

Debt Service Fund

General Obligation Interest and Sinking Fund

The General Obligation 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 tax revenue to pay principal and interest on bonds sold for various improvement projects, such as street and drainage improvements. The amount of the taxes levied is determined by the County Tax Assessor and approved by the City Council. The function of this fund is to retire bonded indebtedness and pay the interest on the indebtedness. The debt, which this fund retires, was issued by the City for General Fund capital equipment and infrastructure.

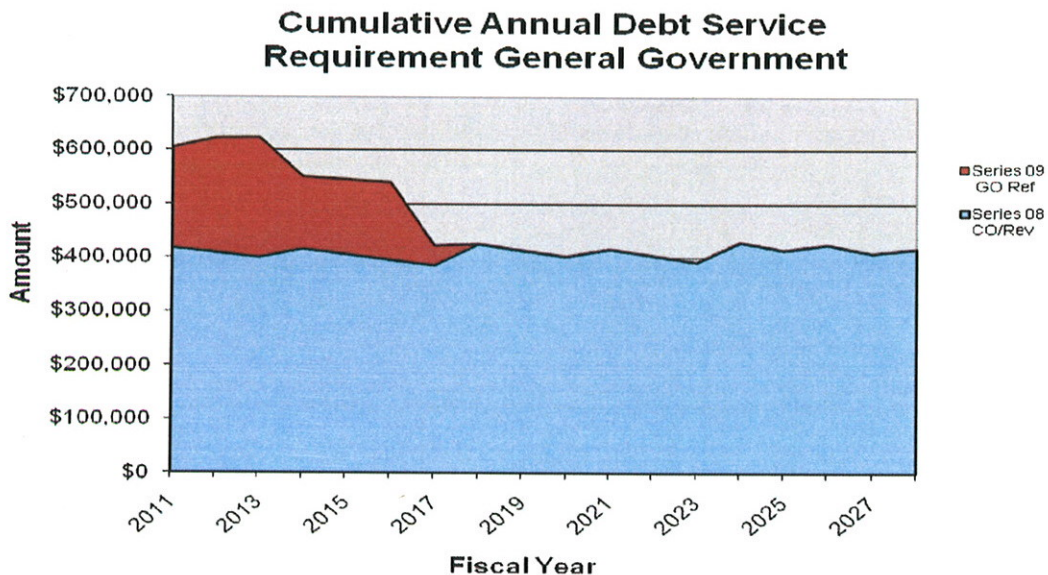
The total outstanding debt principal supported from ad valorem taxes is \$6,359,000. Scheduled principal, interest and fee payments for FY2011 total \$606,410. This represents a decrease of \$48,915 compared to 2010, or 7.48 percent. Principal payments will reduce the outstanding bond indebtedness by \$356,000 during the year. Interest on the long-term debt for FY2011 is \$248,910. Debt Service fees are \$1,500.

The following pages detail the future annual principal and interest requirements for the City's outstanding debt obligations as of October 1, 2010. Through 2028, the City has a total of \$6,359,000 in principal to retire and \$2,101,788 in interest payments.

The City has no plans to issue additional debt during this fiscal year.

Statutes of the State of Texas limit the maximum amount of ad valorem tax that can be levied by a home rule city to no more than \$2.50 per \$100 of assessed valuation. A portion of the \$2.50 maximum is used for the maintenance and operations portion of the tax levy.

Assessed Taxable Value, 2010 tax roll	\$ 1,182,555,241
Limit per \$100 assessed valuation	<u>2.50</u>
Legal limit on tax levy	\$ 29,653,881
Less: maintenance & operations portion of the tax levy (\$0.347652 per \$100 assessed valuation)	<u>(4,111,177)</u>
Amount of legal limit of tax levy available for debt service	<u>\$ 25,542,704</u>



2010-2011 BUDGET

RECAP GENERAL BOND PAYMENTS

PAID FROM AD VALOREM TAXES

Issue	Type	Issue Date	Issue Maturity	Issue Amount	Outstanding 10/01/10	Payment Date	Principal	Interest	Total Currency Requirement	Outstanding 09/30/11
Series 2008	C.O. /REV	7/15/2008	8/15/2028	5,400,000	5,075,000	2/15/2011 8/15/2011	200,000	109,200 109,200	418,400	4,875,000
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				6,915,000	6,359,000		356,000	248,910	604,910	6,003,000

* Transferred to Water Utility for payment of debt

**GENERAL OBLIGATION BONDS
STATEMENT OF INDEBTEDNESS
CITY OF KILGORE
TAX AND WATERWORKS AND SEWER SYSTEM SURPLUS REVENUE, SERIES 2008**

PURPOSE OF ISSUE:

\$5,400,000 Construction of Public Works and Professional Services rendered in relation to such projects and purposes and the financing thereof

Street improvements including curbs, gutters, sidewalks, traffic signalization and utility line relocations incidental thereto and the acquisition of land and rights-of-way therefore; and drainage improvements including the acquisition of rights-of-way therefore; and improvements and extensions to the City's combined Waterworks and Sewer System, including the acquisition of land and rights-of-way.

Repayment	Ad Valorem Tax Water/Sewer Revenue								
Date of Issue	7/15/2008								
Original Issue	\$5,400,000								
Amount Outstanding	\$5,075,000								
Interest Rate	<table border="0" style="margin-left: 20px;"> <tr> <td style="border-bottom: 1px solid black; padding-right: 10px;">Maturity Date</td> <td style="border-bottom: 1px solid black; padding-right: 10px;">Rate</td> </tr> <tr> <td>2008-2018</td> <td>4.500%</td> </tr> <tr> <td>2019-2021</td> <td>4.000%</td> </tr> <tr> <td>2022</td> <td>4.125%</td> </tr> </table>	Maturity Date	Rate	2008-2018	4.500%	2019-2021	4.000%	2022	4.125%
Maturity Date	Rate								
2008-2018	4.500%								
2019-2021	4.000%								
2022	4.125%								

**TAX & WATERWORKS AND SEWER SYSTEM SURPLUS REVENUE
REVENUE CERTIFICATES OF OBLIGATION, SERIES 2008
INTEREST & SINKING FUND - SCHEDULE OF MATURITIES**

Fiscal Year Ending	Outstanding Beginning of Year	Due Date	Principal	Interest	Fiscal Year Total
2009	5,400,000	2/15/2009		135,931.25	402,444
		8/15/2009	150,000	116,512.50	
2010	5,250,000	2/15/2010		113,137.50	401,275
		8/15/2010	175,000	113,137.50	
2011	5,075,000	2/15/2011		109,200.00	418,400
		8/15/2011	200,000	109,200.00	
2012	4,875,000	2/15/2012		104,700.00	409,400
		8/15/2012	200,000	104,700.00	
2013	4,675,000	2/15/2013		100,200.00	400,400
		8/15/2013	200,000	100,200.00	
2014	4,475,000	2/15/2014		95,700.00	416,400
		8/15/2014	225,000	95,700.00	
2015	4,250,000	2/15/2015		90,637.50	406,275
		8/15/2015	225,000	90,637.50	
2016	4,025,000	2/15/2016		85,575.00	396,150
		8/15/2016	225,000	85,575.00	
2017	3,800,000	2/15/2017		80,512.50	386,025
		8/15/2017	225,000	80,512.50	
2018	3,575,000	2/15/2018		75,450.00	425,900
		8/15/2018	275,000	75,450.00	
2019	3,300,000	2/15/2019		69,262.50	413,525
		8/15/2019	275,000	69,262.50	
2020	3,025,000	2/15/2020		63,762.50	402,525
		8/15/2020	275,000	63,762.50	
2021	2,750,000	2/15/2021		58,262.50	416,525
		8/15/2021	300,000	58,262.50	
2022	2,450,000	2/15/2022		52,262.50	404,525
		8/15/2022	300,000	52,262.50	

**TAX & WATERWORKS AND SEWER SYSTEM SURPLUS REVENUE
REVENUE CERTIFICATES OF OBLIGATION, SERIES 2008
INTEREST & SINKING FUND - SCHEDULE OF MATURITIES**

Fiscal Year Ending	Outstanding Beginning of Year	Due Date	Principal	Interest	Fiscal Year Total
2023	2,150,000	2/15/2023		46,075.00	392,150
		8/15/2023	300,000	46,075.00	
2024	1,850,000	2/15/2024		39,887.50	429,775
		8/15/2024	350,000	39,887.50	
2025	1,500,000	2/15/2025		32,450.00	414,900
		8/15/2025	350,000	32,450.00	
2026	1,150,000	2/15/2026		25,012.50	425,025
		8/15/2026	375,000	25,012.50	
2027	775,000	2/15/2027		16,856.25	408,713
		8/15/2027	375,000	16,856.25	
2028	400,000	2/15/2028		8,700.00	417,400
		8/15/2028	400,000	8,700.00	
			5,400,000	2,787,731	8,187,731

**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 2009
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	Ad Valorem Tax WaterSewer Revenue
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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	Ad Valorem Tax Debt 60%
2010	2,525,000	2/15/2010 8/15/2010	385,000	10,191.66 25,725.00	420,917	252,550
2011	2,140,000	2/15/2011 8/15/2011	260,000	26,725.00 24,125.00	310,850	186,510
2012	1,880,000	2/15/2012 8/15/2012	815,000	24,125.00 15,975.00	855,100	513,060
2013	1,065,000	2/15/2013 8/15/2013	345,000	15,975.00 10,800.00	371,775	223,065
2014	720,000	2/15/2014 8/15/2014	205,000	10,800.00 7,725.00	223,525	134,115
2015	515,000	2/15/2015 8/15/2015	220,000	7,725.00 4,425.00	232,150	139,290
2016	295,000	2/15/2016 8/15/2016	235,000	4,425.00 900.00	240,325	144,195
2017	60,000	2/15/2017 8/15/2017	60,000	900.00	60,900	36,540
			<u>2,525,000</u>	<u>190,542</u>	<u>2,715,542</u>	<u>1,629,325</u>

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