

# General Obligation Bonds

## Traditional Financing General Obligation (GO) Bonds

- Security is **full faith and credit** (taxing power)
- **Voter approval** is required; can only be held during a primary or general election
- Interest rates and issuance costs are lower. Level principal payments
- Max term 20 years

IT TOOK  
CASWELL COUNTY  
1 YEAR TO  
PLACE A GO.  
BOND BEFORE  
VOTERS

8/1/2019

### Traditional Financing General Obligation (GO) Bonds

- Must hire bond counsel early in process
- Bond amount for referendum will be a "not to exceed" amount
- Bonds must be issued within 7 years of the effective date of the bond order. Can get an extension to 10 years for extenuating circumstances.

effective  
with  
referendum

COST TO COUNTY  
\$10K FIN ADVISOR  
\$13K BOND COUNSEL

7 \$20,000

### Traditional Financing General Obligation (GO) Bonds

- Bond Order adopted by Board of Commissioners
- Bond Order approved by LGC
- Referendum must be within 1 year of adoption of bond order

LGC Approval

Borrow up to \$100M

## County Debt Service Pay Off Schedule

\*Designated funds for schools

	2019/20	2020/21	2021/22	2022/23	2023/24
PSC	\$ 1,009,454	\$ 932,500	\$ 1,009,800	\$ 1,008,988	\$ 1,009,736
Library	\$ 91,988	\$ 88,293	\$ 84,627		
library	\$ 137,120	\$ 110,568	\$ 183,544	\$ 393,870	\$ 208,488
EOC	\$ 120,821	\$ 120,586	\$ 120,313		
NCCC	\$ 193,973	\$ 190,317			
DF Walker*	\$ 582,274				
High School*	\$ 103,573	\$ 103,573	\$ 446,405		
<b>Total</b>	<b>\$ 2,239,203</b>	<b>\$ 1,545,837</b>	<b>\$ 1,844,689</b>	<b>\$ 1,402,858</b>	<b>\$ 1,218,224</b>
Payment Reduction		\$ 693,366	\$ (298,852)	\$ 442,104	\$ 184,634
Amount Available		\$ 693,366	\$ 394,514	\$ 836,345	\$ 1,020,979

