

GENERAL DEBT SERVICE FUND

08-539

OVERVIEW:

The General Debt Service Fund is a governmental fund used to account for monies set aside for the payment of principal and interest to holders of the City's general obligation bonds. A general obligation (GO) bond is a legal debt instrument used to finance permanent public projects within city limits. In issuing bonds, the City pledges to levy whatever property tax is needed to repay the bonds for any particular year.

In October, 2011, the City Council approved an ordinance authorizing the issuance of \$7,000,000 in Certificates of Obligation, Series 2011 with proceeds funding constructing, improving, maintaining and operating a Relief Highway route around and outside the boundaries of the City to promote new or expanded business development, including related drainage, striping, signalization and site improvements. The Certificates of Obligation are supported completely by a limited Sales Tax approved by voters in May 2011.

There is no statutory debt limitation in the City Charter or under State Law. The City operates under a Home Rule Charter that limits the maximum ad valorem tax rate for all City purposes to \$2.50 per \$100 assessed valuation. Administratively, the Attorney General of the State of Texas will permit allocation of \$1.50 of the \$2.50 maximum tax rate for general obligation debt service. The City's proposed tax rate is \$1.890 per \$100 assessed valuation. The City's Fiscal Principles and Policies states the City will strive to limit general obligation annual debt service requirements to 20% of general governmental expenditures. Debt service to total general expenditures for the 2014-15 Budget is 7.0%. All current debt is completely supported by a limited sales tax.

The 2013-14 debt service requirement was originally budgeted at \$479,920; however, due to additional principal payments in 2012 and 2013, the debt service requirement will be \$466,610.

The 2014-15 debt service requirement was originally budgeted at \$477,440; however, due to additional principal payments in 2012 and 2013, the debt service requirement will be \$464,130.

	Actual 2011-12	Actual 2012-13	Budget 2013-14	Projected 2013-14	Budget 2014-15
REVENUES					
OTHER FINANCING SOURCES					
2633. From Rel. Rte Constr. Fund	\$ 699,511	\$ 795,984	\$ 700,000	\$ 466,610	\$ 464,130
Total Revenues	\$ 699,511	\$ 795,984	\$ 700,000	\$ 466,610	\$ 464,130
EXPENDITURES					
OPERATIONAL EXPENSE					
8330. Debt Service - Principal	\$ 590,000	\$ 655,000	\$ 573,390	\$ 340,000	\$ 345,000
8331. Debt Service - Interest	109,511	140,984	126,610	126,610	119,130
TOTAL OPERATIONAL EXPENSE	\$ 699,511	\$ 795,984	\$ 700,000	\$ 466,610	\$ 464,130
EXCESS (DEFICIENCY)	\$ -	\$ -	\$ -	\$ -	\$ -

GENERAL DEBT SERVICE FUND

Schedule of General Debt Service

SERIES 2011 CERTIFICATES OF OBLIGATION

ORIGINAL BUDGET							
FY	Beg Bal	Principal	Add'l Pmt	Int Rate	Interest	Debt Service	End Bal
2012	\$ 7,000,000	\$ 310,000	\$ -	2.20%	\$ 109,511	\$ 419,511	\$ 6,690,000
2013	\$ 6,690,000	\$ 330,000	\$ -	2.20%	\$ 147,180	\$ 477,180	\$ 6,360,000
2014	\$ 6,360,000	\$ 340,000	\$ -	2.20%	\$ 139,920	\$ 479,920	\$ 6,020,000
2015	\$ 6,020,000	\$ 345,000	\$ -	2.20%	\$ 132,440	\$ 477,440	\$ 5,675,000
2016	\$ 5,675,000	\$ 355,000	\$ -	2.20%	\$ 124,850	\$ 479,850	\$ 5,320,000
2017	\$ 5,320,000	\$ 310,000	\$ -	4.15%	\$ 220,780	\$ 530,780	\$ 5,010,000
2018	\$ 5,010,000	\$ 270,000	\$ -	4.15%	\$ 207,915	\$ 477,915	\$ 4,740,000
2019	\$ 4,740,000	\$ 285,000	\$ -	4.15%	\$ 196,710	\$ 481,710	\$ 4,455,000
2020	\$ 4,455,000	\$ 295,000	\$ -	4.15%	\$ 184,883	\$ 479,883	\$ 4,160,000
2021	\$ 4,160,000	\$ 305,000	\$ -	4.15%	\$ 172,640	\$ 477,640	\$ 3,855,000
2022	\$ 3,855,000	\$ 320,000	\$ -	4.15%	\$ 159,983	\$ 479,983	\$ 3,535,000
2023	\$ 3,535,000	\$ 335,000	\$ -	4.15%	\$ 146,703	\$ 481,703	\$ 3,200,000
2024	\$ 3,200,000	\$ 345,000	\$ -	4.15%	\$ 132,800	\$ 477,800	\$ 2,855,000
2025	\$ 2,855,000	\$ 360,000	\$ -	4.15%	\$ 118,483	\$ 478,483	\$ 2,495,000
2026	\$ 2,495,000	\$ 375,000	\$ -	4.15%	\$ 103,543	\$ 478,543	\$ 2,120,000
2027	\$ 2,120,000	\$ 390,000	\$ -	4.15%	\$ 87,980	\$ 477,980	\$ 1,730,000
2028	\$ 1,730,000	\$ 405,000	\$ -	4.15%	\$ 71,795	\$ 476,795	\$ 1,325,000
2029	\$ 1,325,000	\$ 425,000	\$ -	4.15%	\$ 54,988	\$ 479,988	\$ 900,000
2030	\$ 900,000	\$ 440,000	\$ -	4.15%	\$ 37,350	\$ 477,350	\$ 460,000
2031	\$ 460,000	\$ 460,000	\$ -	4.15%	\$ 19,090	\$ 479,090	\$ -
		\$ 7,000,000			\$ 2,569,541	\$ 9,569,541	

PROJECTED PAYMENT SCHEDULE							
FY	Beg Bal	Principal	Add'l Pmt	Int Rate	Interest	Debt Service	End Bal
2012	\$ 7,000,000	\$ 310,000	\$ 280,000	2.20%	\$ 109,511	\$ 699,511	\$ 6,410,000
2013	\$ 6,410,000	\$ 330,000	\$ 325,000	2.20%	\$ 140,984	\$ 795,984	\$ 5,755,000
2014	\$ 5,755,000	\$ 340,000	\$ -	2.20%	\$ 126,610	\$ 466,610	\$ 5,415,000
2015	\$ 5,415,000	\$ 345,000	\$ -	2.20%	\$ 119,130	\$ 464,130	\$ 5,070,000
2016	\$ 5,070,000	\$ 355,000		2.20%	\$ 111,540	\$ 466,540	\$ 4,715,000
2017	\$ 4,715,000	\$ 310,000		4.15%	\$ 195,673	\$ 505,673	\$ 4,405,000
2018	\$ 4,405,000	\$ 270,000		4.15%	\$ 182,808	\$ 452,808	\$ 4,135,000
2019	\$ 4,135,000	\$ 285,000		4.15%	\$ 171,603	\$ 456,603	\$ 3,850,000
2020	\$ 3,850,000	\$ 295,000		4.15%	\$ 159,775	\$ 454,775	\$ 3,555,000
2021	\$ 3,555,000	\$ 305,000		4.15%	\$ 147,533	\$ 452,533	\$ 3,250,000
2022	\$ 3,250,000	\$ 320,000		4.15%	\$ 134,875	\$ 454,875	\$ 2,930,000
2023	\$ 2,930,000	\$ 335,000		4.15%	\$ 121,595	\$ 456,595	\$ 2,595,000
2024	\$ 2,595,000	\$ 345,000		4.15%	\$ 107,693	\$ 452,693	\$ 2,250,000
2025	\$ 2,250,000	\$ 360,000		4.15%	\$ 93,375	\$ 453,375	\$ 1,890,000
2026	\$ 1,890,000	\$ 375,000		4.15%	\$ 78,435	\$ 453,435	\$ 1,515,000
2027	\$ 1,515,000	\$ 390,000		4.15%	\$ 62,873	\$ 452,873	\$ 1,125,000
2028	\$ 1,125,000	\$ 405,000		4.15%	\$ 46,688	\$ 451,688	\$ 720,000
2029	\$ 720,000	\$ 425,000		4.15%	\$ 29,880	\$ 454,880	\$ 295,000
2030	\$ 295,000	\$ 295,000		4.15%	\$ 12,243	\$ 307,243	\$ -
2031	\$ -	\$ -		4.15%	\$ -	\$ -	\$ -
		\$ 6,395,000	\$ 605,000		\$ 2,152,820	\$ 9,152,820	