

# Debt Service Funds

Debt service funds should be used to account for and report financial resources that are restricted, committed, or assigned (intended) to expenditure for principal and interest.

Debt service funds should be used to report resources if legally mandated.

Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds.

The debt service transactions for a special assessment for which the government is not obligated in any matter should be reported in an agency fund.

Also, if the government is authorized, or required to establish and maintain a special assessment bond reserve, guaranty, or sinking fund, a debt service fund is required for this purpose.

