

# **DEBT SERVICE FUNDS**



### **Protecting the Community**

Bexar County Commissioners Court added Investigator Positions for the Sheriff's Office. These positions are assigned to the Sheriff's Habitual Offender Team (SHOT), a team of investigators that target career criminals.

**Bexar County, Texas**  
**Debt Service Fund 400**  
**Fiscal Year Ending September 30, 2015**

<b>FY 2012-13</b>	<b>FY 2013-14</b>	<b>FY 2014-15</b>
<b>Actual</b>	<b>Estimate</b>	<b>Budget</b>

<b>AVAILABLE FUNDS</b>
------------------------

**Beginning Balance**

Undesignated Funds	\$ 70,281,380	\$ 66,694,458	\$ 48,400,330
<b>Total Beginning Balance</b>	<b>\$ 70,281,380</b>	<b>\$ 66,694,458</b>	<b>\$ 48,400,330</b>

**Revenue**

Property Taxes	\$ 69,087,905	\$ 70,092,808	\$ 66,010,000
Intergovernmental Revenue	4,236,938	-	-
Proceeds from Sales of Assets	-	55,450	-
Proceeds from Debt	3,202,103	73,221,796	-
Other Revenue	875,960	4,399,664	3,496,311
<b>Subtotal</b>	<b>\$ 77,402,906</b>	<b>\$ 147,769,718</b>	<b>\$ 69,506,311</b>
Interfund Transfers	7,582,725	9,801,864	9,851,879
<b>Total Revenues</b>	<b>\$ 84,985,631</b>	<b>\$ 157,571,582</b>	<b>\$ 79,358,190</b>

<b>TOTAL AVAILABLE FUNDS</b>	<b>\$155,267,011</b>	<b>\$ 224,266,040</b>	<b>\$ 127,758,520</b>
------------------------------	----------------------	-----------------------	-----------------------

<b>APPROPRIATIONS</b>
-----------------------

Debt Service	\$ 88,572,553	\$ 103,310,398	\$ 99,247,631
Refunding Payment	0	72,555,312	0
<b>Subtotal</b>	<b>\$ 88,572,553</b>	<b>\$ 175,865,710</b>	<b>\$ 99,247,631</b>
<b>TOTAL OPERATING APPROPRIATIONS</b>	<b>\$ 88,572,553</b>	<b>\$ 175,865,710</b>	<b>\$ 99,247,631</b>

<b>Appropriated Fund Balance</b>	<b>\$ 66,694,458</b>	<b>\$ 48,400,330</b>	<b>\$ 28,510,889</b>
----------------------------------	----------------------	----------------------	----------------------

<b>TOTAL APPROPRIATIONS</b>	<b>\$155,267,011</b>	<b>\$ 224,266,040</b>	<b>\$ 127,758,520</b>
-----------------------------	----------------------	-----------------------	-----------------------

# DEBT SERVICE FUND

FUND: 400

**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 detention 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 construction bond funds to support specific projects or to pay 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, support the Debt Service Fund.

## Appropriations:

	FY 2012-13 Actual	FY 2013-14 Estimate	FY 2014-15 Budget
Debt Service	\$80,129,550	\$99,224,599	\$96,331,780
Bond Issuance Costs	4,047,319	765,754	0
Refunding Payment	0	72,555,312	0
Banking – Administrative Fees	8,550	10,950	10,950
SARA Requirements	4,387,134	3,309,095	2,904,901
<i>Total</i>	<i>\$88,572,553</i>	<i>\$175,865,710</i>	<i>\$99,247,631</i>

## Program Justification and Analysis:

- The FY 2014-15 Adopted Budget for all debt service payments totals \$99,236,681 (banking fees not included). These payments include the debt service for debt issued by the San Antonio River Authority (SARA), which is 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 2014-15 SARA debt service requirement is \$2,904,901.

- The County's credit rating of AAA by Fitch, Aaa by Moody's, and AA+ by Standard & Poors was reaffirmed in FY 2013-14. The County should continue to be able to borrow at favorable interest rates based on its credit rating level.
- Debt service payments scheduled in FY 2014-15 include:
  - A payment of \$2,904,901 for the FY 2014-15 SARA debt service requirements.
  - Payments totaling \$13,623,631 to pay for General Obligation Bonds and Limited Tax Bonds.
    - A total of \$5,100,297 is included for payments to Build America Bonds. The federal government subsidizes approximately 32 percent, or \$1.6 million, to the County towards repayment of these bonds.
  - Payments totaling \$3,292,902 for Unlimited Taxable Road Bonds.
  - Payments totaling \$49,731,116 for Certificates of Obligation.
  - Payments totaling \$20,513,919 for Flood Control Certificates of Obligation.
    - A total of \$3,355,094 is included for payments to Build America Bonds. The federal government subsidizes approximately 32 percent, or \$1 million, to the County towards repayment of these bonds.
  - Payments totaling \$9,170,213 for Pass-Through Revenue Bonds.

