

## DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of, and resources for, the payment of principal and interest on debt instruments issued by the City. Revenue for this fund is from property taxes, interest and transfers of capital recovery fees from other funds.

**Debt Issuance and Debt Service** - Cities are authorized to issue several types of debt to finance the construction of streets, drainage systems, park improvements and municipal buildings and to acquire equipment and real property. Following approval by the voters, the City Council may issue General Obligation (G.O.) debt. Tax Notes do not require voter approval. Certificates of Obligation (C.O.) may or may not involve an election. Following a published notice of intent to issue C.O. debt, voters may petition the City Council to conduct an election. If no election is called, the City Council may issue C.O. debt. In addition to specifying principal and interest payment schedules, the bond covenants, or legal conditions under which debt is issued, provide for the establishment of a Debt Service Fund to accumulate the resources to repay the debt. Certain minimum amounts must be accumulated and may be used only for payment of principal, interest and debt service fees. This is known as the "interest and sinking" portion of the property tax rate.

The City has outstanding: \$59,092,275 in General Obligation bonds and \$20,880,000 in Certificates of Obligation, as of September 30, 2012. The General Obligation bonds are currently rated at "Aa2" by Moody's and "AA" by Standard and Poor's.

**Effects of Current Debt Levels on Current and Future Operations** - In Fiscal Year 2012, the City issued \$10,641,000 in General Obligation Refunding Bonds to refund the 1998 General Obligation Bonds.

In order to repay the City's outstanding debt over the life of this planned series of bond issues, the possibility of a property tax rate increase always exists. For FY 2012-2013, the Property Tax Rate is \$0.69569. \$0.18606 of this tax rate is used for debt service. The \$1,195,798 fund balance projected at year-end equals the 15% fund balance requirement established by the City Council in the City's financial policies.

**Legal Debt Limits** - Neither the City Charter nor the State of Texas limits the amount of debt the City of Cedar Hill may issue. As a matter of policy, Cedar Hill limits General Obligation Debt expenditures to 50% of General Fund expenditures. The City's financial policy requires a 15% fund balance reserve.

**DEBT SERVICE FUND  
SUMMARY OF FY 2012-2013 BUDGET**

CATEGORY	FY 10-11 ACTUAL	FY 11-12 BUDGET	FY 11-12 ESTIMATED	FY 12-13 BUDGET
<b>Fund Balance-Beginning of Year</b>	<b>\$1,338,388</b>	<b>\$1,350,774</b>	<b>\$1,214,647</b>	<b>\$1,065,383</b>
<b>Revenue</b>				
Property Taxes	\$5,091,634	\$5,118,685	\$5,118,685	\$5,018,910
Interest Income	23,905	23,000	23,000	23,000
Transfer from EDC	1,176,655	1,159,515	1,159,517	1,160,590
Transfer from CDC	482,007	465,250	465,249	462,295
Transfer from Impact Fee Funds	1,053,840	991,000	991,000	1,336,425
Transfer from Other Funds	-	-	-	-
Receipts from Duncanville and Desoto	102,078	103,345	103,345	101,210
<b>Total Revenue</b>	<b>\$7,930,119</b>	<b>\$7,860,795</b>	<b>\$7,860,796</b>	<b>\$8,102,430</b>
<b>Total Available Resources</b>	<b>\$9,268,507</b>	<b>\$9,211,569</b>	<b>\$9,075,443</b>	<b>\$9,167,813</b>
<b>Expenditures</b>				
Principal	\$4,271,275	\$4,524,345	\$4,524,345	\$4,792,415
Interest	3,743,065	3,440,715	3,440,715	3,134,600
Paying Agent Fees	39,520	45,000	45,000	45,000
<b>Total Expenditures</b>	<b>\$8,053,860</b>	<b>\$8,010,060</b>	<b>\$8,010,060</b>	<b>\$7,972,015</b>
<b>Revenue over (under) Expenditures</b>	<b>(\$123,741)</b>	<b>(\$149,265)</b>	<b>(\$149,264)</b>	<b>\$130,415</b>
<b>Fund Balance-End of Year</b>	<b>\$1,214,647</b>	<b>\$1,201,509</b>	<b>\$1,065,383</b>	<b>\$1,195,798</b>

\* City policy requires the Debt Service Fund balance to equal or exceed 15% of budgeted expenditures. If resources on hand at the beginning of the fiscal year exceed the 15% requirement, these extra funds are included in the resources available to fund expenditures. Therefore, expenditures can exceed revenue and still meet or exceed the fund balance policy.

## DEBT SERVICE SCHEDULE OF REQUIREMENTS

### General Obligations Bonds 2003-A Series

FISCAL PERIOD	PRINCIPAL	INTEREST	TOTAL
2012-13	305,000	64,814.25	369,814.25
TOTAL	<u>\$305,000</u>	<u>\$64,814.25</u>	<u>\$369,814.25</u>

Interest due February 15 and August 15  
Principal due February 15

Interest Rates:

4.250% 2013

Purpose: Street improvements to major arterials and street overlays

## DEBT SERVICE SCHEDULE OF REQUIREMENTS

### General Obligation Bonds 2004 Series

FISCAL PERIOD	PRINCIPAL	INTEREST	TOTAL
2012-13	370,000	21,568	391,567.50
2013-14	385,000	7,315	392,315.00
TOTAL	<u>\$755,000</u>	<u>\$28,882.50</u>	<u>\$783,882.50</u>

Interest due February 15 and August 15  
Principal due February 15

Interest Rates:

3.750% 2012-13  
3.800% 2013-14

Purpose: Provide \$7,700,000 for the construction of a Government Center, \$500,000 for street overlays and \$300,000 for downtown streetscaping

**DEBT SERVICE SCHEDULE OF REQUIREMENTS**

General Obligation Refunding Bonds  
2005 Series

FISCAL PERIOD	PRINCIPAL	INTEREST	TOTAL
2012-13	660,000	236,658	896,657.50
2013-14	685,000	212,264	897,263.75
2014-15	710,000	185,575	895,575.00
2015-16	740,000	156,930	896,930.00
2016-17	770,000	126,345	896,345.00
2017-18	805,000	93,655	898,655.00
2018-19	750,000	58,000	808,000.00
2019-20	785,000	19,625	804,625.00
<b>TOTAL</b>	<b>\$5,905,000</b>	<b>\$1,089,051.25</b>	<b>\$6,994,051.25</b>

Interest due February 15 and August 15  
Principal due February 15

Interest Rates:

3.500%	2010-13	4.100%	2016-17
3.750%	2013-14	4.200%	2017-18
3.900%	2014-15	5.000%	2018-20
4.000%	2015-16		

Purpose: Partial refunding of prior debt

**DEBT SERVICE SCHEDULE OF REQUIREMENTS**

General Obligation Estimated  
2005 Series

FISCAL PERIOD	PRINCIPAL	INTEREST	TOTAL
2012-13	520,000	377,401	897,401.26
2013-14	540,000	354,851	894,851.26
2014-15	565,000	329,989	894,988.76
2015-16	595,000	304,633	899,632.51
2016-17	620,000	279,589	899,588.76
2017-18	645,000	254,289	899,288.76
2018-19	670,000	226,733	896,732.51
2019-20	700,000	197,639	897,638.76
2020-21	730,000	168,145	898,145.01
2021-22	760,000	137,129	897,128.76
2022-23	795,000	104,275	899,275.01
2023-24	830,000	66,113	896,112.51
2024-25	875,000	22,422	897,421.88
<b>TOTAL</b>	<b>\$8,845,000</b>	<b>\$2,823,205.75</b>	<b>\$11,668,205.75</b>

Interest due February 15 and August 15

Principal due February 15

Interest Rates:

4.000%	2012-13	4.125%	2019-21
4.500%	2013-15	4.200%	2021-22
4.250%	2015-16	4.250%	2022-23
4.000%	2017-18	5.125%	2023-24

Purpose: Provide financial resources for the Municipal Government Center

**DEBT SERVICE SCHEDULE OF REQUIREMENTS**

General Obligation Bonds  
2006 Series

FISCAL PERIOD	PRINCIPAL	INTEREST	TOTAL
2012-13	160,000	123,860	283,860.00
2013-14	165,000	117,360	282,360.00
2014-15	170,000	110,660	280,660.00
2015-16	180,000	103,660	283,660.00
2016-17	185,000	96,129	281,128.75
2017-18	195,000	88,054	283,053.75
2018-19	200,000	79,660	279,660.00
2019-20	210,000	70,895	280,895.00
2020-21	220,000	61,540	281,540.00
2021-22	230,000	51,525	281,525.00
2022-23	240,000	40,950	280,950.00
2023-24	250,000	29,925	279,925.00
2024-25	265,000	18,338	283,337.50
2025-26	275,000	6,188	281,187.50
<b>TOTAL</b>	<b>\$2,945,000</b>	<b>\$998,742.50</b>	<b>\$3,943,742.50</b>

Interest due February 15 and August 15

Principal due February 15

Interest Rates:

4.000%	2006-15
4.250%	2016-19
4.300%	2019-20
4.400%	2020-21
4.500%	2021-26

Purpose: Provide financial resources for Pleasant Run Street improvements

**DEBT SERVICE SCHEDULE OF REQUIREMENTS**

Certificate of Obligation  
2006 Series

FISCAL PERIOD	PRINCIPAL	INTEREST	TOTAL
2012-13	295,000	530,033	825,032.50
2013-14	660,000	510,933	1,170,932.50
2014-15	685,000	484,033	1,169,032.50
2015-16	715,000	455,139	1,170,138.75
2016-17	745,000	424,114	1,169,113.75
2017-18	775,000	391,426	1,166,426.25
2018-19	810,000	356,953	1,166,952.50
2019-20	845,000	321,168	1,166,167.50
2020-21	890,000	280,750	1,170,750.00
2021-22	935,000	235,125	1,170,125.00
2022-23	980,000	187,250	1,167,250.00
2023-24	1,030,000	137,000	1,167,000.00
2024-25	1,085,000	84,125	1,169,125.00
2025-26	1,140,000	28,500	1,168,500.00
<b>TOTAL</b>	<b>\$11,590,000</b>	<b>\$4,426,546.25</b>	<b>\$16,016,546.25</b>

Interest due February 15 and August 15  
Principal due February 15

Interest Rates:

4.000%	2006-15
4.250%	2015-17
4.350%	2017-19
4.300%	2019-20
5.000%	2020-26

Purpose: Provide financial resources for the Municipal Government Center



**DEBT SERVICE SCHEDULE OF REQUIREMENTS**

General Obligation Bonds  
2006-A Series

FISCAL PERIOD	PRINCIPAL	INTEREST	TOTAL
2012-13	95,000	71,704	166,703.76
2013-14	95,000	67,904	162,903.76
2014-15	100,000	64,004	164,003.76
2015-16	105,000	59,904	164,903.76
2016-17	110,000	55,535	165,535.01
2017-18	115,000	50,894	165,894.38
2018-19	120,000	45,973	165,972.50
2019-20	125,000	40,766	165,766.25
2020-21	130,000	35,315	165,315.00
2021-22	135,000	29,618	164,617.50
2022-23	140,000	23,635	163,635.00
2023-24	145,000	17,365	162,365.00
2024-25	155,000	10,688	165,687.50
2025-26	160,000	3,600	163,600.00
<b>TOTAL</b>	<b>\$1,730,000</b>	<b>\$576,903.18</b>	<b>\$2,306,903.18</b>

Interest due February 15 and August 15

Principal due February 15

Interest Rates:

- 4.000% 2005-15
- 4.125% 2016-18
- 4.250% 2018-20
- 4.300% 2020-22
- 3.500% 2022-23
- 4.000% 2023-25
- 4.500% 2025-26

Purpose: Provide financial resources for renovating various building and the Municipal Government Center

**DEBT SERVICE SCHEDULE OF REQUIREMENTS**

General Obligation Bonds  
2007 Series

FISCAL PERIOD	PRINCIPAL	INTEREST	TOTAL
2012-13	330,000	302,713	632,712.50
2013-14	345,000	285,838	630,837.50
2014-15	365,000	268,088	633,087.50
2015-16	385,000	249,338	634,337.50
2016-17	405,000	229,588	634,587.50
2017-18	420,000	211,063	631,062.50
2018-19	440,000	193,863	633,862.50
2019-20	455,000	175,678	630,678.13
2020-21	475,000	156,438	631,437.51
2021-22	495,000	136,063	631,062.51
2022-23	520,000	114,169	634,168.76
2023-24	540,000	90,981	630,981.26
2024-25	565,000	66,809	631,809.38
2025-26	590,000	41,175	631,175.00
2026-27	620,000	13,950	633,950.00
<b>TOTAL</b>	<b>\$6,950,000</b>	<b>\$2,535,750.05</b>	<b>\$9,485,750.05</b>

Interest due February 15 and August 15  
Principal due February 15

Interest Rates:

5.000%	2012-17	4.250%	2021-22
4.000%	2018-19	4.375%	2023-25
4.125%	2019-20	4.500%	2026-27
4.150%	2020-21		

Purpose: Provide financial resources for various street improvements

**DEBT SERVICE SCHEDULE OF REQUIREMENTS**

Certificate of Obligation  
2007 Series

FISCAL PERIOD	PRINCIPAL	INTEREST	TOTAL
2012-13	85,000	72,126	157,126.26
2013-14	90,000	68,626	158,626.26
2014-15	90,000	65,026	155,026.26
2015-16	95,000	61,326	156,326.26
2016-17	100,000	57,426	157,426.26
2017-18	105,000	53,261	158,260.63
2018-19	110,000	48,826	158,826.25
2019-20	115,000	44,143	159,142.50
2020-21	120,000	39,208	159,207.50
2021-22	125,000	33,953	158,953.13
2022-23	130,000	28,375	158,375.01
2023-24	135,000	22,578	157,578.13
2024-25	140,000	16,563	156,562.50
2025-26	145,000	10,238	155,237.50
2026-27	155,000	3,488	158,487.50
<b>TOTAL</b>	<b>\$1,740,000</b>	<b>\$625,161.95</b>	<b>\$2,365,161.95</b>

Interest due February 15 and August 15  
Principal due February 15

Interest Rates:

4.000% 2007-17  
4.125% 2018-19  
4.200% 2020-21  
4.375% 2022-25  
4.500% 2026-27

Purpose: Provide financial resources for the South Joe Wilson Road Rehabilitation,  
Fire Station Number 4 and concrete repair

**DEBT SERVICE SCHEDULE OF REQUIREMENTS**

Certificate of Obligation  
2008 Series

FISCAL PERIOD	PRINCIPAL	INTEREST	TOTAL
2012-13	340,000	302,870	642,870.00
2013-14	355,000	288,970	643,970.00
2014-15	375,000	274,370	649,370.00
2015-16	385,000	259,170	644,170.00
2016-17	400,000	243,470	643,470.00
2017-18	420,000	227,070	647,070.00
2018-19	440,000	209,870	649,870.00
2019-20	455,000	191,970	646,970.00
2020-21	470,000	173,470	643,470.00
2021-22	490,000	153,903	643,902.50
2022-23	510,000	133,153	643,152.50
2023-24	535,000	111,469	646,468.75
2024-25	555,000	88,713	643,712.50
2025-26	585,000	64,773	649,772.50
2026-27	605,000	39,631	644,631.25
	630,000	13,388	643,387.50
<b>TOTAL</b>	<b>\$7,550,000</b>	<b>\$2,776,257.50</b>	<b>\$10,326,257.50</b>

Interest due February 15 and August 15

Principal due February 15

Interest Rates:

- 4.000% 2008-20
- 4.150% 2021-23
- 4.200% 2024-25
- 4.250% 2026-28

Purpose: Provide financial resources for the Animal Shelter and Ring Road for  
Uptown Boulevard

**DEBT SERVICE SCHEDULE OF REQUIREMENTS**

General Obligations Bonds  
2008 Series

FISCAL PERIOD	PRINCIPAL	INTEREST	TOTAL
2012-13	290,000	277,938	567,937.50
2013-14	300,000	267,238	567,237.50
2014-15	310,000	255,800	565,800.00
2015-16	325,000	243,488	568,487.50
2016-17	335,000	230,288	565,287.50
2017-18	350,000	216,588	566,587.50
2018-19	365,000	202,059	567,059.38
2019-20	380,000	186,219	566,218.76
2020-21	400,000	168,906	568,906.26
2021-22	415,000	150,569	565,568.76
2022-23	435,000	131,172	566,171.88
2023-24	455,000	110,591	565,590.63
2024-25	480,000	88,669	568,668.76
2025-26	500,000	65,081	565,081.26
2026-27	530,000	39,975	569,975.01
2027-28	555,000	13,528	568,528.13
<b>TOTAL</b>	<b>\$6,425,000</b>	<b>\$2,648,106.33</b>	<b>\$9,073,106.33</b>

Interest due February 15 and August 15

Principal due February 15

Interest Rates:

3.500%	2012-13	4.500%	2020-22
3.750%	2013-15	4.625%	2022-24
4.000%	2015-18	4.750%	2024-25
4.125%	2018-19	4.875%	2025-28
4.375%	2019-20		

Purpose: To provide financial resources for Pleasant Run Road; issued in October

## DEBT SERVICE SCHEDULE OF REQUIREMENTS

### General Obligation Refunding Bonds 2009 Series

FISCAL PERIOD	PRINCIPAL	INTEREST	TOTAL
2012-13	282,415	51,734.04	334,149.04
2013-14	295,860	43,609.26	339,469.26
2014-15	301,240	35,219.96	336,459.96
2015-16	312,000	26,603.92	338,603.92
2016-17	325,450	17,647.77	343,097.77
2017-18	333,515	8,389.30	341,904.30
2018-19	131,795	1,851.69	133,646.69
TOTAL	<u>\$1,982,275</u>	<u>\$185,055.94</u>	<u>\$2,167,330.94</u>

Interest due February 15 and August 15

Principal due February 15

Interest Rates:

2.81% 2011-19

Purpose: Refund the 1998 General Obligation Bonds

**DEBT SERVICE SCHEDULE OF REQUIREMENTS**

General Obligation Refunding Bonds  
2011 Series

FISCAL PERIOD	PRINCIPAL	INTEREST	TOTAL
2012-13	965,000	478,331.26	1,443,331.26
2013-14	645,000	452,568.76	1,097,568.76
2014-15	975,000	424,218.76	1,399,218.76
2015-16	1,020,000	389,306.26	1,409,306.26
2016-17	1,050,000	360,956.26	1,410,956.26
2017-18	1,080,000	334,256.26	1,414,256.26
2018-19	1,120,000	298,456.26	1,418,456.26
2019-20	1,165,000	261,381.26	1,426,381.26
2020-21	1,210,000	224,243.76	1,434,243.76
2021-22	1,250,000	183,487.51	1,433,487.51
2022-23	560,000	151,893.76	711,893.76
2023-24	580,000	130,518.76	710,518.76
2024-25	605,000	104,518.76	709,518.76
2025-26	630,000	76,400.01	706,400.01
2026-27	660,000	46,906.26	706,906.26
2027-28	695,000	15,203.13	710,203.13
<b>TOTAL</b>	<b>\$14,210,000</b>	<b>\$3,932,647.03</b>	<b>\$18,142,647.03</b>

Interest due February 15 and August 15

Principal due February 15

Interest Rates:

3.00%	2011-13	3.375%	2021-22
3.50%	2013-16	3.750%	2022-24
2.00%	2016-17	5.000%	2024-25
3.00%	2017-18	4.125%	2025-26
3.50%	2018-19	5.000%	2026-27
3.00%	2019-20	4.375%	2027-28
3.250%	2020-21		

Purpose: Refund the 1998 General Obligation Bonds

**DEBT SERVICE SCHEDULE OF REQUIREMENTS**

General Obligation Refunding Bonds  
2012 Series

FISCAL PERIOD	PRINCIPAL	INTEREST	TOTAL
2012-13	95,000	222,850.00	317,850.00
2013-14	410,000	217,800.00	627,800.00
2014-15	815,000	205,550.00	1,020,550.00
2015-16	830,000	189,100.00	1,019,100.00
2016-17	845,000	172,350.00	1,017,350.00
2017-18	865,000	155,250.00	1,020,250.00
2018-19	880,000	137,800.00	1,017,800.00
2019-20	905,000	115,425.00	1,020,425.00
2020-21	930,000	87,900.00	1,017,900.00
2021-22	965,000	59,475.00	1,024,475.00
2022-23	990,000	30,150.00	1,020,150.00
2023-24	510,000	7,650.00	517,650.00
TOTAL	<u>\$9,040,000</u>	<u>\$1,601,300.00</u>	<u>\$10,641,300.00</u>

Interest due February 15 and August 15

Principal due February 15

Interest Rates:

3.00% 2012-20

3.50% 2020-24

Purpose: Refund the 1998 General Obligation Bonds



## ANNUAL REQUIREMENTS TO AMORTIZE DEBT

As of September 30, 2012

FISCAL PERIOD	PRINCIPAL	INTEREST	TOTAL
2012-13	4,792,415	3,134,598.33	7,927,013.33
2013-14	4,970,860	2,895,275.55	7,866,135.55
2014-15	5,461,240	2,702,532.50	8,163,772.50
2015-16	5,687,000	2,498,596.46	8,185,596.46
2016-17	5,890,450	2,293,436.56	8,183,886.56
2017-18	6,108,515	2,084,194.33	8,192,709.33
2018-19	6,036,795	1,860,043.59	7,896,838.59
2019-20	6,140,000	1,624,908.16	7,764,908.16
2020-21	5,575,000	1,395,915.04	6,970,915.04
2021-22	5,800,000	1,170,845.67	6,970,845.67
2022-23	5,300,000	945,021.92	6,245,021.92
2023-24	5,010,000	724,190.04	5,734,190.04
2024-25	4,725,000	500,843.78	5,225,843.78
2025-26	4,025,000	295,953.77	4,320,953.77
2026-27	2,570,000	143,950.02	2,713,950.02
2027-28	1,880,000	42,118.76	1,922,118.76
TOTAL	<u>\$79,972,275</u>	<u>\$24,312,424</u>	<u>\$104,284,699.48</u>

