

Debt Service (I & S) Fund





Debt Service Interest & Sinking (I & S) Funds

At the beginning of the 2009-10 fiscal year, the City of Kyle's bonded indebtedness will be \$38,560,000. In addition to this debt, the City has one 14 year note outstanding with the Texas Department of Transportation in the amount of \$14,000,000. The City will also retire \$365,693 in debt within its monthly payment to Aqua-Source Services and Technology as reimbursement for expansion and improvements made to the wastewater treatment plant. During the 2008-09 fiscal year the City issued \$5,600,000 of Limited Tax Notes.

Bonded debt of the City consists of five "Combination Tax and Revenue Certificates" (COs) that were issued to fund various improvements to the City's buildings and infrastructure.

After the budget summary for the Debt Service Fund and the TIF I&S Fund you will find a separate page for each bond and loan issuance that details the repayment schedule, what the proceeds were used for and what funds will be used to repay the debt.

As originally planned, the SIB Loan I issue deferred payment of principal for the first three years. The first payment became due in the 2007-08 budget year. Proceeds from the loan were given to the State for Road and Bridge Improvements for the benefit of a TIF Zone. Funding for servicing the debt on this loan will come from *ad valorem* taxes on property within the TIF zone.

The City is currently under negotiations with TxDOT for a SIB Loan II issue. Currently the City is looking at a note totaling \$11,956,522 (original note issue of \$11,000,000 plus deferred interest for two years totaling \$956,522).

The following pages contain budgets for "Interest and Sinking Funds" for the Bonds and SIB Loan.

Analysis of Indebtedness

Debt Outstanding as of September 30, 2009

<u>Name of Issue</u>	<u>Original Amount</u>	<u>Amount Retired</u>	<u>Amount Outstanding</u>
Tax And Sewer System Refunding Bonds Series 1989A	\$ 185,000	\$ 185,000	\$ -
Combination Tax And Certificate of Obligation Series 2000	\$ 1,385,000	\$ 245,000	\$ 1,140,000
Combination Tax And Certificate of Obligation Series 2002	\$ 5,135,000	\$ 1,095,000	\$ 4,040,000
Combination Tax And Certificate of Obligation Series 2003	\$ 2,340,000	\$ 1,205,000	\$ 1,135,000
State (TxDot) Infrastructure Bond Loan I	\$ 14,911,978	\$ 1,290,284	\$ 13,621,694
Combination Tax And Certificate of Obligation Series 2007	\$ 9,910,000	\$ 175,000	\$ 9,735,000
Combination Tax And Certificate of Obligation Series 2008	\$ 22,800,000	\$ 290,000	\$ 22,510,000
State (TxDot) Infrastructure Bond Loan II	\$ 11,956,954	\$ -	\$ 11,956,954
Limited Tax Notes Series 2009	\$ 5,600,000	\$ -	\$ 5,600,000
Total	\$ 74,223,932	\$ 4,485,284	\$ 69,738,648

Analysis of Principal & Interest Maturities

Fiscal Year Ending September 30, 2010

<u>Name of Issue</u>	<u>Principal</u>	<u>Interest</u>	<u>Total P & I</u>
Tax And Sewer System Refunding Bonds Series 1989A	\$ -	\$ -	\$ -
Combination Tax And Certificate of Obligation Series 2000	\$ 75,000	\$ 60,680	\$ 135,680
Combination Tax And Certificate of Obligation Series 2002	\$ 205,000	\$ 169,788	\$ 374,788
Combination Tax And Certificate of Obligation Series 2003	\$ 270,000	\$ 41,768	\$ 311,768
State (TxDot) Infrastructure Bond Loan I	\$ 643,702	\$ 619,787	\$ 1,263,489
Combination Tax And Certificate of Obligation Series 2007	\$ 285,000	\$ 394,200	\$ 679,200
Combination Tax And Certificate of Obligation Series 2008	\$ 575,000	\$ 1,007,706	\$ 1,582,706
State (TxDot) Infrastructure Bond Loan II	\$ -	\$ -	\$ -
Limited Tax Notes Series 2009	\$ 710,000	\$ 170,919	\$ 880,919
Total	\$ 2,763,702	\$ 2,464,847	\$ 5,228,550

DEBT SERVICE I&S FUND

This fund contains revenue projections and appropriations for the City's long term bonded indebtedness.

**Estimated Revenue, Appropriations by Line Item of
Expenditure and Projected Fund Balances**

	2006-07	2007-08	2008-09		2009-10
	Actual	Actual	Adopted	Re-estimate	Proposed
Revenue Source					
Property Taxes - Current	851,248	1,629,435	2,600,000	2,500,000	3,972,000
Property Taxes - Delinquent	5,772	17,484	30,500	12,000	13,000
Property Taxes - Penalty and Interest	11,928	14,985	17,950	11,000	12,000
Property Taxes - Rollbacks	1,662	13,442	5,100	2,400	2,500
Interest on Unused Proceeds	-	1,184	780,000	300,000	200,000
Transfer In – From Enterprise Fund	-	790,303	511,075	511,075	783,600
Transfer In – County Taxes (TIF)	-	-	-	-	135,000
Transfer In – Hotel/Motel Tax	-	-	-	-	36,100
Transfer In – 2000 CO Surplus	<u>35,662</u>	<u>215,625</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue	906,272	2,682,458	3,944,625	3,336,475	5,154,200

Expenditures

Paying Agent Fees	1,728	1,728	5,000	3,500	4,000
1989A Interest Payments	7,853	5,762	3,150	3,150	-
1989A Principal Payments	20,000	25,000	30,000	30,000	-
2000 C/O Interest	68,780	66,080	63,380	63,380	60,680
2000 C/O Principal	40,000	40,000	40,000	40,000	75,000
2002 C/O Interest	187,180	181,630	175,930	175,930	169,788
2002 C/O Principal	185,000	190,000	195,000	195,000	205,000
2003 C/O Interest	69,368	60,536	51,336	51,336	41,768
2003 C/O Principal	240,000	250,000	260,000	260,000	270,000
2007 C/O Interest	-	568,367	401,200	401,200	394,200
2007 C/O Principal	-	-	175,000	175,000	285,000
2008 C/O Interest	-	-	1,396,725	1,396,725	1,007,706
2008 C/O Principal	-	-	-	-	575,000
2009 Limited Tax Notes – Interest	-	-	-	-	170,919
2009 Limited Tax Notes – Principal	-	-	-	-	710,000
Transfer Out SIB I&S	<u>-</u>	<u>1,043,484</u>	<u>1,147,832</u>	<u>1,147,832</u>	<u>1,161,700</u>
Total Expenditures	819,909	2,432,587	3,944,553	3,943,053	5,130,761

Current Year Ending Balance	86,363	249,871		(606,578)	23,439
Prior Year Fund Balance	473,497	559,860		809,731	203,153
Ending Fund Balance	559,860	809,731		203,153	226,592

Comments on significant changes proposed for 2009-10

Payments on new issues include Tax Notes that were sold in sold in 2009. Descriptions of the projects, equipment or other items funded are found in the Capital Improvement section of the budget.

Debt Service TIF I&S Fund**Estimated Revenue, Appropriations by Line Item of Expenditure and Projected Fund Balances**

Revenue Source	2006-07	2007-08	2008-09		2009-10
	Actual	Actual	Adopted	Re-estimate	Actual
Property Taxes - Current City		-	-	-	-
Property Taxes - Current County	23,588	126,270	180,502	180,502	190,000
Property Taxes - Delinquent City		-	-	-	
Property Taxes - Delinquent		-	-	-	
Penalty and Interest City		-	-	-	
Penalty and Interest County		-	-	-	
Interest Earnings	12,330		10,000	3,000	3,000
Transfer In - Debt Service Fund		1,043,484	1,147,832	1,147,832	1,161,700
Total Revenue	35,918	1,169,754	1,338,334	1,331,334	1,354,700

Expenditures

SIB Loan Interest Payments		588,894	615,688	615,688	619,787
SIB Loan Principal Payments		674,595	647,801	647,801	643,702
Total Expenditures		1,263,489	1,263,489	1,263,489	1,263,489
Current Year Ending Balance	35,918	(93,735)		67,845	91,211
Prior Year Fund Balance	-	35,918		(57,817)	10,028
Ending Fund Balance	35,918	(57,817)		10,028	101,239

Comments on significant changes proposed for 2009-10

Revenue for this fund includes a significant transfer from the Debt Service I & S Fund which receives the bulk of its revenue from property tax assessments. Until such time that the TIF Zone increases its tax base to a sufficient point that it can fully fund the debt for the SIB Loan, other property tax revenue will be required to make up the shortfall.



Debt Service Schedules



