

DEBT SERVICE FUNDS



Depicted above is a pre-construction picture taken on 3/13/2014 alongside a post-construction picture captured on 10/7/2015 of the Loop 1604 Pass Through project in Precinct 4 where it intersects Interstate Highway 10. The road was expanded from an existing two-lane configuration to a four-lane divided highway. Improvements in certain areas also included bridge structures, new traffic signalization, and flashing beacons.

Bexar County, Texas
Debt Service Fund (400)
Fiscal Year Ending September 30, 2019

FY 2016-17	FY 2017-18	FY 2018-19
Actual	Estimate	Budget

AVAILABLE FUNDS

Beginning Balance

Undesignated Funds	\$ 39,908,543	\$ 60,482,700	\$ 80,072,187
Total Beginning Balance	\$ 39,908,543	\$ 60,482,700	\$ 80,072,187

Revenue

Property Taxes	\$ 99,526,937	\$ 97,113,965	\$ 81,090,000
Intergovernmental Revenue	\$ -	\$ -	\$ -
Proceeds from Sales of Assets	\$ -	\$ -	\$ -
Proceeds from Debt	\$ 972,400	\$ 477,771,885	\$ -
Other Revenue	\$ 8,337,383	\$ 13,320,928	\$ 10,514,067
Subtotal	\$ 108,836,720	\$ 588,206,778	\$ 91,604,067

Interfund Transfers	\$ 17,315,685	\$ 17,136,831	\$ 25,430,596
Total Revenues	\$ 126,152,405	\$ 605,343,609	\$ 117,034,663

TOTAL AVAILABLE FUNDS	\$ 166,060,948	\$ 665,826,309	\$ 197,106,850
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APPROPRIATIONS

Debt Service	\$ 105,578,248	\$ 585,754,122	\$ 123,088,145
Subtotal	\$ 105,578,248	\$ 585,754,122	\$ 123,088,145

TOTAL OPERATING APPROPRIATIONS	\$ 105,578,248	\$ 585,754,122	\$ 123,088,145
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Appropriated Fund Balance	\$ 60,482,700	\$ 80,072,187	\$ 74,018,705
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TOTAL APPROPRIATIONS	\$ 166,060,948	\$ 665,826,309	\$ 197,106,850
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DEBT SERVICE FUND

Program Description: The Debt Service Fund accounts for the accumulation of ad valorem taxes collected for the purpose of paying principal and interest on long-term and short-term debt. The County issues General Obligation Bonds, Certificates of Obligation, Flood Control Certificates of Obligation, Pass-Through Revenue Bonds, Refunding Bonds, and Limited Tax Road Bonds. The proceeds from the issuance of these instruments fund capital improvement projects such as road construction, flood control projects, county buildings, improvements to county facilities, and countywide technology. The County sells bonds once Commissioners Court approves the issuance of bonds or after the successful completion of a General Obligation Bond Election. The bonds are purchased by investors and the funds generated from the sale are allocated to support specific projects or, in the case of a refunding, to pay debt service on existing bonds at lower interest rates.

It should be noted that this fund does not include revenue bonds issued by the County to fund the design and construction of the Visitor Tax Projects (described later in this document). The bonds issued for those projects are Venue Project Revenue Bonds and are supported solely by Hotel/Motel Occupancy Tax and Motor Vehicle Rental Tax revenues. No other County revenues are pledged to support those revenue bonds.

The budgeted appropriation amounts reflect the actual principal and interest payments on all outstanding debt. Other funding sources, such as parking revenue and fire code fees, support the Debt Service Fund.

Appropriations:

	FY 2016-17 Actual	FY 2017-18 Estimate	FY 2018-19 Budget
Debt Service	\$101,453,589	\$109,535,646	\$117,641,579
Bond Issuance Costs	1,034,114	3,312,192	2,422,100
Refunding Payment	0	469,913,894	0
Banking – Administrative Fees	9,425	19,984	20,500
SARA Requirements	3,081,120	2,972,406	3,003,966
Total	\$105,578,248	\$585,754,122	\$123,088,145

Program Justification and Analysis:

- The FY 2018-19 Adopted Budget for all debt service payments totaled \$120,645,545 (banking fees not included). This is comprised of principal payments totaling \$37,825,000 and interest payments totaling \$82,820,545. Funding is also provided to pay the debt service on bonds issued by the San Antonio River Authority (SARA), which is based a contractual requirement between Bexar County and SARA. Prior to FY 2004-05, funding for these debt service payments was forwarded to SARA and the debt service payments were made directly by SARA. Because these payments reflect actual debt

service paid by Bexar County, they are more accurately reflected in the Debt Service Fund as payments required by Bexar County. The FY 2018-19 SARA debt service requirement is \$3,003,966.

- The County currently carries credit ratings of AAA by Fitch, Aaa by Moody's, and AAA by Standard and Poors. During FY 2014-15, the County was upgraded to AAA by Standard and Poors, which was the last agency to upgrade the County. Maintaining these ratings will continue to allow the County to borrow at favorable interest rates based on its credit rating level. The County has a true AAA credit rating from all three major credit rating agencies.
- Debt service payments scheduled in FY 2018-19 include:
 - A payment of \$3,003,966 for the FY 2018-19 SARA debt service requirements.
 - Payments totaling \$43,512,637 to pay for General Obligation Bonds and Limited Tax Bonds.
 - Payments totaling \$5,672,025 for Unlimited Taxable Road Bonds.
 - Payments totaling \$34,104,098 for Certificates of Obligation.
 - A total of \$5,100,298 is included for payments on Build America Bonds. The federal government subsidizes approximately 33 percent, or \$1.7 million, towards repayment of these bonds.
 - Payments totaling \$19,714,844 for Flood Control Certificates of Obligation.
 - A total of \$3,355,094 is included for payments on Build America Bonds. The federal government subsidizes approximately 33 percent, or \$1.1 million, to the County towards repayment of these bonds.
 - Payments totaling \$14,637,975 for Pass-Through Revenue Bonds.
- The FY 2018-19 Adopted Budget provided Interfund Transfers to the Debt Service Fund in the amount of \$25,430,596. The increase in Interfund Transfers to the Debt Service Fund from previous fiscal years is due to a change in the way the County will fund road projects. An Interfund Transfer will be made from the County Road & Bridge Fund in the amount of \$10,110,955.

An additional Interfund Transfer will be made from the TxDOT and Advanced Transportation District Fund in the amount of \$14,637,975. This Interfund Transfer provided funds to make debt service payments on Pass-Through Revenue Bonds, which perform as self-supporting debt.

An Interfund Transfer will also be made from the Parking Facilities Fund in the amount of \$450,000, in accordance with the County's Certificates of Obligations bond orders. The Fire Code Fund also provided an Interfund Transfer in the amount of \$231,666.



Depicted above is pre and post-construction of the Boerne Stage Road project in Precinct 3. The project reconstructed Boerne Stage Road to include two-lane roadways with six foot shoulders and a fourteen foot continuous turn lane. The project also included channel improvements to Leon Creek and a drainage structure.