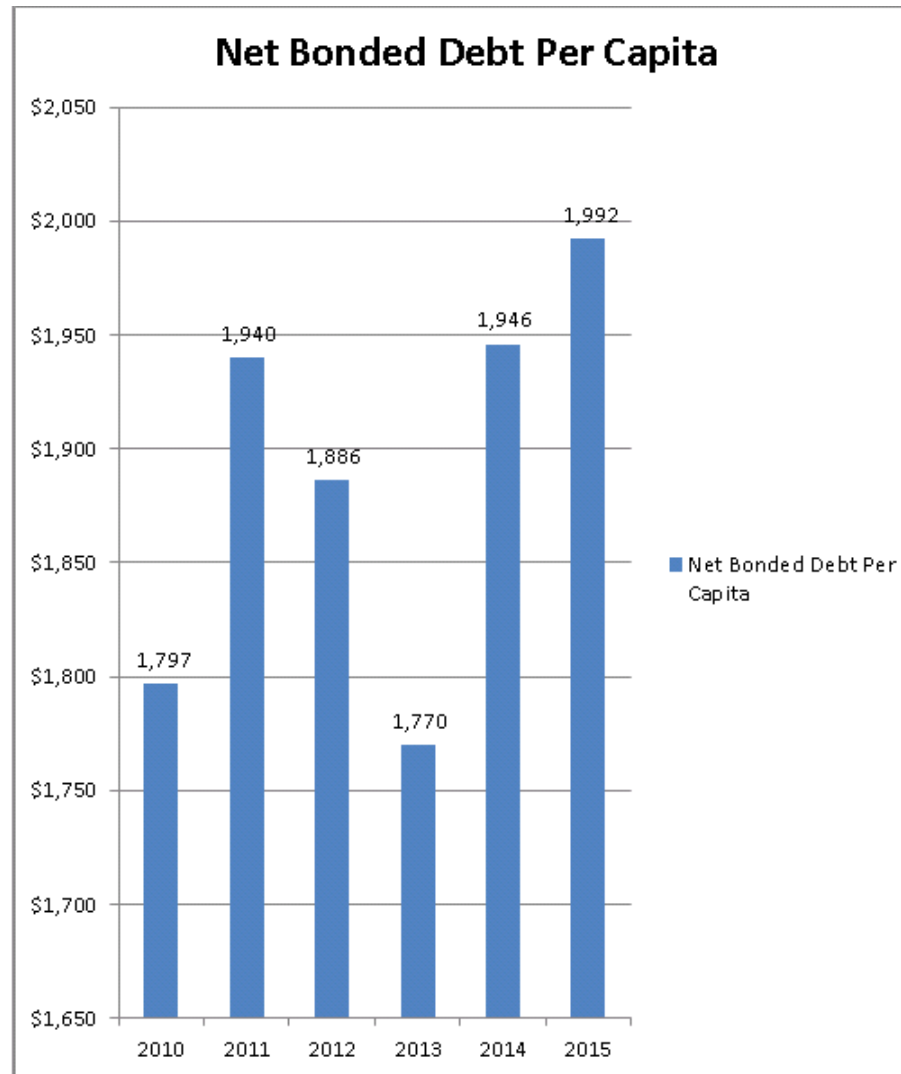
Source: 2015 CAFR

(1) As reported by the U.S. Bureau Census

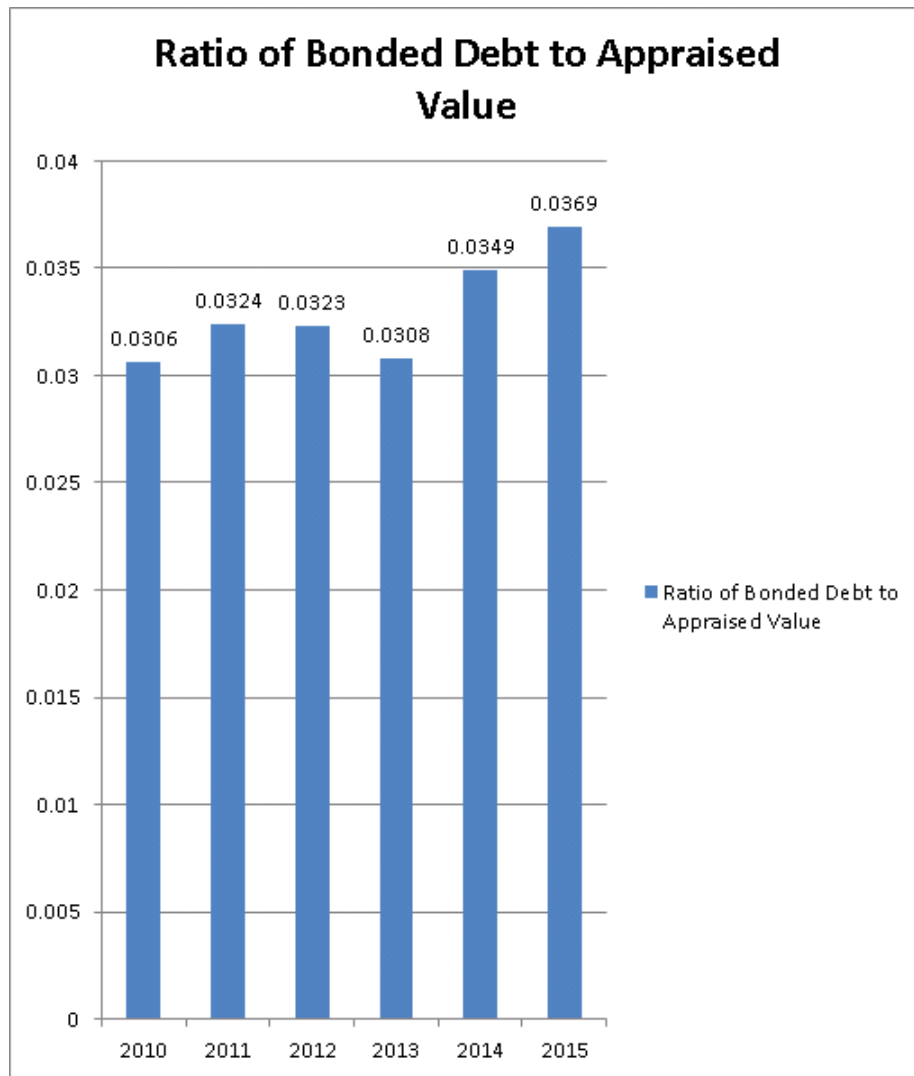
(2) Amounts rounded to 000's

The following table reflects the net bonded debt per capita on a net basis for the last five fiscal years, as shown earlier in the table entitled "Debt Ratio Trends".

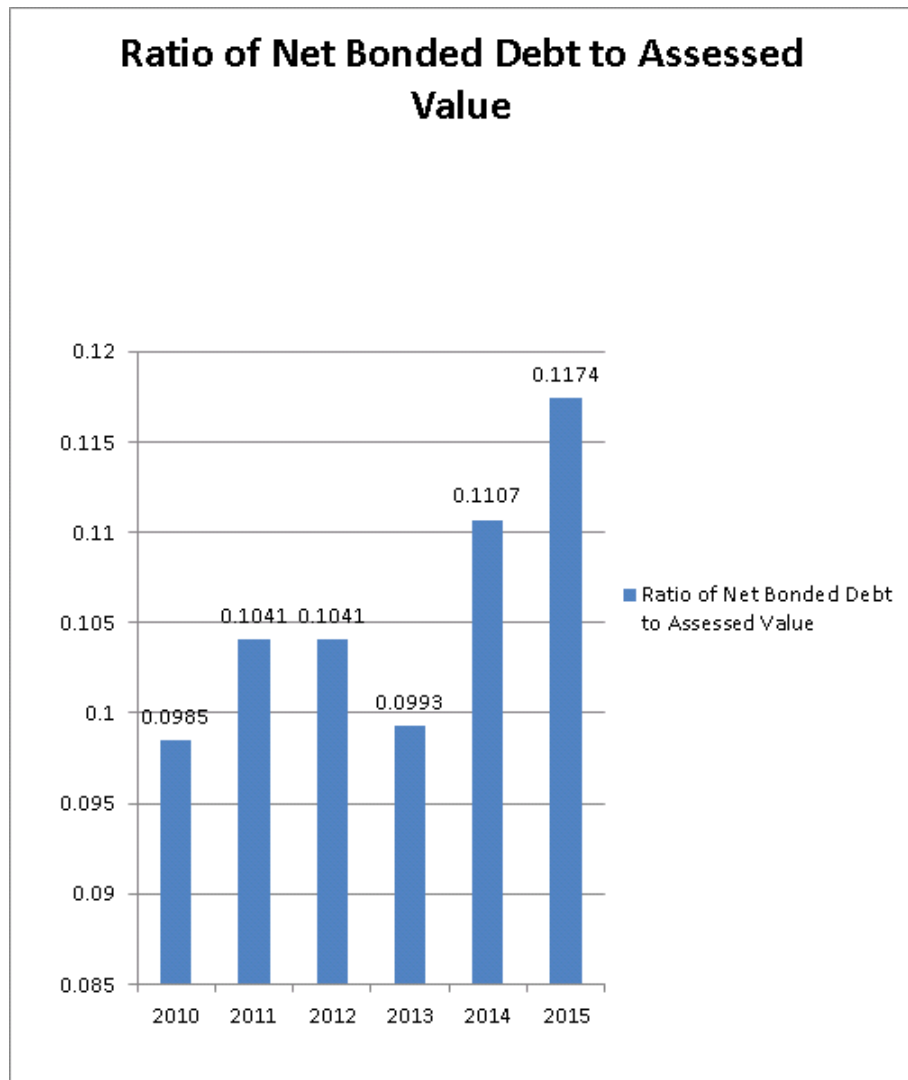
The following table reflects the net bonded debt per capita on a net basis for the last five fiscal years, as shown earlier in the table entitled "Debt Ratio Trends."



Source: 2015 CAFR



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**GENERAL OBLIGATION BONDS
LONG-TERM DEBT SERVICE SCHEDULE
GENERAL OBLIGATION DEBT**

As of June 30, 2016

(In Thousands of Dollars)

Period Ending	Principal	Interest	Debt Service	Percentage Retired
6/30/2017	80,915,000	54,578,526	135,493,526	
6/30/2018	80,850,000	51,138,343	131,988,343	
6/30/2019	81,385,000	47,105,583	128,490,583	
6/30/2020	81,520,000	43,469,116	124,989,116	
6/30/2021	81,145,000	40,347,845	121,492,845	34%
6/30/2022	81,590,000	36,402,054	117,992,054	
6/30/2023	82,260,000	32,110,457	114,370,457	
6/30/2024	82,585,000	28,285,438	110,870,438	
6/30/2025	83,845,000	25,480,930	109,325,930	
6/30/2026	82,275,000	21,965,788	104,240,788	68%
6/30/2027	22,950,000	18,062,661	41,012,661	
6/30/2028	23,920,000	16,926,190	40,846,190	
6/30/2029	24,900,000	15,740,987	40,640,987	
6/30/2030	25,950,000	14,500,021	40,450,021	
6/30/2031	21,655,000	13,184,815	34,839,815	78%
6/30/2032	22,565,000	12,168,715	34,733,715	
6/30/2033	23,545,000	11,070,840	34,615,840	
6/30/2034	24,215,000	9,963,373	34,178,373	
6/30/2035	25,240,000	8,793,254	34,033,254	
6/30/2036	20,455,000	7,725,613	28,180,613	88%
6/30/2037	16,620,000	6,788,081	23,408,081	
6/30/2038	17,365,000	6,043,444	23,408,444	
6/30/2039	18,140,000	5,264,050	23,404,050	
6/30/2040	18,950,000	4,444,719	23,394,719	
6/30/2041	19,825,000	3,580,881	23,405,881	95%
6/30/2042	16,495,000	2,676,713	19,171,713	
6/30/2043	16,495,000	1,884,338	18,379,338	
6/30/2044	17,290,000	1,086,513	18,376,513	
6/30/2045	5,005,000	250,250	5,255,250	100%
	1,199,950,000	541,039,534	1,740,989,534	



Outstanding Debt Obligations Serviced from the Debt Service Fund
As of June 30, 2016
(Unaudited)

General Obligation Bonds	Outstanding	Maturity
\$69,885,000 General Improvement Bonds, Series 2016	\$ 69,885,000	5/1/2041
\$67,845,000 General Improvement Bonds, Series 2015C	67,845,000	4/1/2045
\$54,390,000 General Improvement Refunding Bonds, Series, 2015B (Tax-able)	54,390,000	4/1/2025
\$76,820,000 General Improvement Refunding Bonds, Series, 2015A	76,820,000	4/1/2026
\$208,230,000 General Improvement Refunding Bonds, Series 2014B	194,105,000	4/1/2044
\$103,955,000 General Improvement Refunding Bonds, Series 2014A	103,955,000	11/1/2025
\$5,145,000 Gen. Imp. Bonds, Series 2012B	3,005,000	4/1/2024
\$93,595,000 Gen. Imp. & Refg Bonds, Series 2012A	93,595,000	4/1/2042
\$86,190,000 Gen. Imp. Bonds, Series 2011	72,530,000	5/1/2036
\$11,160,000 Gen. Imp. Bonds, Series 2010F (RZEDB)	11,160,000	7/1/2034
\$55,295,000 Gen. Imp. & Refg Bonds, Series 2010E (Federally Taxable)	44,280,000	7/1/2018
\$121,205,000 Gen. Imp. & Refg Bonds, Series 2010D	121,205,000	7/1/2023
\$62,550,000 General Improvement Bonds, Series 2010 C (Direct Pay BABs)	62,550,000	7/1/2032
\$39,950,000 General Improvement Bonds, Series 2010B (Direct Pay BABs)	39,950,000	5/1/2030
\$27,880,000 General Improvement Bonds, Series 2010A	13,190,000	5/1/2021
\$76,025,000 General Improvement Bonds, Series 2009	12,920,000	4/1/2024
\$99,735,000 General Improvement Bonds, Series 2008	9,990,000	4/1/2018
\$94,935,000 General Improvement Bonds, Series 2007A	5,850,000	4/1/2017
\$115,635,000 Gen. Imp. & Refg Bonds, Series 2005B	68,365,000	10/1/2018
\$166,880,000 Gen. Imp. & Refg Bonds, Series 2005	58,950,000	10/1/2019
\$34,160,000 Gen. Imp. & Refg Bonds, Series 2004	10,635,000	10/1/2017
\$92,985,000 Gen. Imp. & Refg Bonds, Series 2001	4,775,000	11/1/2016
Total	\$ 1,199,950,000	

Commercial Paper	Outstanding
\$150,00,000 Commercial Paper, 2016	\$ -

Outstanding Debt Obligations Serviced from the Debt Service Fund
As of June 30, 2016
(Unaudited)

Appropriation Obligations Debt	Outstanding	Total
\$40,975,000 Memphis and Shelby County Port Commission Bonds, Series 2011	\$ 17,980,000	4/1/2036
\$8,963,200 Solid Waste Lease, 2011	920,980	8/1/2016
\$15,416,204 Solid Waste Lease, 2014	10,902,409	12/11/2019
\$2,000,000 Solid Waste Lease, 2016	2,000,000	4/22/2021
\$40,540,000 Federally Taxable Senior Revenue Bonds, Series 2011A (Pyramid and Pinch District Redevel. Proj.)	38,910,000	11/1/2030
\$100,245,000 Tax-Exempt Subordinate Revenue Bonds, Series 2011B (Pyramid and Pinch District Redevel. Proj.)	100,245,000	11/1/2030
\$50,150,000 Federally Taxable Subordinate Revenue Bonds, Series 2011C (Pyramid and Pinch District Redevel. Proj.)	43,585,000	11/1/2021
\$17,925,000 Sports Facility Revenue Bonds, Series 2014A (Stadium Project)	16,510,000	2/1/2029
\$5,720,000 Sports Facility Revenue Bonds, Series 2014B (Stadium Project) (Federally Taxable)	4,770,000	2/1/2030
\$1,585,450 CCRFC Convention Center Improvement Bonds, Series 2015	1,268,360	1/5/2020
\$1,561,500 CCRFC Convention Center Improvement Bonds, Series 2016	1,561,500	1/5/2020
\$8,316,000 CCRFC Qualified Energy Conservation Bonds, Series 2015A	7,484,400	1/5/2025
\$2,015,300 CCRFC Qualified Energy Conservation Bonds, Series 2015B	1,813,770	1/5/2025
\$340,700 CCRFC Qualified Energy Conservation Bonds, Series 2015C	306,630	1/5/2025
Total	\$ 248,258,049	

