

Note 8 - Restricted Assets (continued)

Renewal and replacement – In accordance with the Town’s water and sewer indentures, the Town was required to establish a renewal and replacement account, including capital contribution charges, for its water and sewer plants. The funds may be used only for certain water and sewer system capital improvements/repairs and may be withdrawn and used anytime for this or other prescribed purposes. Since such withdrawn funds represent previously collected revenues (and income earned thereon), the amount of withdrawn funds need not be replaced or returned to the renewal and replacement account, unless recommended by a consultant.

Capital replacement – Previously, the Town hired consultants to perform a rate study and determined that the Town should commence a capital replacement reserve to be funded with an annual deposit of 7.5% of total operating revenues of the facilities. This account was established to provide an additional mechanism to fund the costs of renewals, replacements, betterments and upgrades to the water and sewer system. The Town anticipates that it will continue to make deposits in the same approximate amount in future years in order to maintain the system.

Debt service reserve – As described in Note 9, the Town was required to establish a debt service reserve fund equating to 10% of the par amount of the 2013 issuance and the maximum annual debt service on the 2019 issuance.

Customer deposits – Amount represents the total amount of customer deposits held by the Town at September 30, 2019.

Note 9 - Long-Term Liabilities

Governmental Activities: The following is a summary of changes in the long-term liabilities for the year ended September 30, 2019:

	Balance October 1, 2018	Additions	Reductions	Balance September 30, 2019	Due Within One Year
General Obligation Refunding Bonds, Series 2008A*	\$ 710,000	\$ -	\$ 710,000	\$ -	\$ -
General Obligation Refunding Bonds, Series 2008B*	282,450	-	138,400	144,050	144,050
Public Improvement Revenue Bonds, Series 2004*	1,658,636	-	814,216	844,420	844,420
Community Redevelopment Bonds, Series 2013A *	6,594,971	-	809,920	5,785,051	829,961
Community Redevelopment Bonds, Series 2013B *	4,872,787	-	599,226	4,273,561	613,813
General Obligation Refunding Note, Series 2015 *	10,500,000	-	690,000	9,810,000	710,000
Limited General Obligation Refunding Note, Series 2015 *	12,200,000	-	1,415,000	10,785,000	1,440,000
	<u>36,818,844</u>	<u>-</u>	<u>5,176,762</u>	<u>31,642,082</u>	<u>4,582,244</u>
Insurance claims payable	2,716,082	11,228,269	11,585,042	2,359,309	2,359,309
Compensated absences	9,471,544	7,000,208	6,543,448	9,928,304	5,157,831
	<u>12,187,626</u>	<u>18,228,477</u>	<u>18,128,490</u>	<u>12,287,613</u>	<u>7,517,140</u>
	<u>\$ 49,006,470</u>	<u>\$ 18,228,477</u>	<u>\$ 23,305,252</u>	<u>\$ 43,929,695</u>	<u>\$ 12,099,384</u>

* Notes from direct borrowing and private placements have an outstanding balance of \$ 31,642,082 as of September 30, 2019.

Note 9 - Long-Term Liabilities (continued)

For governmental activities, compensated absences are generally liquidated by the General Fund. The entire claims liability is reported in the Self-Insurance Internal Service Fund and will be liquidated by that fund.

\$ 1,541,250 General Obligation Refunding Bonds, Series 2008B - Previously, the Town issued \$ 1,541,250 of General Obligation Refunding Bonds, Series 2008B maturing July 1, 2020, with a fixed interest rate of 4.10%, subject to adjustments based on occurrence of a determination of taxability event and by margin rate factor as calculated by lender. During fiscal year 2018, the interest rate was increased to 4.98% due to a change in the corporate tax rate. The Bonds refunded the Town's then outstanding General Obligation Bonds, Series 2000, and paid certain costs associated with the issuance of the Bonds. The original bonds were issued in connection with various recreational projects. Interest is paid semiannually on each July 1 and January 1. Principal on the Bonds is paid annually commencing July 2008 through July 2020. Ad valorem tax revenues of the General Fund are pledged to repay this Bond issue.

Annual debt service requirements estimated to maturity for the General Obligation Refunding Bonds, Series 2008B are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ <u>144,050</u>	\$ <u>7,178</u>	\$ <u>151,228</u>

\$ 10,000,000 Public Improvement Revenue Bonds, Series 2004 - Previously, the Town issued \$ 10,000,000 of Public Improvement Revenue Bonds, Series 2004, maturing December 1, 2019, with a fixed interest rate of 3.71%, subject to adjustments based on occurrence of a determination of taxability event and by margin rate factor as calculated by lender. For fiscal year 2018, the interest rate was increased to 4.51% due to a change in the corporate tax rate. The Bonds were issued in connection with financing and reimbursing the costs of acquisition, construction, and equipping of certain capital improvements and for paying the costs of the issuance of the Bonds. Interest is paid semiannually on each December 1 and June 1. Principal on the Bonds is paid annually commencing December 2012 through December 2019. Legally available non-ad valorem revenues of the General Fund are pledged to repay this Bond issue.

Annual debt service requirements estimated to maturity for the Public Improvement Revenue Bonds, Series 2004 are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ <u>844,420</u>	\$ <u>19,033</u>	\$ <u>863,453</u>

Community Redevelopment Agency ("CRA") Bonds - The CRA previously issued \$ 20,000,000 Community Redevelopment Bonds, Series 2010, to make various infrastructure improvements, including drainage, road, and water and sewer improvements, and to acquire land for redevelopment purposes. On August 28, 2013 and September 28, 2013, the CRA issued Community Redevelopment Bonds, Series 2013A and 2013B, amounting to \$ 10,000,000 and \$ 7,394,769, respectively, to currently refund the then outstanding Series 2010 Bonds. The 2013A and 2013B Bonds bear interest at the fixed rate of 2.47% and 2.43%, respectively, subject to adjustments based on occurrence of a determination of taxability event and by margin rate factor as calculated by lender. During fiscal year 2018, the interest rates were increased to 3.00% and 2.95% for the 2013A and 2013B Bonds, respectively, due to a change in the corporate tax rate. Principal and interest on both series is payable semiannually on each June 10 and December 10 through maturity in December 2025. The Bonds are secured by a pledge and lien on tax increment revenues of the Town's CRA. In addition, the Town covenants to annually budget and appropriate legally available non-ad valorem revenues to cover any shortfall in tax increment revenue of the CRA to pay for scheduled principal and interest.

Note 9 - Long-Term Liabilities (continued)

Annual debt service requirements estimated to maturity for the Community Redevelopment Agency Bonds, Series 2013A are as follows:

Year Ending September 30,	Principal	Interest	Total
2020	\$ 829,961	\$ 170,268	\$ 1,000,229
2021	851,244	144,400	995,644
2022	872,696	118,329	991,025
2023	894,688	91,600	986,288
2024	917,104	64,355	981,459
2025-2026	1,419,358	43,420	1,462,778
Total	\$ <u>5,785,051</u>	\$ <u>632,372</u>	\$ <u>6,417,423</u>

Annual debt service requirements estimated to maturity for the Community Redevelopment Agency Bonds, Series 2013B are as follows:

Year Ending September 30,	Principal	Interest	Total
2020	\$ 613,813	\$ 123,738	\$ 737,551
2021	629,297	104,920	734,217
2022	644,897	85,960	730,857
2023	660,883	66,530	727,413
2024	677,172	46,733	723,905
2025-2026	1,047,499	31,523	1,079,022
Total	\$ <u>4,273,561</u>	\$ <u>459,404</u>	\$ <u>4,732,965</u>

The outstanding CRA Series 2013A and 2013B arrangements discussed above include other financial provisions for events of defaults such as payment defaults, violation of covenants, insolvency, false representation, and failure to budget and appropriate. These events may increase the current interest rate to the lesser of 18% or the maximum lawful rate during the continuation of an event of default. The events may declare any unpaid principal and interest (acceleration of maturity) due immediately. The lender may also seek enforcement of and exercise all remedies available and allowed by law. These facilities are also subject to rate adjustments based on occurrence of a determination of taxability event by margin rate factor as calculated by lender. Prepayment fees/premiums may also apply.

\$ 12,465,000 General Obligation Refunding Note, Series 2015 - Previously, the Town issued \$ 12,465,000 of a General Obligation Refunding Note, Series 2015, maturing August 1, 2031, with a fixed interest rate of 2.59%, to refund the then outstanding General Obligation Bonds, Series 2006. The entire proceeds of the 2015 Note were applied to refund the principal balance of the 2006 Bonds; therefore, no proceeds were received by the issuer. The original bonds were issued in connection with constructing and furnishing fire and rescue facilities, and the procurement of certain equipment and technology, including the improvement of emergency management and terrorism preparedness. Interest is paid semiannually on each February 1 and August 1. Principal on the Note is paid annually commencing August 2016 through August 2031. Ad valorem tax revenues from the General Fund are pledged to repay this Note issue.

Note 9 - Long-Term Liabilities (continued)

Annual debt service requirements estimated to maturity for the General Obligation Refunding Note, Series 2015 are as follows:

Year Ending September 30,	Principal	Interest	Total
2020	\$ 710,000	\$ 254,079	\$ 964,079
2021	725,000	235,690	960,690
2022	745,000	216,913	961,913
2023	760,000	197,617	957,617
2024	785,000	177,933	962,933
2025-2029	4,235,000	574,203	4,809,203
2030-2031	1,850,000	72,261	1,922,261
Total	<u>\$ 9,810,000</u>	<u>\$ 1,728,696</u>	<u>\$ 11,538,696</u>

\$ 16,260,000 Limited General Obligation Refunding Note, Series 2015 – Previously, the Town issued \$ 16,260,000 of a Limited General Obligation Refunding Note, Series 2015, maturing August 1, 2026, with a fixed interest rate of 2.18%, to refund the then outstanding Limited General Obligation Bonds, Series 2006. The entire proceeds of the 2015 Note were applied to refund the principal balance of the 2006 Bonds; therefore, no proceeds were received by the issuer. The original bonds were issued in connection with acquiring land to protect the quality of water bodies, preserving and improving wildlife habitat and parks, and constructing and improving recreational areas. Interest is paid semiannually on each February 1 and August 1. Principal on the Note is paid annually commencing August 2016 through August 2026. Ad valorem tax revenues from the General Fund are pledged to repay this Note issue up to a tax limit of 0.38 mills per annum.

Annual debt service requirements estimated to maturity for the Limited General Obligation Refunding Note, Series 2015 are as follows:

Year Ending September 30,	Principal	Interest	Total
2020	\$ 1,440,000	\$ 235,113	\$ 1,675,113
2021	1,475,000	203,721	1,678,721
2022	1,510,000	171,566	1,681,566
2023	1,535,000	138,648	1,673,648
2024	1,575,000	105,185	1,680,185
2025-2026	3,250,000	106,602	3,356,602
Total	<u>\$ 10,785,000</u>	<u>\$ 960,835</u>	<u>\$ 11,745,835</u>

The aggregate annual debt service estimated to maturity for the governmental activities debt is as follows:

Year Ending September 30,	Principal	Interest	Total
2020	\$ 4,582,244	\$ 809,409	\$ 5,391,653
2021	3,680,541	688,731	4,369,272
2022	3,772,593	592,768	4,365,361
2023	3,850,571	494,395	4,344,966
2024	3,954,276	394,206	4,348,482
2025-2029	9,951,857	755,748	10,707,605
2030-2031	1,850,000	72,261	1,922,261
Total	<u>\$ 31,642,082</u>	<u>\$ 3,807,518</u>	<u>\$ 35,449,600</u>

Note 9 - Long-Term Liabilities (continued)

The outstanding Series 2008B, 2004, and 2015 (both general and limited obligation) arrangements discussed above include other financial provisions for events of defaults such as payment defaults, violation of covenants, insolvency, false representation, and default in any other debt obligations. These events may result in a late charge on overdue payments of 6% (G.O. Series 2015); and may increase the current interest rates on these arrangements to the higher of the then prime rate or adjusted one-month LIBOR rate plus a spread ranging from 2% to 6%. The events may declare any unpaid principal and interest (acceleration of maturity) due immediately. The lenders may also seek enforcement of and exercise all remedies available to them and allowed by law. These facilities are also subject to rate adjustments based on occurrence of a determination of taxability event by margin rate factor as calculated by lenders. Prepayment fees/premiums may also apply.

Business -Type Activities: The following is a summary of changes in the long-term liabilities for the year ended September 30, 2019:

	Balance October 1, 2018	Additions	Reductions	Balance September 30, 2019	Due Within One Year
Bonds Payable:					
Water and Sewer Revenue Bonds, Series 2010	\$ 46,245,000	\$ -	\$ 46,245,000	\$ -	\$ -
Water and Sewer Revenue Bonds, Series 2011	47,245,000	-	530,000	46,715,000	540,000
Water and Sewer Revenue Bonds, Series 2012	27,435,000	-	200,000	27,235,000	210,000
Water and Sewer Revenue Refunding Bonds, Series 2013 *	7,215,000	-	1,890,000	5,325,000	1,925,000
Water and Sewer Revenue Refunding Bonds, Series 2019 *	-	49,915,000	-	49,915,000	-
State Revolving Fund Loan Program*	3,433,073	-	194,067	3,239,006	198,555
Bond Premiums	794,414	-	34,540	759,874	-
Bond Discounts	(407,303)	-	(16,971)	(390,332)	-
	<u>131,960,184</u>	<u>49,915,000</u>	<u>49,076,636</u>	<u>132,798,548</u>	<u>2,873,555</u>
Compensated Absences	<u>401,474</u>	<u>263,169</u>	<u>253,391</u>	<u>411,252</u>	<u>306,268</u>
	<u>\$ 132,361,658</u>	<u>\$ 50,178,169</u>	<u>\$ 49,330,027</u>	<u>\$ 133,209,800</u>	<u>\$ 3,179,823</u>

* Notes from direct borrowing and private placements have an outstanding balance of \$ 58,479,006 as of September 30, 2019.

\$ 49,930,000 Water and Sewer Revenue Bonds, Series 2011 - Previously, the Town issued \$ 49,930,000 Water and Sewer Revenue Bonds, Series 2011, maturing October 1, 2041, with an interest rate ranging from 2.0% to 5.0%. The Bonds were issued in connection with the acquisition and construction of improvements to the Town's water and sewer system, and for paying the costs of issuance of the Bonds. Interest is payable semiannually on each April 1 and October 1. Principal on the Bonds is paid annually commencing October 2012 through October 2041. The Bond Indenture provides for a reserve insurance policy to be obtained in place of funding for the Debt Service Reserve Fund. The Town has obtained the required insurance policy and is in compliance with the reserve requirement.

Town of Davie, Florida
Notes to Basic Financial Statements
September 30, 2019

Note 9 - Long-Term Liabilities (continued)

Annual debt service requirements estimated to maturity for the Water and Sewer Revenue Bonds, Series 2011, are as follows:

Year Ending September 30,	Principal	Interest	Total
2020	\$ 540,000	\$ 2,198,581	\$ 2,738,581
2021	555,000	2,181,931	2,736,931
2022	1,255,000	2,144,281	3,399,281
2023	1,295,000	2,098,956	3,393,956
2024	1,340,000	2,048,706	3,388,706
2025-2029	7,555,000	9,296,356	16,851,356
2030-2034	9,560,000	7,156,750	16,716,750
2035-2039	12,205,000	4,382,250	16,587,250
2040-2042	12,410,000	811,000	13,221,000
Subtotal	46,715,000	\$ 32,318,811	\$ 79,033,811
Plus: unamortized bond premium	759,874		
Total	\$ 47,474,874		

\$ 28,190,000 Water and Sewer Revenue Bonds, Series 2012 – In November 2012, the Town issued \$ 28,190,000 Water and Sewer Revenue Bonds, Series 2012, maturing October 1, 2042, with an interest rate ranging from 2.0% to 4.0%. The Bonds were issued in connection with the acquisition and construction of improvements to the Town's water and sewer system, and for paying the costs of issuance of the Bonds. Interest is payable semiannually on each April 1 and October 1. Principal on the Bonds is paid annually commencing October 2014 through October 2042. The Bond Indenture provides for a reserve insurance policy to be obtained in place of funding for the Debt Service Reserve Fund. The Town has obtained the required insurance policy and is in compliance with the reserve requirement.

Annual debt service requirements estimated to maturity for the Water and Sewer Revenue Bonds, Series 2012, are as follows:

Year Ending September 30,	Principal	Interest	Total
2020	\$ 210,000	\$ 910,075	\$ 1,120,075
2021	215,000	903,625	1,118,625
2022	220,000	899,225	1,119,225
2023	255,000	893,806	1,148,806
2024	295,000	886,800	1,181,800
2025-2029	2,215,000	4,231,250	6,446,250
2030-2034	3,825,000	3,740,876	7,565,876
2035-2039	6,070,000	2,896,988	8,966,988
2040-2043	13,930,000	1,117,025	15,047,025
Subtotal	27,235,000	\$ 16,479,670	\$ 43,714,670
Less: unamortized discount	(390,332)		
Total	\$ 26,844,668		

Note 9 - Long-Term Liabilities (continued)

\$ 14,405,000 Water and Sewer Revenue Refunding Bonds, Series 2013 – Previously, the Town issued \$ 14,405,000 of Water and Sewer Revenue Refunding Bonds, Series 2013 to refund the then outstanding Series 2003 bonds, with a fixed rate of 1.93%, subject to adjustments based on occurrence of a determination of taxability event and by margin rate factor as calculated by lender. During fiscal year 2018, the interest rate was increased to 2.08% due to a change in the corporate tax rate. The gross proceeds of the 2013 issuance were deposited in an irrevocable trust with an escrow agent to provide for the cost of issuance, the establishment of a debt service reserve fund and the required debt service payment on the call date of October 2013. Interest on the Series 2013 Bonds is paid semi-annually on each April 1 and October 1. Principal on the Series 2013 Bonds is paid annually commencing October 2014 through October 2021.

Annual debt service requirements estimated to maturity for the Water and Sewer Revenue Refunding Bonds, Series 2013, are as follows:

Year Ending September 30,	Principal	Interest	Total
2020	\$ 1,925,000	\$ 90,679	\$ 2,015,679
2021	1,960,000	50,302	2,010,302
2022	1,440,000	14,966	1,454,966
Total	\$ <u>5,325,000</u>	\$ <u>155,947</u>	\$ <u>5,480,947</u>

\$ 49,915,000 Water and Sewer Revenue Refunding Bonds, Series 2019 - Previously, the Town issued \$ 46,245,000 Water and Sewer Revenue Bonds, Series 2010, maturing October 1, 2040, which were issued in connection with the acquisition and construction of improvements to the Town's water and sewer system, and for paying the costs of issuance of the Bonds.

On August 13, 2019, the Town issued \$ 49,915,000 of Water and Sewer Revenue Refunding Bonds, Series 2019, with a rate of 2.76% for the primary purpose of refunding on an advance basis all of the outstanding Series 2010 Bonds. The gross proceeds from the Series 2019 issuance were deposited in an irrevocable trust with an escrow agent to provide for the cost of issuance and the required debt service payments through the redemption (call) date of October 1, 2020, at which time the entire principal balance of \$ 46,245,000 (outstanding at September 30, 2019) is redeemed. As a result of this transaction, the Series 2010 Bonds are considered defeased and the liability for those Bonds has been removed from the statement of net position.

The reacquisition price exceeded the net carrying amount of the old debt by \$ 2,969,783. The amount is included on the statement of net position as deferred outflows of resources and is amortized in a systematic and rational manner over the shorter of the life of the old bond or new bond. The Town advance refunded the Water and Sewer Revenue Bonds, Series 2010 to reduce its total debt service payments over the next twenty-two years by approximately \$ 6,913,000 (net of subsidy) and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt, net of Town's contribution) of approximately \$ 5,768,000. The Town contributed \$ 3,345,122 to fund the required debt service reserve.

Interest on the Series 2019 Bonds is paid semi-annually on each April 1 and October 1. Principal on the Series 2019 Bonds is paid annually commencing October 2021 through October 2040.

Note 9 - Long-Term Liabilities (continued)

Annual debt service requirements estimated to maturity for the Water and Sewer Revenue Refunding Bonds, Series 2019, are as follows:

Year Ending September 30,	Principal	Interest	Total
2020	\$ -	\$ 872,514	\$ 872,514
2021	-	1,377,654	1,377,654
2022	1,000,000	1,363,854	2,363,854
2023	1,995,000	1,322,523	3,317,523
2024	2,050,000	1,266,702	3,316,702
2025-2029	11,115,000	5,441,823	16,556,823
2030-2034	12,740,000	3,798,312	16,538,312
2035-2039	14,595,000	1,915,095	16,510,095
2040-2041	6,420,000	178,434	6,598,434
Total	\$ <u>49,915,000</u>	\$ <u>17,536,911</u>	\$ <u>67,451,911</u>

The Series 2011, 2012, 2013 and 2019 Bonds were issued in parity as to the lien of the pledged revenues. The Water and Sewer Bonds are payable from the pledged net revenues derived from the Town's water and sewer system and proceeds from contribution charges received by the Town in connection with the system.

The Town is subject to certain rate covenants outlined in the Bond Indentures. The Bond Indentures contain certain other covenants related to the operation of the water and sewer fund, including the establishment of a renewal and replacement fund and capital replacement fund.

The Series 2011, 2012, 2013 and 2019 arrangements discussed above include other financial provisions for events of defaults as failure to make payment (principal and interest), inability to pay debts – bankruptcy, and violation of material covenants or conditions. However, those violations of covenants or conditions that cannot be remedied within thirty days, shall not constitute an event of default if the Town shall begin to remedy such default within a thirty-day period and is diligently pursuing such remedy. Events of defaults may declare any unpaid principal and interest (acceleration of maturity) due immediately; however, the Town may obtain consent of the holders of not less than fifty-one percent to not force or effect the acceleration of maturities provision. In general, upon occurrence and continuation of an event of default, the default rate is set at the lesser of prime rate plus 5% or the maximum rate permitted by law; or in the event that the consent described above is received, the default rate is then set at the lesser of 18% or the maximum rate permitted by law. The bonds are also subject to rate adjustments based on occurrence of a determination of taxability event by margin rate factor as calculated by trustee. Prepayment fees/premiums may also apply. The Series 2011 and 2012 scheduled payments of principal and interest when due are guaranteed under insurance policies issued concurrently with the delivery of each bond. The Series 2013 and 2019 have established debt service reserve accounts as required at issuance.

\$ 4,601,081 State Revolving Fund Loan - In April 2012, the Town entered into a revolving loan agreement with the State of Florida Department of Environmental Protection Clean Water State Revolving Fund Loan program to provide financing for the Town's Infiltration and Inflow Program and the Master Lift Station No. 8 and Force Main project. The loan is collateralized by a pledge on the revenues from the Town's Water and Sewer System, after payment of operation and maintenance expenditures and satisfaction of all senior revenue obligations. This facility is in junior position to the Water and Sewer Revenue Bonds of the Town. The Town borrowed \$ 4,601,081, including capitalized interest and service fee charges of \$ 17,594 and \$ 89,872, respectively. Semiannual payments are due on each September 15th and March 15th. As of September 30, 2016, the project was deemed completed; therefore, the amortization schedule was finalized, requiring semiannual installments of \$ 135,959, including interest at a fixed rate of 2.30%.

Note 9 - Long-Term Liabilities (continued)

Annual debt service requirements estimated to maturity for the State Revolving Fund Loan, are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 198,555	\$ 73,363	\$ 271,918
2021	203,148	68,770	271,918
2022	207,847	64,071	271,918
2023	212,655	59,263	271,918
2024	217,574	54,344	271,918
2025-2029	1,165,736	193,854	1,359,590
2030-2033	1,033,491	55,699	1,089,190
Total	<u>\$ 3,239,006</u>	<u>\$ 569,364</u>	<u>\$ 3,808,370</u>

The State Revolving Fund Loan arrangement discussed above include other financial provisions for events of defaults such as failure to make monthly deposits and semiannual loan payments, violation of covenants or actions required by the arrangement with such failure continuing for a period of sixty days after written notice, insolvency-bankruptcy, and false representations. Non-payment may result in acceleration of the repayment schedule or increasing the financing rate on the unpaid principal balance to as much as 1.667 times the financing rate. The lender may also seek enforcement of and exercise all remedies available and allowed by law.

The aggregate annual debt service estimated to maturity for the business-type activities is as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 2,873,555	\$ 4,145,212	\$ 7,018,767
2021	2,933,148	4,582,282	7,515,430
2022	4,122,847	4,486,397	8,609,244
2023	3,757,655	4,374,548	8,132,203
2024	3,902,574	4,256,552	8,159,126
2025-2029	22,050,736	19,163,283	41,214,019
2030-2034	27,158,491	14,751,637	41,910,128
2035-2039	32,870,000	9,194,333	42,064,333
2040-2043	32,760,000	2,106,459	34,866,459
Total	<u>\$ 132,429,006</u>	<u>\$ 67,060,703</u>	<u>\$ 199,489,709</u>

Pledged Revenues:

The Town's debt is collateralized by multiple sources. The following table provides the gross revenue received in the current year and pledged for each debt issuance, the current year principal and interest paid on the debt, the date through which the revenue is pledged under the debt agreement, and the total pledged future revenue for each debt, which is the amount remaining of principal and interest on the indebtedness at September 30, 2019:

Town of Davie, Florida
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September 30, 2019

Note 9 - Long-Term Liabilities (continued)

Debt Issue	Pledged Revenue	Gross Revenue Received	Principal and Interest Paid	Future Maturities Principal and Interest	Pledged Through:
<u>Governmental Activities:</u>					
Community Redevelopment Bonds, Series 2013A and 2013B	Tax increment revenues of the Town's Community Redevelopment Agency	\$ 4,533,441	\$ 1,745,238	\$ 11,150,388	2026
General Obligation Bonds, Series 2008A (Refunding)	Ad valorem tax	\$ 746,986	\$ 742,360	-	2019
General Obligation Bonds, Series 2008B (Refunding)	Ad valorem tax	\$ 153,437	\$ 152,475	\$ 151,228	2020
Public Improvement Revenue Bonds, Series 2004	Legally available non-ad valorem revenues	\$ 41,899,000	\$ 870,639	\$ 863,453	2020
General Obligation Note, Series 2015 (Refunding)	Ad valorem tax	\$ 968,091	\$ 961,950	\$ 11,538,696	2031
Limited General Obligation Note, Series 2015 (Refunding)	Ad valorem tax	\$ 1,691,935	\$ 1,680,960	\$ 11,745,835	2026
<u>Business-Type Activities:</u>					
Water and Sewer Revenue Bonds, Series 2011, 2012, 2013 (Refunding), 2019, (Refunding), and State Revolving Fund Loan	Net revenues from the water and sewer system and contribution charges	\$ 30,318,865	\$ 9,859,772	\$ 199,489,709	2043

Note 10 - Fund Balance

The Town follows GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which requires that governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable fund balance - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. "Not in spendable form" includes items that are not expected to be converted to cash (such as inventories and prepaid amounts) and items such as long-term amount of loans and notes receivable, as well as property acquired for resale. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact. In fiscal year 2019, this represents \$ 279,483.