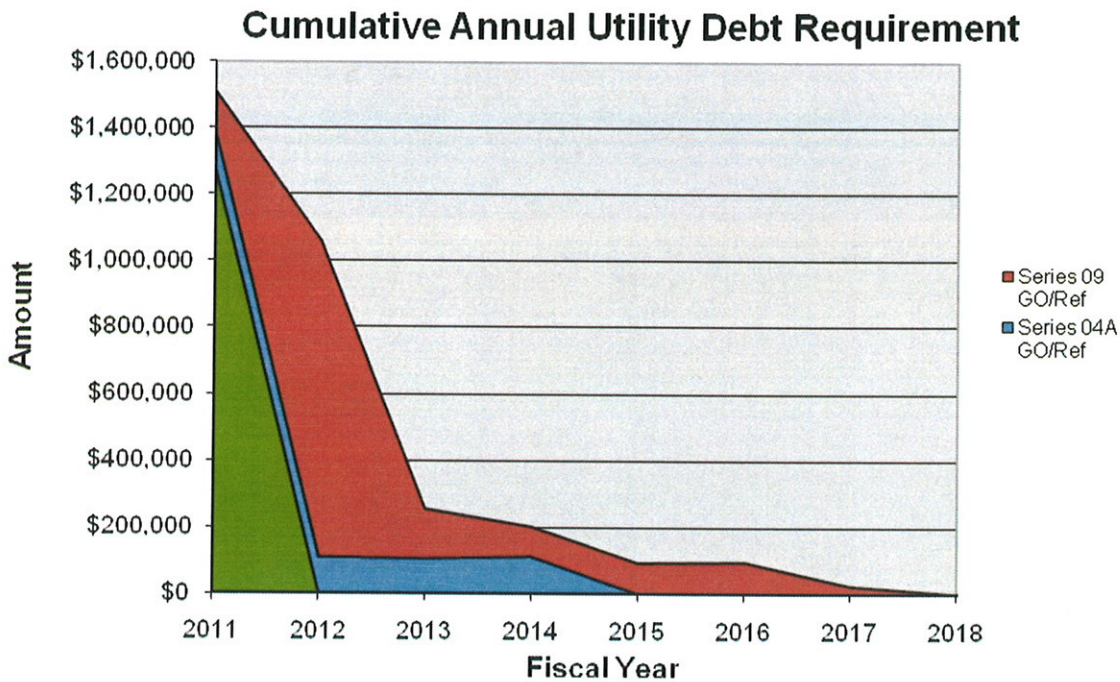


Debt Service Fund

Water and Sewer System Interest and Sinking Fund

The Water and Sewer System Interest and Sinking Fund is created to account for resources that will be used to service the city's long-term debt for the current year. This fund accumulates revenues from the Water/Sewer Utility Fund to pay principal and interest on bonds sold for various improvement or expansion projects to the water distribution and sewer collection systems. The function of this fund is to retire bonded indebtedness and pay the interest on the indebtedness. Total Debt supported from water/sewer revenue is \$3,236,773. Scheduled principal, interest, and fee payments for FY2011 total \$1,697,400 of which \$1,590,000 is principal, \$104,400 is interest, \$3,000 is fees. This represents a decrease of \$175,505 compared to FY2011. The reduction is due to refinancing the debt.

The following pages detail the future annual principal and interest requirements for the City's outstanding debt obligations as of October 1, 2010.



2010-2011 BUDGET

RECAP WATER UTILITY BOND PAYMENTS

PAID FROM WATER UTILITY REVENUES

Issue	Type	Issue Date	Issue Maturity	Issue Amount	Outstanding 10/01/10	Payment Date	Principal	Interest	Total Currency Requirement	Outstanding 9/30/11
Series 2004	G.O./Ref	7/15/2004	8/15/2011	4,990,000	1,230,000	2/15/2011 8/15/2011	1,230,000	20,295 20,295	1,270,590	-
Series 2004A	G.O./Ref	11/15/2004	8/15/2014	930,000	410,000	2/15/2011 8/15/2011	100,000	7,380 5,580	112,960	310,000
Series 2009	C.O. /REV	12/15/2009	2/15/2017	1,010,000 of 2,525,000	856,000 of 1,010,000	2/15/2011 8/15/2011	104,000	10,690 9,650	124,340	752,000
<i>Subtotal</i>				<u>6,930,000</u>	<u>2,496,000</u>		<u>1,434,000</u>	<u>73,890</u>	<u>1,507,890</u>	<u>1,062,000</u>
<i>Transfer in from Tax I&S Collections</i>										
Series 2009*	C.O. /REV	12/15/2009	2/15/2017	1,515,000 of 2,525,000	1,284,000 of 2,525,000	2/15/2011 8/15/2011	156,000	16,035 14,475	186,510	1,128,000
Total				<u><u>8,445,000</u></u>	<u><u>3,780,000</u></u>		<u><u>1,590,000</u></u>	<u><u>104,400</u></u>	<u><u>1,694,400</u></u>	<u><u>2,190,000</u></u>

**GENERAL OBLIGATION BONDS
STATEMENT OF INDEBTEDNESS
CITY OF KILGORE
REFUNDING BONDS, SERIES 2004**

PURPOSE OF ISSUE:

\$4,990,000 Refund Callable Bonds:

Sabine River Authority Contract Revenue Bonds, Series 1993 (Refunded)
(City of Kilgore Water Supply Project)

Repayment	Ad Valorem Tax Water/Sewer Revenue
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Date of Issue	8/12/2004
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Original Issue	\$4,990,000
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Amount Outstanding	\$2,465,000
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Interest Rate	<u>Maturity Date</u>	<u>Rate</u>
	2005-2006	2.75%
	2007-2009	3.00%
	2010	3.10%
	2011	3.30%

**TAX & WATERWORKS AND SEWER SYSTEM SURPLUS REVENUE
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2004
INTEREST & SINKING FUND - SCHEDULE OF MATURITIES**

Fiscal Year Ending	Outstanding Beginning of Year	Due Date	Principal	Interest	Fiscal Year Total
2005	4,990,000	2/15/2005		89,308	445,858
		8/15/2005	280,000	76,550	
2006	4,710,000	2/15/2006		72,700	475,400
		8/15/2006	330,000	72,700	
2007	4,380,000	2/15/2007		68,162	471,325
		8/15/2007	335,000	68,163	
2008	4,045,000	2/15/2008		63,137	496,275
		8/15/2008	370,000	63,138	
2009	3,675,000	2/15/2009		57,587	1,325,175
		8/15/2009	1,210,000	57,588	
2010	2,465,000	2/15/2010		39,437	1,313,875
		8/15/2010	1,235,000	39,438	
2011	1,230,000	2/15/2011		20,295	1,270,590
		8/15/2011	1,230,000	20,295	
			<u>4,990,000</u>	<u>808,498</u>	<u>5,798,498</u>

**GENERAL OBLIGATION BONDS
STATEMENT OF INDEBTEDNESS
CITY OF KILGORE
G. O. REFUNDING BONDS, SERIES 2004A**

PURPOSE OF ISSUE:

\$930,000 Refund Callable Bonds:

Sabine River Authority Contract Revenue Bonds, Series 1994
(City of Kilgore Sabine River Pump Station)

Repayment	Ad Valorem Tax Water/Sewer Revenue
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Date of Issue	11/15/2004
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Original Issue	\$930,000
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Amount Outstanding	\$410,000
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Interest Rate	Maturity Date	Rate
	2005-2014	3.60%

**TAX & WATERWORKS AND SEWER SYSTEM SURPLUS REVENUE
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2004A
INTEREST & SINKING FUND - SCHEDULE OF MATURITIES**

Fiscal Year Ending	Outstanding Beginning of Year	Due Date	Principal	Interest	Fiscal Year Total
2005	930,000	2/15/2005 8/15/2005	90,000	8,370 15,120	113,490
2006	840,000	2/15/2006 8/15/2006	80,000	15,120 13,680	108,800
2007	760,000	2/15/2007 8/15/2007	85,000	13,680 12,150	110,830
2008	675,000	2/15/2008 8/15/2008	85,000	12,150 10,620	107,770
2009	590,000	2/15/2009 8/15/2009	90,000	10,620 9,000	109,620
2010	500,000	2/15/2010 8/15/2010	90,000	9,000 7,380	106,380
2011	410,000	2/15/2011 8/15/2011	100,000	7,380 5,580	112,960
2012	310,000	2/15/2012 8/15/2012	100,000	5,580 3,780	109,360
2013	210,000	2/15/2013 8/15/2013	100,000	3,780 1,980	105,760
2014	110,000	2/15/2014 8/15/2014	110,000	1,980 -	111,980
			<u>930,000</u>	<u>166,950</u>	<u>1,096,950</u>

**GENERAL OBLIGATION BONDS
STATEMENT OF INDEBTEDNESS
CITY OF KILGORE
G. O. REFUNDING BONDS, SERIES 2009**

PURPOSE OF ISSUE:

\$2,525,000 Refund Callable Bonds

REVENUE CERTIFICATES OF OBLIGATION, SERIES 1999
Wastewater Treatment Plant Improvements Relocate Point of Discharge

CERTIFICATES OF OBLIGATIONS, SERIES 2003
Park Improvements
Construction of Public Works-Lift Station
Water Line Replacements, Ammonia Feed System

Repayment	60%	Ad Valorem Tax
	40%	WaterSewer Revenue

Date of Issue	12/15/2009
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Original Issue	\$2,525,000
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Amount Outstanding	\$2,140,000
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Interest Rate	<u>Maturity Date</u>	<u>Rate</u>
	2010-2012	2.000%
	2013-2017	3.000%

**GENERAL OBLIGATION REFUNDING BONDS, SERIES 2009
STATEMENT OF INDEBTEDNESS
INTEREST & SINKING FUND - SCHEDULE OF MATURITIES**

Fiscal Year Ending	Outstanding Beginning of Year	Due Date	Principal	Interest	Fiscal Year Total	Water/Sewer Revenue 40%
2010	2,525,000	2/15/2010 8/15/2010	385,000	10,191.66 26,725.00	421,917	168,767
2011	2,140,000	2/15/2011 8/15/2011	260,000	26,725.00 24,125.00	310,850	124,340
2012	1,880,000	2/15/2012 8/15/2012	815,000	24,125.00 15,975.00	855,100	650,313
2013	1,065,000	2/15/2013 8/15/2013	345,000	15,975.00 10,800.00	371,775	148,710
2014	720,000	2/15/2014 8/15/2014	205,000	10,800.00 7,725.00	223,525	89,410
2015	515,000	2/15/2015 8/15/2015	220,000	7,725.00 4,425.00	232,150	92,860
2016	295,000	2/15/2016 8/15/2016	235,000	4,425.00 900.00	240,325	96,130
2017	60,000	2/15/2017 8/15/2017	60,000	900.00	60,900	24,360
			<u>2,525,000</u>	<u>191,542</u>	<u>2,716,542</u>	<u>1,394,890</u>