

V. Bonding Capacity

A. General Obligation Bonds:

According to New Mexico law, a community can issue General Obligation Bonds to a maximum of 4% of the City's assessed evaluation excluding water and sewer improvements. At present, the City of Farmington has a maximum of \$ 2,204,000 General Obligation Bonds excluding water and sewer. Therefore, the remaining amount that the City can issue under the General Obligation Bond category is \$ 1,394,000 excluding water and sewer.

B. Revenue Bonds:

The City has Revenue Bond Issues which are characterized by Utility Bonds and Sales Tax Bonds. Utility Revenue Bonds are employed for electric, water and sewer programs. Sales Tax Revenue Bonds are for public building and parking lots. Currently, the City of Farmington has \$ 22,625,000 in Utility Revenue Bonds and \$ 3,936,000 in Sales Tax Revenue Bonds outstanding or authorized to be sold. The total Revenue Bond Issues outstanding and authorized for sale is \$ 26,561,000.