



# Debt Service Funds Overview

General obligation debt is backed by the full faith and credit of the City of Irving. The City's general obligation debt is rated AAA, the highest possible credit rating, by both Moody's Investor Services and by Standard and Poor's, two nationally recognized bond rating agencies. General obligation debt is repaid through an assessment of tax on the valuation of each commercial, residential, and business personal property account within the City.

Article XI, Section 5 of the State of Texas Constitution states in part: "no tax for any purpose shall ever be lawful for any one year, which shall exceed two and one-half percent of the taxable property of the city."

As a home rule city, the City of Irving is not limited by Texas State Law as to the amount of debt it may issue. The City Charter limits the property tax rate to \$1.50 per \$100 valuation. The current tax rate is \$.5986 per \$100 valuation, so the charter tax rate limitation provides virtually no limit to debt issuance.

The City of Irving has developed a debt capacity model that is used to assess the City's financial ability to incur additional general obligation debt. The model is updated on a semi-annual basis when budgeting future capital expenditures and at the time of bond issuance. Certain ratios are tested with the model including debt service to General Fund expenditures plus debt service. This ratio should remain below 15% at all times. For FY 2011-12, the ratio is 14.14%.

The following Capital Improvements and Debt Issuance policy statements have been approved by the Irving City Council:

1. Debt will be incurred to fund capital improvements only and will not be used for operating expenditures.
2. The City will develop a multi-year plan for capital improvements, update it at least annually and make all capital improvements in accordance with the plan.
3. Capital improvements for which debt may be issued are defined as lasting more than 20 years.
4. The City will update its debt capacity model semi-annually to ensure that the criteria for an excellent bond rating are maintained with the proposed debt issuance.
5. The City will prepare, publish and distribute an official statement for each bond issue.

## General Debt Service Summary

General obligation debt can be in the form of bonds, certificates of obligation, or tax notes. Bonds must be approved by vote of the general population prior to issuance. In November, 2006, residents voted to authorize \$335 million in general obligation bonds. This bond election was divided into eleven separate propositions, and was recommended by a citizens bond taskforce that met throughout the spring and summer of 2006 to assess the infrastructure needs of Irving for the next ten years.

The General Interest and Sinking Fund is maintained to pay the debt service on General Obligation Bonds and Certificates of Obligation. A portion of the ad valorem tax rate is designated to pay debt service and is deposited into this fund for that purpose. An amount equal to the current year debt service is assessed each year.

The City of Irving currently has \$202,220,000 of general obligation bonds outstanding and has authorization to issue additional bonds in the amount of \$346,670,000 for various purposes. This total included the \$335 million from the 2006 bond election as well as residual amounts remaining to be issued from the 1999 bond election. This amount includes the \$19.6 million issuance planned for FY 2011-12.

### Authorized General Obligation Bonds

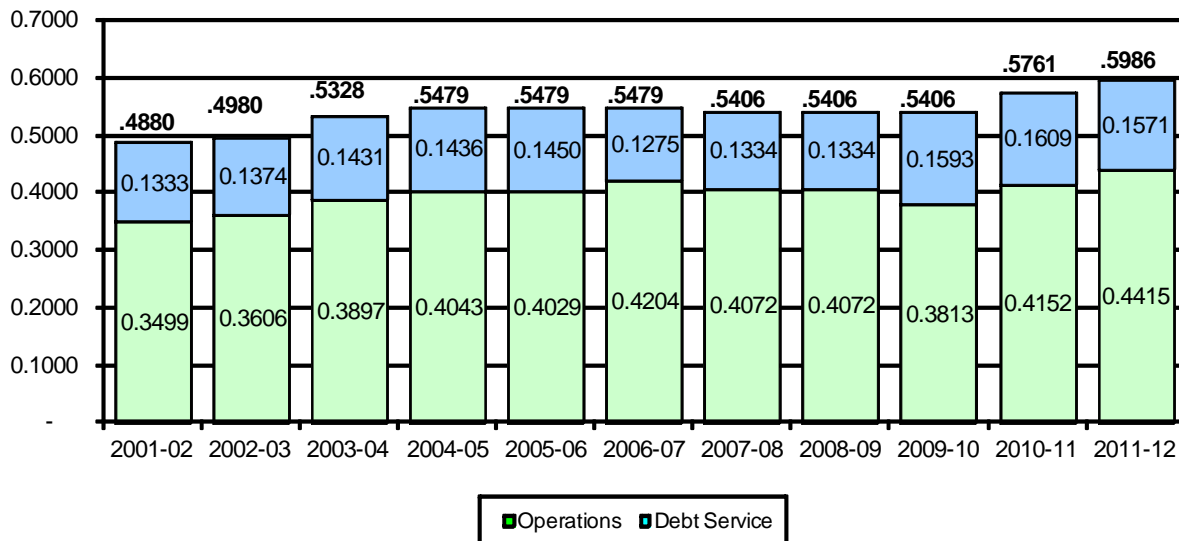
Purpose	Date Authorized	Amount Authorized	Amount Previously Issued	Amount Being Issued	Unissued Balance
Streets	2/6/1999	133,880,000	93,530,000	1,600,000	\$ 38,750,000
Drainage Impr	2/6/1999	25,000,000	14,715,000	-	\$ 10,285,000
Parks	2/6/1999	36,800,000	31,500,000	-	\$ 5,300,000
City Buildings	2/6/1999	8,500,000	6,220,000	-	\$ 2,280,000
Landfill	2/6/1999	9,055,000	200,000	-	\$ 8,855,000
Fire Services	2/6/1999	18,105,000	7,125,000	-	\$ 10,980,000
Police Services	2/6/1999	8,650,000	7,650,000	-	\$ 1,000,000
Youth Dev/Comm Ctr	2/6/1999	2,495,000	1,995,000	-	\$ 500,000
Streets	11/7/2006	117,825,000	9,245,000	-	\$ 108,580,000
Drainage Impr	11/7/2006	32,600,000	-	-	\$ 32,600,000
Parks	11/7/2006	56,475,000	13,375,000	2,800,000	\$ 40,300,000
Library	11/7/2006	18,200,000	7,500,000	10,700,000	\$ -
City Buildings	11/7/2006	15,600,000	2,320,000	-	\$ 13,280,000
Public Safety	11/7/2006	15,305,000	1,845,000	-	\$ 13,460,000
Voice & Data Systems	11/7/2006	25,000,000	1,000,000	4,500,000	\$ 19,500,000
Imp for Economic Dev	11/7/2006	35,000,000	4,000,000	-	\$ 31,000,000
Senior Citizens Center	11/7/2006	10,000,000	-	-	\$ 10,000,000
<b>Totals:</b>		<b>\$ 568,490,000</b>	<b>\$ 202,220,000</b>	<b>\$ 19,600,000</b>	<b>\$ 346,670,000</b>

*Amounts provided from First Southwest*

Other general debt instruments can include certificates of obligation and tax notes. Certificates of obligation do not require voter approval, are generally short term in nature, and are frequently used to fund capital improvements not anticipated at the time of the latest bond election. There are currently \$4,000,000 of certificates of obligation outstanding, and issuing certificates of obligation is one option being considered to finance the construction of parking structures for the convention center and two other major projects in the Las Colinas Urban Center.

Tax notes are similar to certificates of obligation in that there is no requirement for voter approval and they are generally short term in nature. The City of Irving currently has no tax notes outstanding.

**Distribution of Property Tax Rate FY 2001-02 to 2011-12**



The graph above illustrates that the proportion of ad valorem tax allocated to debt service has remained fairly constant over the past 10 years. Changes in the tax rate approved by City Council have been made in response to changes in the tax base and funding requirements of the General Fund. The City's Debt Capacity Model is a prudent financial tool used to manage the amount of debt issued in any given year. Capital infrastructure expansion and replacement requirements are carefully balanced against current and future revenue and expenditure patterns to determine the optimal level of debt issuance for any given year, as well as determining total debt levels in future years.

## Analysis of Benchmark Cities General Bonded Indebtedness for 2011

City	Population	Total Net Taxable Value	Debt as a % of AV Ratio	Rank	Bonded Debt Per Capita	Rank
Garland	227,726	10,189,129,752	2.62%	11	1,174	8
Richardson	101,200	9,837,843,846	2.40%	10	2,334	11
Dallas	1,197,816	81,993,746,356	2.01%	9	1,373	7
Denton	122,830	6,230,117,958	1.88%	8	952	6
Carrollton	129,209	8,991,705,934	1.86%	7	1,294	10
Arlington	380,084	18,251,104,674	1.39%	6	669	3
Plano	273,611	24,680,898,705	1.21%	5	1,091	9
<b>Irving</b>	<b>216,970</b>	<b>16,531,748,675</b>	<b>1.20%</b>	<b>4</b>	<b>912</b>	<b>5</b>
Grand Prairie	175,396	9,288,255,529	1.06%	3	560	4
Ft. Worth	741,206	41,013,144,308	0.93%	2	514	2
Mesquite	139,824	5,837,988,656	0.60%	1	249	1
<b>Average</b>	<b>336,897</b>	<b>21,167,789,490</b>	<b>1.56%</b>		<b>\$1,011</b>	

Source: 2011 Annual TML Taxation and Debt Survey and city adopted budgets

Ten other municipalities in the Dallas/Fort Worth Metroplex are used for benchmark comparisons of the city's outstanding general debt when compared to the city's population and total assessed value of all property within the City. Irving ranks the second lowest out of the 11 cities in debt to assessed valuation and fifth lowest when debt is compared to population. The difference in Irving's ranking between the two ratios is the large amount of commercial property in the city. Approximately 45% of the city's assessed value is comprised of commercial real estate with an additional 29% derived from business personal property.

# FY 2011-12 Adopted

	General Interest and Sinking Fund	HOT Interest and Sinking Fund	New Lien Interest and Sinking Fund	Entertainment Venue Debt Service	Municipal Drainage Utility Debt Service	Total Interest and Sinking Funds
<b>Beginning Fund Balance 10-01</b>	<b>\$ 5,784,586</b>	<b>\$ 10,768</b>	<b>\$ 2,398,057</b>	<b>\$ 16,810</b>	<b>\$ 2,094,222</b>	<b>\$ 10,304,443</b>
Property Taxes	\$ 25,706,295	\$ -	\$ -	\$ -	\$ -	\$ 25,706,295
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel/Motel Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grant Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tax Note Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fees, Fines, and Permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	\$ 28,923	\$ 500	\$ 35,971	\$ 252	\$ 563	\$ 66,208
Rent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lien Retirement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrealized Gain	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Revenues</b>	<b>\$ 25,735,218</b>	<b>\$ 500</b>	<b>\$ 35,971</b>	<b>\$ 252</b>	<b>\$ 563</b>	<b>\$ 25,772,503</b>
Transfers In	\$ 896,452	\$ 5,980,225	\$ 22,725,108	\$ 1,075,700	\$ 210,359	\$ 30,887,844
<b>Total Revenues</b>	<b>\$ 26,631,670</b>	<b>\$ 5,980,725</b>	<b>\$ 22,761,079</b>	<b>\$ 1,075,952</b>	<b>\$ 210,922</b>	<b>\$ 56,660,348</b>
<b>Funds Available</b>	<b>\$ 32,416,256</b>	<b>\$ 5,991,493</b>	<b>\$ 25,159,136</b>	<b>\$ 1,092,763</b>	<b>\$ 2,305,144</b>	<b>\$ 66,964,791</b>
Salaries and Wages	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Parts and Outside Work	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water Purchases and Treatment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Outside Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service	\$ 27,722,181	\$ 5,982,142	\$ 21,730,757	\$ 1,075,657	\$ 210,359	\$ 56,721,096
Land, Buildings, and Structures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Equipment and Other Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Expenditures</b>	<b>\$ 27,722,181</b>	<b>\$ 5,982,142</b>	<b>\$ 21,730,757</b>	<b>\$ 1,075,657</b>	<b>\$ 210,359</b>	<b>\$ 56,721,096</b>
Transfers Out	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Expenditures</b>	<b>\$ 27,722,181</b>	<b>\$ 5,982,142</b>	<b>\$ 21,730,757</b>	<b>\$ 1,075,657</b>	<b>\$ 210,359</b>	<b>\$ 56,721,096</b>
<b>Ending Fund Balance 09-30</b>	<b>\$ 4,694,075</b>	<b>\$ 9,351</b>	<b>\$ 3,428,379</b>	<b>\$ 17,106</b>	<b>\$ 2,094,785</b>	<b>\$ 10,243,695</b>



# Schedule of Requirements for FY 2011-12

## General Obligation Bonds

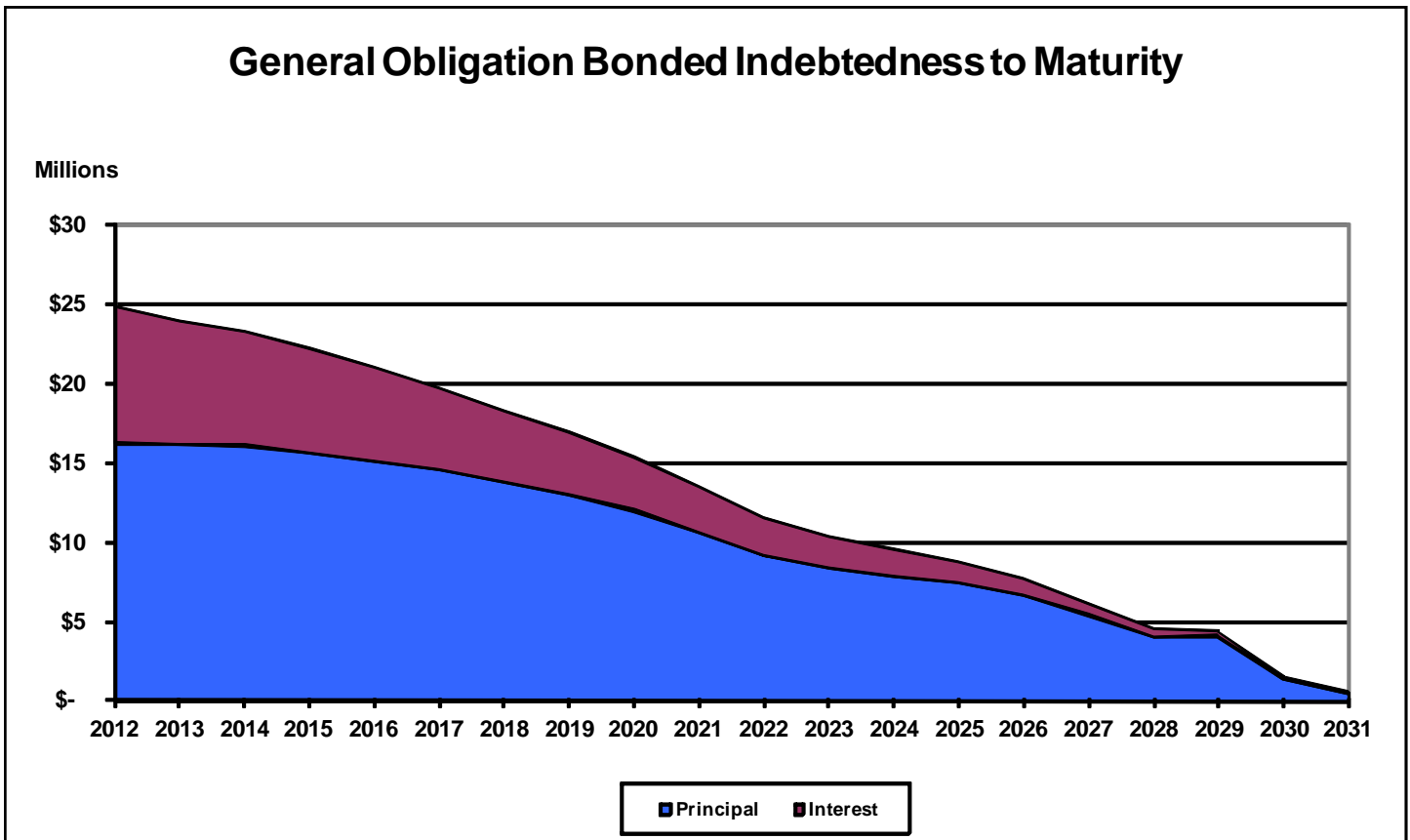
<u>Series</u>	<u>Name of Bond</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2003	General Obligation	-	85,250	85,250
2004	General Obligation Refunding and Improvement	2,090,000	525,119	2,615,119
2005	General Obligation	750,000	428,250	1,178,250
2005A	General Obligation Refunding and Improvement	2,035,000	1,622,058	3,657,058
2007	General Obligation	1,375,000	1,002,031	2,377,031
2008	General Obligation	1,640,000	1,193,666	2,833,666
2008	Certificates of Obligation	200,000	147,100	347,100
2009	General Obligation	3,680,000	1,458,275	5,138,275
2010	General Obligation Refunding and Improvement	900,000	622,025	1,522,025
2011	General Obligation Refunding and Improvement	105,000	2,564,603	2,669,603
2012	Proposed General Obligation	-	500,000	500,000
Total Principal and Interest		<u>\$ 12,775,000</u>	<u>\$ 10,148,376</u>	<u>\$ 22,923,376</u>
<b><u>Other Obligations</u></b>				
	Olympus Developer Participation	2,200,000	-	2,200,000
2011	Refunding Savings Allocated to Convention Center	-	1,498,294	1,498,294
<b>Total Debt Service Requirements</b>		<b><u>\$ 14,975,000</u></b>	<b><u>\$ 11,646,670</u></b>	<b><u>\$ 26,621,670</u></b>

This schedule represents the 2011-12 debt service payments due on each outstanding general obligation bond issue plus estimated interest on the projected 2012 GO bond issue. Developer participation is the estimated payment due from debt service for capital improvements made as part of the Olympus development.



## Schedule of General Obligation Bonded Indebtedness to Maturity

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011-12	\$ 16,225,000	\$ 8,718,960	\$ 24,943,960
2012-13	\$ 16,115,000	\$ 7,879,334	\$ 23,994,334
2013-14	\$ 16,095,000	\$ 7,201,034	\$ 23,296,034
2014-15	\$ 15,685,000	\$ 6,561,453	\$ 22,246,453
2015-16	\$ 15,155,000	\$ 5,872,571	\$ 21,027,571
2016-17	\$ 14,555,000	\$ 5,152,995	\$ 19,707,995
2017-18	\$ 13,780,000	\$ 4,540,201	\$ 18,320,201
2018-19	\$ 13,005,000	\$ 3,950,158	\$ 16,955,158
2019-20	\$ 12,005,000	\$ 3,363,833	\$ 15,368,833
2020-21	\$ 10,590,000	\$ 2,902,976	\$ 13,492,976
2021-22	\$ 9,110,000	\$ 2,425,451	\$ 11,535,451
2022-23	\$ 8,350,000	\$ 2,031,158	\$ 10,381,158
2023-24	\$ 7,860,000	\$ 1,671,143	\$ 9,531,143
2024-25	\$ 7,405,000	\$ 1,327,391	\$ 8,732,391
2025-26	\$ 6,665,000	\$ 989,382	\$ 7,654,382
2026-27	\$ 5,395,000	\$ 710,085	\$ 6,105,085
2027-28	\$ 4,040,000	\$ 458,073	\$ 4,498,073
2028-29	\$ 4,055,000	\$ 272,638	\$ 4,327,638
2029-30	\$ 1,350,000	\$ 86,031	\$ 1,436,031
2029-31	\$ 475,000	\$ 21,375	\$ 496,375
	<u>\$ 197,915,000</u>	<u>\$ 66,136,240</u>	<u>\$ 264,051,240</u>





# General Interest and Sinking Fund

	<b>2009-10 ACTUAL</b>	<b>2010-11 BUDGET</b>	<b>2010-11 ESTIMATED</b>	<b>2011-12 ADOPTED</b>
<b>Available Fund Balance 10-01</b>	\$ 4,602,901	\$ 2,277,367	\$ 6,696,558	\$ 5,784,586
<b>Revenues</b>				
Ad Valorem Taxes	\$ 27,579,035	\$ 26,941,670	\$ 26,941,670	\$ 25,456,295
Penalties and Interest	148,342	168,750	168,750	150,000
Delinquent Taxes	67,296	75,000	75,000	100,000
Transfer from Solid Waste Services	959,893	927,116	927,116	896,452
Misc. Revenue	-	-	-	-
Interest on Investments	33,256	34,161	34,161	28,923
<b>Total Revenue</b>	<b>\$ 28,787,822</b>	<b>\$ 28,146,697</b>	<b>\$ 28,146,697</b>	<b>\$ 26,631,670</b>
<b>Total Funds Available</b>	<b>\$ 33,390,723</b>	<b>\$ 30,424,064</b>	<b>\$ 34,843,255</b>	<b>\$ 32,416,256</b>
<b>Expenditures:</b>				
Principal -- Bonds	\$ 14,875,000	\$ 16,455,000	\$ 14,875,000	\$ 12,775,000
Interest -- Bonds	9,400,712	9,292,086	9,312,082	10,148,376
Other -- Contract Payment	2,414,631	2,400,000	2,052,069	2,200,000
Other	-	-	2,365,569	1,498,294
Agent Fees -- Bonds	3,822	10,000	10,000	10,000
<b>Total Expenditures</b>	<b>\$ 26,694,165</b>	<b>\$ 28,157,086</b>	<b>\$ 28,614,720</b>	<b>\$ 26,631,670</b>
Internal Loan -- to Occ Tax I&S			443,949	1,090,511
<b>Available Fund Balance 9-30</b>	<b>\$ 6,696,558</b>	<b>\$ 2,266,978</b>	<b>\$ 5,784,586</b>	<b>\$ 4,694,075</b>

## Fund Description:

The General Interest and Sinking Fund is maintained to pay the debt service on General Obligation Bonds and Certificates of Obligation. A portion of the ad valorem tax rate is designated to pay debt service and is deposited into this fund for that purpose. An amount equal to the current year debt service is assessed each year.

The fund balances have accumulated over the years from interest earned on the tax revenue prior to payment of debt service and from tax collections exceeding the budgeted 98% level. Standard & Poor's and Moody's have indicated that the reserve in this fund, which can be used for no purpose other than debt service, was a major factor in assigning the AAA and Aaa, ratings respectively, to the City's General Obligation Bonds.





# Water and Sewer System Revenue Bonds Debt Service Summary

Water and Sewer Revenue Bonds are secured by the revenues of the water and sewer utility system. The City of Irving provides water and sewer services to its residents and businesses and sets rates for these services at a level to provide funds for daily operations of the system, routine capital improvements, and payments of debt service requirements. The System currently has \$210,886,852 in outstanding and plans to issue additional bonds of \$12,200,000 in FY 2011-12.

The debt policy statements also apply to the Revenue Bonds. There is no requirement for voter approval of Revenue Bonds. Bonds are typically issued on an annual basis depending upon the needs of the system.

Beginning with the 2001 Revenue Bond issuance, the City of Irving significantly revised its bond covenants. Provisions regarding reserve fund, contingency funds and revenue test ratios were significantly revised from older debt issuances. Since the covenants could not be altered on existing outstanding debt a separate interest and sinking fund was established to segregate the debt service for the bonds with the updated bond covenants. All Water and Sewer System debt issued since 2001 is paid from the New Lien Interest and Sinking Fund. Older bonds have matured or been paid off. All system debt services are now accounted for in one fund. The Interest and Sinking Fund is funded annually from revenues generated by the Water and Sewer System Fund.

As of FY 2010-11, the New Lien Water and Sewer Interest and Sinking Fund is maintained to pay the debt service on Water and Sewer Revenue Bonds. An amount equal to the annual debt service requirement is transferred to this fund from the Water and Sewer System Fund each year. The bond covenants require monthly deposits to the Interest and Sinking Fund of not less than one-sixth of the next semi-annual interest payment and one-twelfth of the next annual principal payment. The money in this fund can only be used to pay debt service on outstanding Water and Sewer Revenue Bonds.



# Schedule of Requirements for FY 2011-12

## WATER AND SEWER

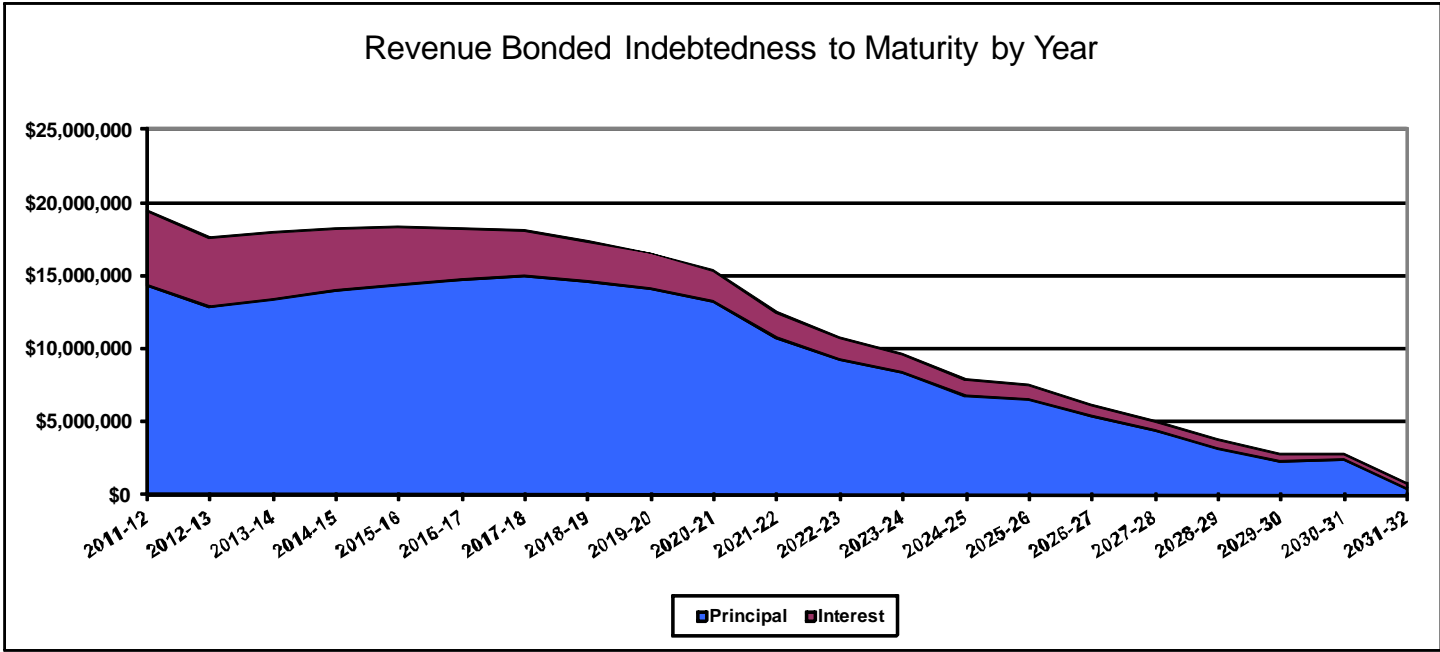
<u>Series</u>	<u>Name of Bond</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2001	WW/SS New Lien Refunding and Improvement Revenue	\$ -	\$ -	\$ -
2002	WW/SS New Lien Revenue	1,130,000	56,500	1,186,500
2003	WW/SS New Lien Revenue Refunding and Improvement	3,180,000	843,080	4,023,080
2004	WW/SS New Lien Revenue Refunding and Improvement	1,315,000	974,413	2,289,413
2005	WW/SS New Lien Revenue Improvement	305,000	243,511	548,511
2006	WW/SS New Lien Revenue	775,000	1,300,988	2,075,988
2007	WW/SS New Lien Revenue Refunding and Improvement	620,000	642,244	1,262,244
2008	WW/S New Lien Revenue Bonds	-	519,336	519,336
2009	WW/S New Lien Revenue Refunding and Improvement	930,000	832,544	1,762,544
2011	WW/S New Lien Revenue Refunding and Improvement	3,215,000	3,303,225	6,518,225
2012	Proposed WW/S New Lien Revenue Bonds		646,013	646,013
		<u>\$ 11,470,000</u>	<u>\$ 9,361,853</u>	<u>\$ 20,831,853</u>

This schedule represents the 2011-12 debt service payments due on each outstanding waterworks and sanitary sewer revenue bond issues. The 2009 New Lien Revenue Refunding and Improvement Bonds refunded the last of the bonds sold under the original lien bond covenants. For 2010-11 forward, Water and Sewer debt service is consolidated into one interest and sinking fund.



# Schedule of Waterworks and Sanitary Sewer Revenue Bonded Indebtedness to Maturity

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011-12	\$14,333,177	\$5,163,525	\$19,496,702
2012-13	\$12,832,714	\$4,807,635	\$17,640,349
2013-14	\$13,402,562	\$4,499,453	\$17,902,015
2014-15	\$14,017,729	\$4,184,995	\$18,202,724
2015-16	\$14,423,228	\$3,847,234	\$18,270,461
2016-17	\$14,744,068	\$3,499,504	\$18,243,571
2017-18	\$15,005,260	\$3,130,142	\$18,135,402
2018-19	\$14,611,817	\$2,777,960	\$17,389,777
2019-20	\$14,103,749	\$2,430,063	\$16,533,812
2020-21	\$13,216,070	\$2,106,102	\$15,322,171
2021-22	\$10,733,791	\$1,796,272	\$12,530,063
2022-23	\$9,271,927	\$1,538,378	\$10,810,305
2023-24	\$8,400,489	\$1,313,357	\$9,713,846
2024-25	\$6,854,493	\$1,115,809	\$7,970,302
2025-26	\$6,588,953	\$950,601	\$7,539,554
2026-27	\$5,443,882	\$789,409	\$6,233,291
2027-28	\$4,454,298	\$655,244	\$5,109,541
2028-29	\$3,250,215	\$545,358	\$3,795,573
2029-30	\$2,356,649	\$461,542	\$2,818,191
2030-31	\$2,458,618	\$403,286	\$2,861,904
2031-32	\$556,140	\$337,764	\$893,904
	<u>\$210,886,852</u>	<u>\$49,241,981</u>	<u>\$260,128,833</u>





# Water and Sewer Interest and Sinking Fund

	<u>2009-10 ACTUAL</u>	<u>2010-11 BUDGET</u>	<u>2010-11 ESTIMATED</u>	<u>2011-12 ADOPTED</u>
<b>Available Fund Balance 10-01</b>	\$ 4,685,212	\$ -	\$ (26,001)	\$ -
<b>Revenues</b>				
Transfers from Water/Sewer System	\$ 893,904	\$ -	\$ 26,001	\$ -
Interest on Investments	6,102	-	-	-
<b>Total Revenues</b>	<u>\$ 900,006</u>	<u>\$ -</u>	<u>\$ 26,001</u>	<u>\$ -</u>
<b>Total Funds Available</b>	\$ 5,585,218	\$ -	\$ -	\$ -
<b>Expenditures</b>				
Transfers to W&S Non-Bond CIP	4,717,316	-	-	-
Principal -- Lake Chapman	274,995	-	-	-
Interest -- Lake Chapman	618,908	-	-	-
<b>Total Expenditures</b>	<u>\$ 5,611,219</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Available Fund Balance 09-30</b>	<u><u>(26,001)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

## Fund Description:

Water and Sewer Revenue Bonds are secured by the revenues of the water and sewer utility system. The City of Irving provides water and sewer services to its citizens and sets the rates for these services at a level to insure daily operations of the system, routine capital improvements, and payment of debt service requirements. The 2009 New Lien Revenue Refunding and Improvement Bonds refunded the last of the bonds sold under the original lien bond covenants. In 2010-11, Water and Sewer debt service was consolidated into one interest and sinking fund.



# New Lien Water and Sewer Interest and Sinking Fund

	<b>2009-10 ACTUAL</b>	<b>2010-11 BUDGET</b>	<b>2010-11 ESTIMATED</b>	<b>2011-12 ADOPTED</b>
<b>Available Fund Balance 10-01</b>	\$ 2,020,224	\$ 2,554,137	\$ 2,393,161	\$ 2,398,057
<b>Revenues</b>				
Transfer from Water & Sewer	\$ 18,721,804	\$ 19,615,708	\$ 19,615,708	\$ 22,725,108
Interest on Investments	38,312	38,312	35,897	35,971
<b>Total Revenues</b>	<b>\$ 18,760,116</b>	<b>\$ 19,654,020</b>	<b>\$ 19,651,605</b>	<b>\$ 22,761,079</b>
<b>Total Funds Available</b>	<b>\$ 20,780,340</b>	<b>\$ 22,208,157</b>	<b>\$ 22,044,766</b>	<b>\$ 25,159,136</b>
<b>Expenditures</b>				
Principal -- Bonds	\$ 9,860,000	\$ 9,860,000	\$ 9,860,000	\$ 11,470,000
Interest -- Bonds	8,524,304	8,861,804	8,861,804	9,361,853
Agent Fees -- Bonds	2,875	5,000	5,000	5,000
Transfer to Other Funds	-	-	26,001	-
Principal -- Lake Chapman	-	283,941	283,941	293,177
Interest -- Lake Chapman	-	609,963	609,963	600,727
<b>Total Expenditures</b>	<b>\$ 18,387,179</b>	<b>\$ 19,620,708</b>	<b>\$ 19,646,709</b>	<b>\$ 21,730,757</b>
<b>Available Fund Balance 09-30</b>	<b>\$ 2,393,161</b>	<b>\$ 2,587,449</b>	<b>\$ 2,398,057</b>	<b>\$ 3,428,379</b>

## Fund Description:

Beginning with the 2001 Revenue Bond issuance, the City of Irving significantly revised the Water and Sewer System revenue bond covenants. Provisions regarding reserve funds, contingency funds and reserve test ratios were significantly changed compared to older debt issuances. Since the covenants could not be altered on existing outstanding debt, a separate Interest and Sinking Fund was established to segregate the debt service for the bonds with the updated bond covenants. All Water and Sewer System debt issued since 2001 is paid from the New Lien Interest and Sinking Fund. With the 2009 Revenue Bond Sale, the older bonds were refunded and all System debt services will now be accounted for in one fund. The Interest and Sinking Fund is funded annually from revenues generated by the Water and Sewer System Fund.



# Hotel Occupancy Tax Revenue Bonds Debt Service Summary

## C O N V E N T I O N   C E N T E R

Hotel Occupancy Tax Revenue Bonds are secured by a hotel occupancy tax assessed on sleeping rooms within the City. Bonds were issued to construct the Convention Center in FY 2008-09. Total bonds outstanding as of FY 2011-12 are \$129,453,150. Bonds previously issued for the Irving Arts Center are fully matured as of September 15, 2008 and are not included in this schedule.

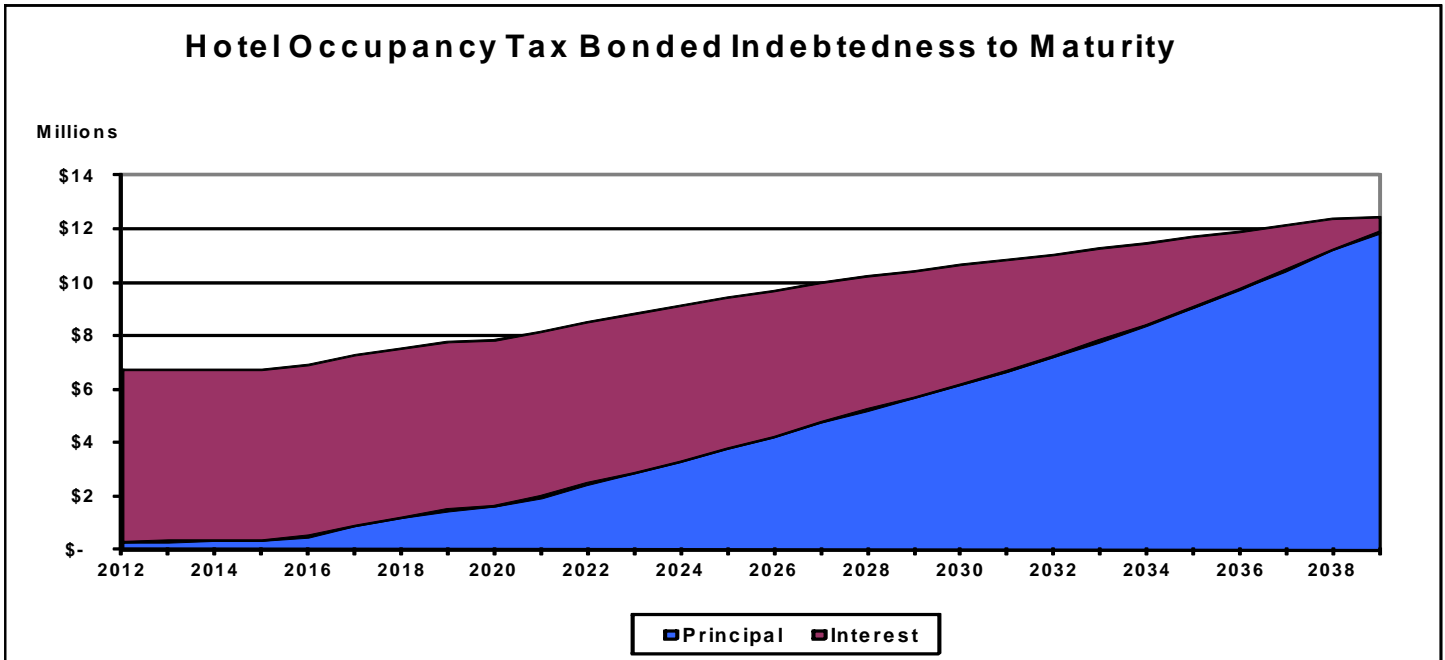
<u>Series</u>	<u>Name of Bond</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2001	Combination Tax and HOT Revenue CO's	\$283,050	\$160,781	\$443,831
2009	Combination Tax and HOT Revenue CO's	\$0	\$6,272,456	\$6,272,456
		<hr/>	<hr/>	<hr/>
		<u>\$ 283,050</u>	<u>\$ 6,433,238</u>	<u>\$ 6,716,288</u>

This schedule represents 55.5% allocation of debt service on the 2001 CO's issued to purchase land for the Convention Center and the 2009 CO's issued for development and construction of the Convention Center. Both issues are combination certificates of obligation, they are secured by the full faith and credit of the City of Irving by a pledge of ad valorem tax as well as from Hotel Occupancy Tax revenues.



# Schedule of Hotel Occupancy Tax Bonded Indebtedness to Maturity

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011-12	\$ 283,050	\$ 6,433,238	\$ 6,716,288
2012-13	\$ 296,925	\$ 6,421,562	\$ 6,718,487
2013-14	\$ 310,800	\$ 6,409,091	\$ 6,719,891
2014-15	\$ 324,675	\$ 6,395,727	\$ 6,720,402
2015-16	\$ 488,550	\$ 6,381,279	\$ 6,869,829
2016-17	\$ 890,200	\$ 6,360,044	\$ 7,250,244
2017-18	\$ 1,201,850	\$ 6,322,305	\$ 7,524,155
2018-19	\$ 1,456,275	\$ 6,271,628	\$ 7,727,903
2019-20	\$ 1,610,700	\$ 6,214,185	\$ 7,824,885
2020-21	\$ 1,955,125	\$ 6,146,219	\$ 8,101,344
2021-22	\$ 2,450,000	\$ 6,064,250	\$ 8,514,250
2022-23	\$ 2,855,000	\$ 5,941,750	\$ 8,796,750
2023-24	\$ 3,290,000	\$ 5,799,000	\$ 9,089,000
2024-25	\$ 3,760,000	\$ 5,634,500	\$ 9,394,500
2025-26	\$ 4,210,000	\$ 5,446,500	\$ 9,656,500
2026-27	\$ 4,740,000	\$ 5,236,000	\$ 9,976,000
2027-28	\$ 5,215,000	\$ 4,999,000	\$ 10,214,000
2028-29	\$ 5,670,000	\$ 4,738,250	\$ 10,408,250
2029-30	\$ 6,155,000	\$ 4,451,038	\$ 10,606,038
2030-31	\$ 6,665,000	\$ 4,138,950	\$ 10,803,950
2031-32	\$ 7,210,000	\$ 3,800,700	\$ 11,010,700
2032-33	\$ 7,790,000	\$ 3,434,488	\$ 11,224,488
2033-34	\$ 8,395,000	\$ 3,038,525	\$ 11,433,525
2034-35	\$ 9,045,000	\$ 2,611,500	\$ 11,656,500
2035-36	\$ 9,720,000	\$ 2,159,250	\$ 11,879,250
2036-37	\$ 10,430,000	\$ 1,673,250	\$ 12,103,250
2037-38	\$ 11,185,000	\$ 1,151,750	\$ 12,336,750
2038-39	\$ 11,850,000	\$ 592,500	\$ 12,442,500
	<u>\$ 129,453,150</u>	<u>\$ 134,266,475</u>	<u>\$ 263,719,625</u>





# Hotel Occupancy Tax Interest and Sinking Fund

	<u>2009-10 ACTUAL</u>	<u>2010-11 BUDGET</u>	<u>2010-11 ESTIMATED</u>	<u>2011-12 ADOPTED</u>
<b>Available Fund Balance 10-01</b>	\$ 5,941,758	\$ 4,522,754	\$ 78,976	\$ 10,768
<b>Revenues</b>				
Transfer 5% Hotel/Motel Tax Allocation	\$ -	\$ 628,000	\$ -	\$ -
Transfer from 1% Preservation Fund	-	-	-	600,000
Transfer from ICVB	483,939	-	-	-
Transfer to Occ Tax I&S	67,932	-	-	-
Transfer from Convention Ctr 2%	309,286	3,507,055	6,204,343	5,024,360
Transfer from Entertainment Venue 2%	358,004	-	355,865	355,865
Interest on Investments	424	1,500	500	500
<b>Total Revenues</b>	<u>\$ 1,219,584</u>	<u>\$ 4,136,555</u>	<u>\$ 6,560,708</u>	<u>\$ 5,980,725</u>
<b>Total Funds Available</b>	\$ 7,161,342	\$ 8,659,309	\$ 6,639,684	\$ 5,991,493
<b>Expenditures</b>				
Principal - Bonds	\$ 475,000	\$ 475,000	\$ 490,000	\$ 510,000
Interest - Bonds	6,601,959	6,601,959	6,582,365	6,562,153
Agent Fees - Bonds	5,408	1,500	500	500
<b>Total Expenditures</b>	<u>\$ 7,082,366</u>	<u>\$ 7,078,459</u>	<u>\$ 7,072,865</u>	<u>\$ 7,072,653</u>
Internal Loan- from General I&S	\$ -	\$ -	\$ 443,949	\$ 1,090,511
<b>Available Fund Balance 09-30</b>	<u>\$ 78,976</u>	<u>\$ 1,580,850</u>	<u>\$ 10,768</u>	<u>\$ 9,351</u>

## Fund Description:

Hotel Occupancy Tax Revenue Bonds are secured by a 7% Hotel Occupancy tax assessed on sleeping rooms within the City. Bonds were issued in 2001 to purchase land in the Las Colinas Urban Center for a Convention Center. Two percent of the 7% Hotel Occupancy Tax is dedicated to the construction and operation of the convention center. A portion of this revenue is transferred to this fund to pay debt service costs. Additional bonds were issued in 2009 to fund the construction of the Convention Center.

Prior to creation of a separate fund for the construction, operation and debt service of the Entertainment Venue project, interest on the initial debt was paid out of this fund in FY 2008-09.





## Schedule of Requirements Entertainment Venue Debt Obligations

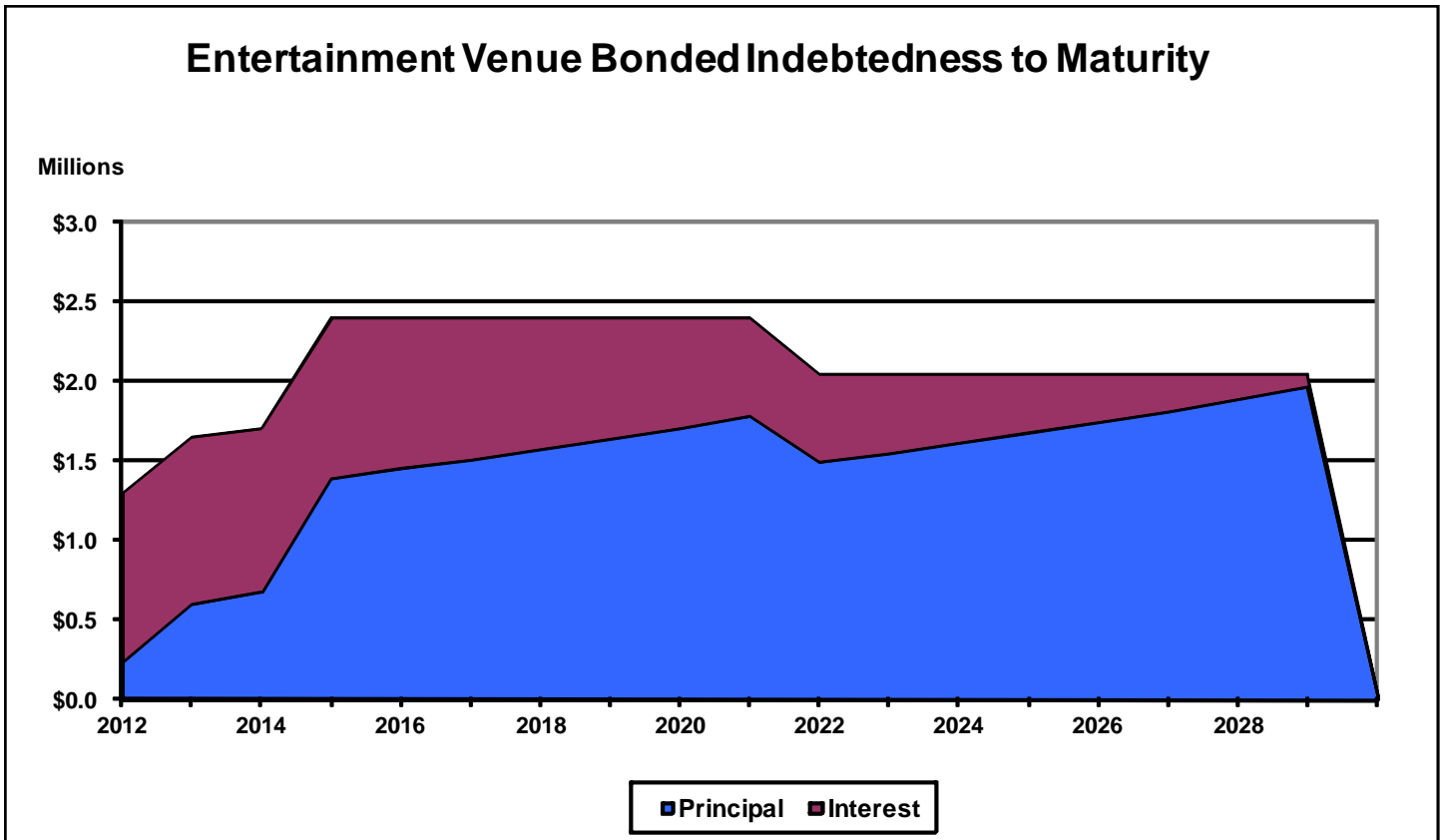
<u>Series</u>	<u>Name of Bond</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2001	HOT Certificates of Obligation	\$226,950	\$128,915	\$355,865
2011	HOT Revenue Refunding Bonds (Taxable)	0	943,698	943,698
		<hr/>	<hr/>	<hr/>
		<u>\$226,950</u>	<u>\$1,072,613</u>	<u>\$1,299,563</u>

This schedule represents the debt service on the 2011 Entertainment Venue Private Placement Bond issues, as well as the 44.5% allocation of the 2001 CO for the purchase of the land for the Entertainment Venue. Private placement bonds were issued to fund the engineering and design phase of the Entertainment Venue Project. Although bond issue has a variable interest rate, interest for budget purposes is based on a 4% interest rate. The bonds are secured by the 9% Hotel Tax collected by the City.



# Schedule of Entertainment Venue Bonded Indebtedness to Maturity

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011-12	\$ 226,950	\$ 1,072,613	\$ 1,299,563
2012-13	\$ 598,075	\$ 1,060,655	\$ 1,658,730
2013-14	\$ 674,200	\$ 1,037,554	\$ 1,711,754
2014-15	\$ 1,395,325	\$ 1,009,838	\$ 2,405,163
2015-16	\$ 1,456,450	\$ 954,046	\$ 2,410,496
2016-17	\$ 1,514,800	\$ 892,112	\$ 2,406,912
2017-18	\$ 1,578,150	\$ 830,938	\$ 2,409,088
2018-19	\$ 1,643,725	\$ 765,725	\$ 2,409,450
2019-20	\$ 1,714,300	\$ 698,337	\$ 2,412,637
2020-21	\$ 1,784,875	\$ 625,174	\$ 2,410,049
2021-22	\$ 1,495,000	\$ 551,600	\$ 2,046,600
2022-23	\$ 1,555,000	\$ 491,800	\$ 2,046,800
2023-24	\$ 1,620,000	\$ 430,192	\$ 2,050,192
2024-25	\$ 1,685,000	\$ 364,298	\$ 2,049,298
2025-26	\$ 1,750,000	\$ 297,400	\$ 2,047,400
2026-27	\$ 1,820,000	\$ 227,400	\$ 2,047,400
2027-28	\$ 1,895,000	\$ 154,813	\$ 2,049,813
2028-29	\$ 1,970,000	\$ 78,691	\$ 2,048,691
2029-30	\$ -	\$ -	\$ -
	<u>\$ 26,376,850</u>	<u>\$ 11,543,185</u>	<u>\$ 37,920,035</u>





# Entertainment Venue Debt Service Fund

	<b>2009-10 ACTUAL</b>	<b>2010-11 BUDGET</b>	<b>2010-11 ESTIMATED</b>	<b>2011-12 ADOPTED</b>
<b>Available Fund Balance 10-01</b>	\$ 1,814,511	\$ 3,824,875	\$ 157,469	\$ 16,810
<b>Revenues</b>				
Transfer from HOT Tax Revenues	\$ 1,086,394	\$ 3,507,055	\$ 200,565	\$ 1,075,700
Proceeds- 2011 CO refunding	-	-	423,000	-
Interest Income	178	-	2,362	252
<b>Total Revenues</b>	<b>\$ 1,086,572</b>	<b>\$ 3,507,055</b>	<b>\$ 625,927</b>	<b>\$ 1,075,952</b>
<b>Total Funds Available</b>	<b>\$ 2,901,083</b>	<b>\$ 7,331,930</b>	<b>\$ 783,396</b>	<b>\$ 1,092,763</b>
<b>Expenditures</b>				
Principal - Bonds	\$ 2,015,000	\$ 2,200,000	\$ -	\$ -
Interest - Bonds	724,109	2,625,000	746,086	1,071,157
Agent Fees - Bonds	4,505	-	20,500	4,500
<b>Total Expenditures</b>	<b>\$ 2,743,614</b>	<b>\$ 4,825,000</b>	<b>\$ 766,586</b>	<b>\$ 1,075,657</b>
<b>Available Fund Balance 09-30</b>	<b>\$ 157,469</b>	<b>\$ 2,506,930</b>	<b>\$ 16,810</b>	<b>\$ 17,106</b>

## Fund Description:

This fund represents the debt service on the Entertainment Venue Private Placement Bonds. These bonds were issued to fund the engineering and design phase of the Entertainment Venue Project. The bonds are paid by the 2% Brimer Tax and are secured by the remaining 7% Hotel Occupancy Tax revenues collected by the City.



# Schedule of Requirements Municipal Drainage Utility Revenue Bonds

M U N I C I P A L   D R A I N A G E   U T I L I T Y

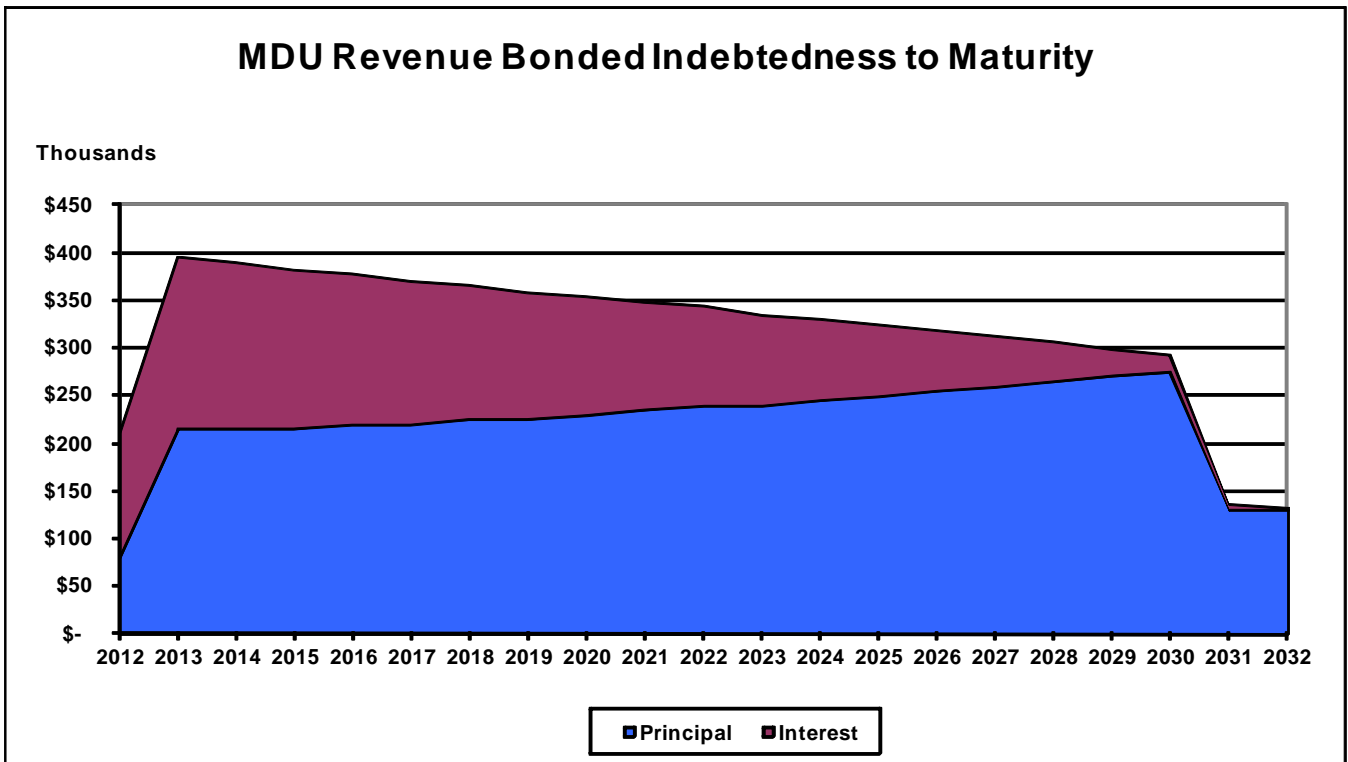
<u>Series</u>	<u>Name of Bond</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	MDU Revenue Bonds	\$80,000	\$71,899	\$151,899
2012	MDU Revenue Bonds (Projected)	0	58,500	58,500
		<u>\$ 80,000</u>	<u>\$ 130,399</u>	<u>\$ 210,399</u>

This schedule represents the 2011-12 debt service payments due on each outstanding Municipal Drainage Utility revenue bond issue plus estimated interest on projected bond issues for the upcoming fiscal year.



# Schedule of Municipal Drainage Utility Bonded Indebtedness to Maturity

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011-12	\$ 80,000	\$ 130,399	\$ 210,399
2012-13	\$ 215,000	\$ 181,449	\$ 396,449
2013-14	\$ 215,000	\$ 173,899	\$ 388,899
2014-15	\$ 215,000	\$ 166,349	\$ 381,349
2015-16	\$ 220,000	\$ 158,374	\$ 378,374
2016-17	\$ 220,000	\$ 149,824	\$ 369,824
2017-18	\$ 225,000	\$ 141,274	\$ 366,274
2018-19	\$ 225,000	\$ 132,455	\$ 357,455
2019-20	\$ 230,000	\$ 123,399	\$ 353,399
2020-21	\$ 235,000	\$ 114,049	\$ 349,049
2021-22	\$ 240,000	\$ 104,393	\$ 344,393
2022-23	\$ 240,000	\$ 94,418	\$ 334,418
2023-24	\$ 245,000	\$ 84,333	\$ 329,333
2024-25	\$ 250,000	\$ 73,883	\$ 323,883
2025-26	\$ 255,000	\$ 63,233	\$ 318,233
2026-27	\$ 260,000	\$ 52,258	\$ 312,258
2027-28	\$ 265,000	\$ 41,045	\$ 306,045
2028-29	\$ 270,000	\$ 29,593	\$ 299,593
2029-30	\$ 275,000	\$ 17,907	\$ 292,907
2029-31	\$ 130,000	\$ 5,850	\$ 135,850
2029-32	\$ 130,000	\$ 2,925	\$ 132,925
	<u>\$ 4,640,000</u>	<u>\$ 2,041,309</u>	<u>\$ 6,681,309</u>





# Municipal Drainage Utility Interest and Sinking Fund

	<u>2009-10 ACTUAL</u>	<u>2010-11 BUDGET</u>	<u>2010-11 ESTIMATED</u>	<u>2011-12 ADOPTED</u>
<b>Available Fund Balance 10-01</b>	\$ -	\$ -	\$ 2,026,722	\$ 2,094,222
<b>Revenues</b>				
Transfer from MDU Fund	\$ -	\$ 225,449	\$ 225,449	\$ 210,359
Bond Proceeds	2,120,000	-	-	-
Premium on Bond Sale	(10,071)	-	-	-
Interest Income	690	563	500	563
<b>Total Revenues</b>	<u>\$ 2,110,619</u>	<u>\$ 226,012</u>	<u>\$ 225,949</u>	<u>\$ 210,922</u>
<b>Total Funds Available</b>	\$ 2,110,619	\$ 226,012	\$ 2,252,671	\$ 2,305,144
<b>Expenditures</b>				
Other	\$ 83,897	\$ -	\$ 5,000	\$ -
Principal - Bonds	-	80,000	80,000	80,000
Interest - Bonds	-	145,449	73,449	130,359
<b>Total Expenditures</b>	<u>\$ 83,897</u>	<u>\$ 225,449</u>	<u>\$ 158,449</u>	<u>\$ 210,359</u>
<b>Available Fund Balance 09-30</b>	<u><u>\$ 2,026,722</u></u>	<u><u>\$ 563</u></u>	<u><u>\$ 2,094,222</u></u>	<u><u>\$ 2,094,785</u></u>

**Fund Description:**

This fund represents the debt service for Municipal Drainage Utility Revenue Bonds. These bonds will finance major drainage projects within the City's drainage system and will reduce the likelihood of flooding during major rain events.