

Bancroft Bond Interest and Sinking Fund

Managing Bureau: Office of the City Auditor

Statement of Purpose: The Bancroft Bond Interest and Sinking Fund is used to achieve a proper matching of revenues and expenditures related to financing public infrastructure improvements requested by property owners. Improvements may include LID streets, sewers, sidewalk repairs, and SDC charges. Specifically, this fund accounts for resources, and the allocation thereof, to pay principal and interest on outstanding debt from financing these improvements.

Sources of Revenue: Assessment principal and interest revenues collect in this fund are restricted (per ORS 223.285) to the payment of special assessment bonds (Limited Tax Improvement Bonds).

Contingency Requirements: Oregon Administrative Rule 150-294.388(7) does not permit contingencies in a debt service fund.

Reserve Requirements: The size of debt service reserve requirements varies by individual bond covenant. Reserves may be funded with bond proceeds, other eligible resources, or with the purchase of a reserve surety policy. The reserve may be drawn upon when there are insufficient resources to pay debt service, but must be replenished in accordance with bonds covenants or surety policy.

Disposition of Funds: In the event the fund is closed, all remaining resources shall revert to the General Fund.