

# City of Denton

## Debt Summary Report

As of September 30, 2013

*Contact:*

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***Disclaimer: Data provided in this report is as of the date of publication and constitutes existing long-term debt obligations only. This report does not include forward looking statements nor does it include debt that may be incurred in the future. Interested parties should refer to the City's audited financial statements and other disclosure documents when investing.***

## TABLE OF CONTENTS

Introduction.....	3
Schedule – Total Annual Debt Service by Type of Debt.....	4
Bar & Pie Charts – Total Annual Debt Service by Type of Debt.....	5
Schedule – Tax Supported Debt Service .....	6
Bar & Pie Charts – Tax Supported Debt Service .....	7
Schedule – Revenue Supported Debt Service .....	8
Bar & Pie Charts – Revenue Supported Debt Service .....	9
Schedule – General Government Debt Service .....	10
Bar & Pie Charts – General Government Debt Service.....	11
Schedule – Electric Debt Service.....	12
Bar & Pie Charts – Electric Debt Service .....	13
Schedule – Water Debt Service.....	14
Bar & Pie Charts – Water Debt Service.....	15
Schedule – Wastewater Debt Service.....	16
Bar & Pie Charts – Wastewater Debt Service.....	17
Schedule – Solid Waste Debt Service.....	18
Bar & Pie Charts – Solid Waste Debt Service.....	19

## INTRODUCTION

The City of Denton utilizes long-term debt to finance non-operating expenses, which may include equipment, facilities, and the acquisition of land. Unlike the Federal Government, the City only issues debt for the purchase or construction of capital assets and infrastructure improvements and cannot issue debt to fund operating expenses or deficit spending. All debt issued by the City must be approved by the Texas Attorney General's Office prior to the final sale of the debt. Additional information on the City's outstanding debt including statistical comparisons and ratios can be found in the City's Comprehensive Annual Financial Report, which is located on the City's website under the Finance Department. ([www.cityofdenton.com](http://www.cityofdenton.com))

The City issues two types of long-term debt: General Obligation Debt and Revenue Bond Debt. The City also differentiates between tax-supported and revenue-supported debt to provide the public with a clear understanding of what debt will be paid by property taxes versus rate revenues. The following table represents the latest bond ratings for each type of debt for which ratings are given:

	Moody's	Standard & Poor's	Fitch
General Obligation Debt	Aa2	AA	AA+
Revenue Bond Debt	A1	AA-	Not Rated

### **GENERAL OBLIGATION DEBT:**

The largest category of debt is General Obligation Debt. It consists of two categories of bonds: **General Obligation Bonds (GOs)** and **Certificates of Obligation (COs)**.

GOs are generally voter approved and backed by the full faith and credit of the City (property tax pledge) and must be approved at an election. Voter approval may be granted during one of two general election dates. Under the City's debt policy, GOs strive to have a final maturity of twenty (20) years or less.

COs do not require voter approval and may have a dual pledge of a specific City revenue and the full faith and credit of the City. Some examples of pledged City revenues are electric, water, wastewater, and landfill revenues. Under the City's debt policy, COs will strive to have a final maturity of thirty (30) years or less. Historically, most COs have been issued with a twenty (20) year final maturity. The City has recently begun to issue COs not only for general government purposes which are repaid by property taxes, but also for utility operations of the City. The CO's issued for utility purposes are repaid from the specific utility fund for which the debt was issued. CO's have a lower interest rate than revenue bonds, due to the pledge of full faith and credit. A portion of the interest savings to the City's utilities through issuing CO's (instead of revenue bonds) is being paid back to the general government and placed in the Street Improvement Fund.

### **REVENUE BOND DEBT:**

The second largest category of debt is Revenue Bond Debt. This debt is pledged only against the operating revenues of the City's Electric, Water and Wastewater Funds (collectively known as the "Utility System") and not the full faith and credit of the City. Under the City's debt policy, revenue bonds will strive to have a final maturity of thirty (30) years or less. Historically, most revenue bonds have been issued with a twenty (20) year final maturity.

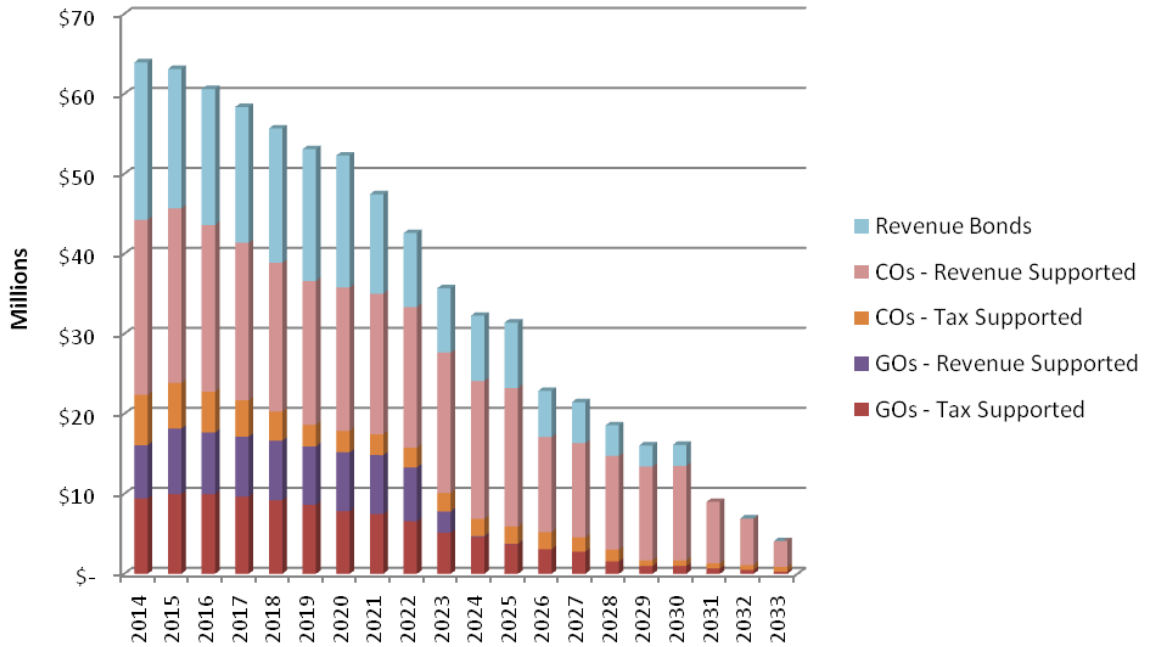
**TABLE – TOTAL OUTSTANDING DEBT (in millions):**

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
<b>GOs</b>	\$136.69	\$35.45	\$172.14
<b>COs</b>	\$260.47	\$92.12	\$352.59
<b>Revenue Bonds</b>	\$144.23	\$42.72	\$186.95
<b>Total</b>	<b>\$541.39</b>	<b>\$170.29</b>	<b>\$711.68</b>

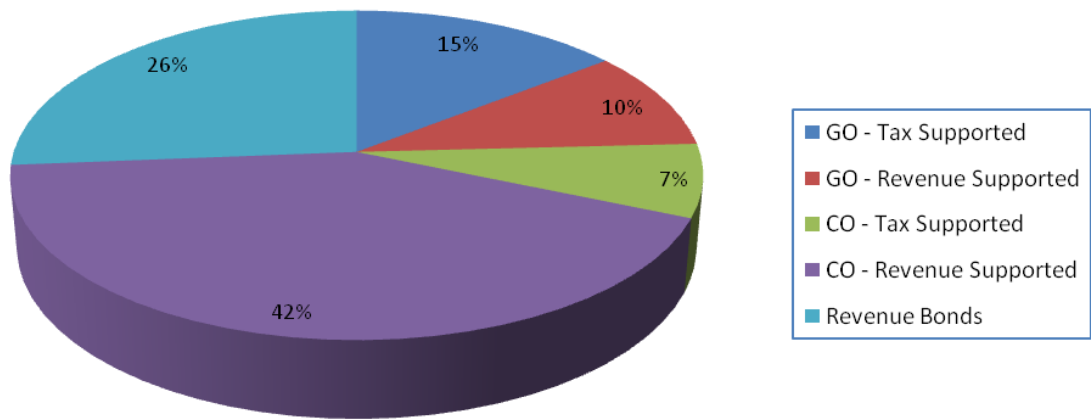
**City of Denton**  
**Total Annual Debt Service (Principal & Interest) - All Debt**  
**As of September 30, 2013**

<b>FY End</b>	<b>General Obligation Bonds (GOs)</b>		<b>Certificates of Obligation (COs)</b>		<b>Revenue</b>	
	<b>Tax Supported</b>	<b>Revenue Supported</b>	<b>Tax Supported</b>	<b>Revenue Supported</b>	<b>Bonds</b>	<b>Total</b>
2014	\$ 9,443,967	\$ 6,638,285	\$ 6,303,086	\$ 21,870,156	\$ 19,697,088	\$ 63,952,582
2015	9,977,806	8,185,868	5,701,341	21,815,951	17,431,144	63,112,110
2016	9,962,604	7,704,054	5,111,402	20,833,597	16,999,006	60,610,663
2017	9,645,971	7,513,425	4,537,105	19,684,875	16,985,913	58,367,289
2018	9,205,566	7,452,328	3,633,780	18,580,400	16,804,013	55,676,087
2019	8,628,294	7,315,808	2,680,318	17,981,888	16,484,081	53,090,389
2020	7,845,421	7,347,363	2,680,906	17,922,275	16,501,313	52,297,278
2021	7,480,653	7,363,911	2,613,161	17,571,228	12,429,347	47,458,300
2022	6,557,664	6,750,160	2,475,288	17,573,356	9,241,534	42,598,002
2023	5,149,082	2,660,101	2,300,193	17,548,163	8,050,059	35,707,598
2024	4,604,641	117,644	2,143,807	17,251,233	8,157,650	32,274,975
2025	3,711,369	57,879	2,141,834	17,328,150	8,174,838	31,414,070
2026	3,073,999	-	2,141,258	11,890,020	5,770,653	22,875,930
2027	2,789,909	-	1,775,393	11,774,888	5,112,594	21,452,784
2028	1,548,387	-	1,474,044	11,720,093	3,829,538	18,572,062
2029	977,309	-	707,003	11,733,609	2,637,456	16,055,377
2030	981,901	-	705,625	11,799,978	2,639,931	16,127,435
2031	671,300	-	654,294	7,678,669	-	9,004,263
2032	494,963	-	619,363	5,816,438	-	6,930,764
2033	280,500	-	594,872	3,223,494	-	4,098,866
	<b>\$ 103,031,306</b>	<b>\$ 69,106,826</b>	<b>\$ 50,994,073</b>	<b>\$ 301,598,461</b>	<b>\$ 186,946,158</b>	<b>\$ 711,676,824</b>

### Total Annual Debt Service (\$)



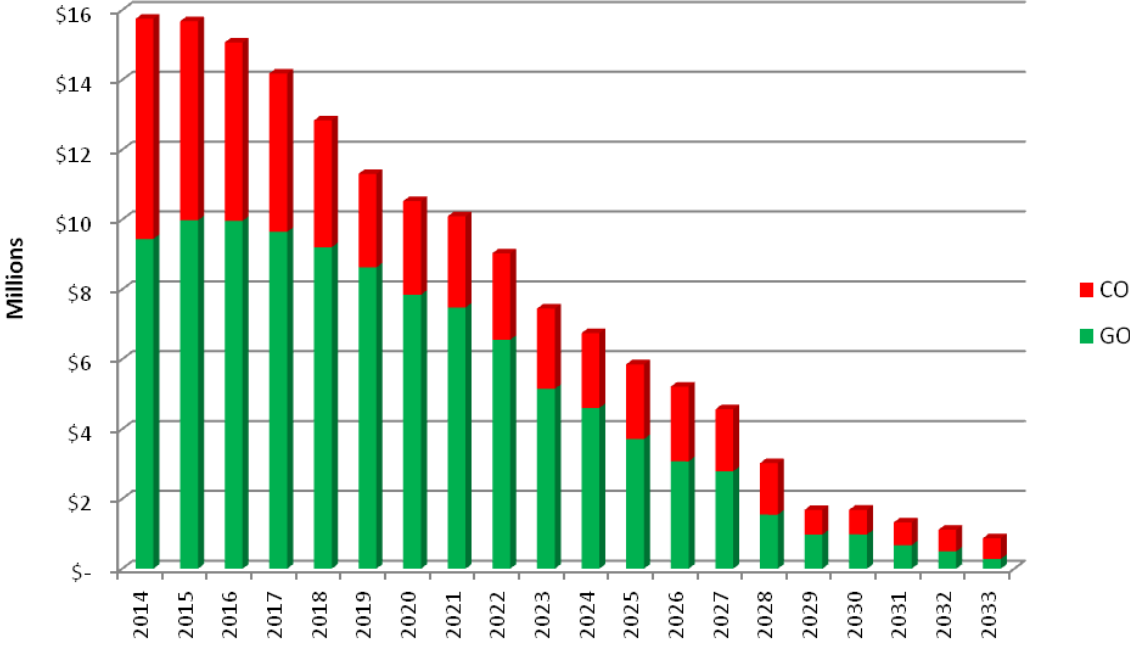
### Total Annual Debt Service (%)



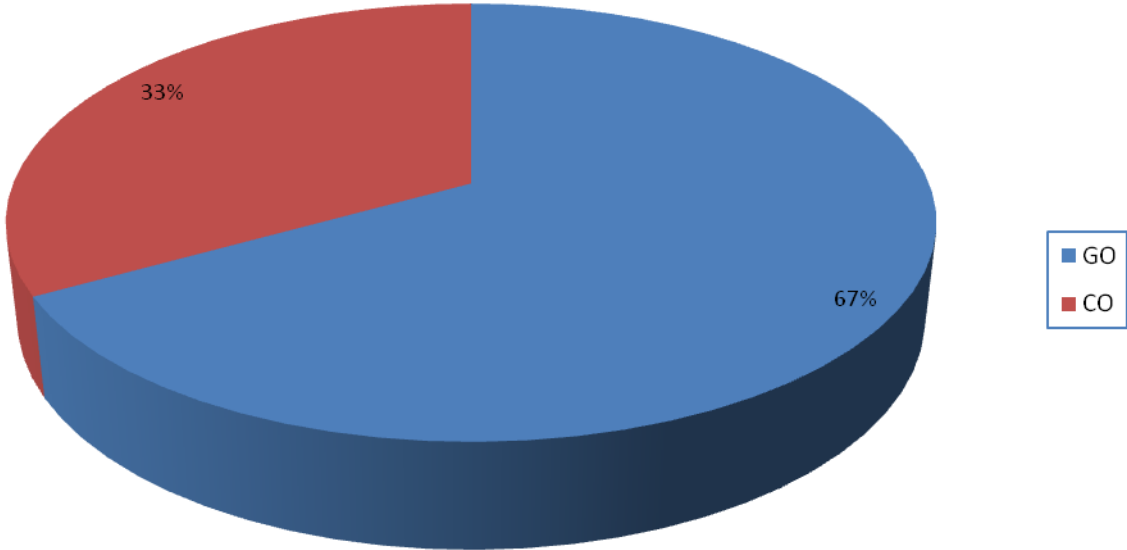
**City of Denton**  
**Total Annual Debt Service (Principal & Interest) - Tax Supported Debt**  
**As of September 30, 2013**

<b>FY End 9-30</b>	<b>General Obligation Bonds (GOs)</b>	<b>Certificates of Obligation (COs)</b>	<b>Total</b>
2014	\$ 9,443,967	\$ 6,303,086	\$ 15,747,053
2015	9,977,806	5,701,341	15,679,147
2016	9,962,604	5,111,402	15,074,006
2017	9,645,971	4,537,105	14,183,076
2018	9,205,566	3,633,780	12,839,346
2019	8,628,294	2,680,318	11,308,612
2020	7,845,421	2,680,906	10,526,327
2021	7,480,653	2,613,161	10,093,814
2022	6,557,664	2,475,288	9,032,952
2023	5,149,082	2,300,193	7,449,275
2024	4,604,641	2,143,807	6,748,448
2025	3,711,369	2,141,834	5,853,203
2026	3,073,999	2,141,258	5,215,257
2027	2,789,909	1,775,393	4,565,302
2028	1,548,387	1,474,044	3,022,431
2029	977,309	707,003	1,684,312
2030	981,901	705,625	1,687,526
2031	671,300	654,294	1,325,594
2032	494,963	619,363	1,114,326
2033	280,500	594,872	875,372
	<b>\$ 103,031,306</b>	<b>\$ 50,994,073</b>	<b>\$ 154,025,379</b>

### Tax Supported Debt (\$)



### Tax Supported Debt (%)

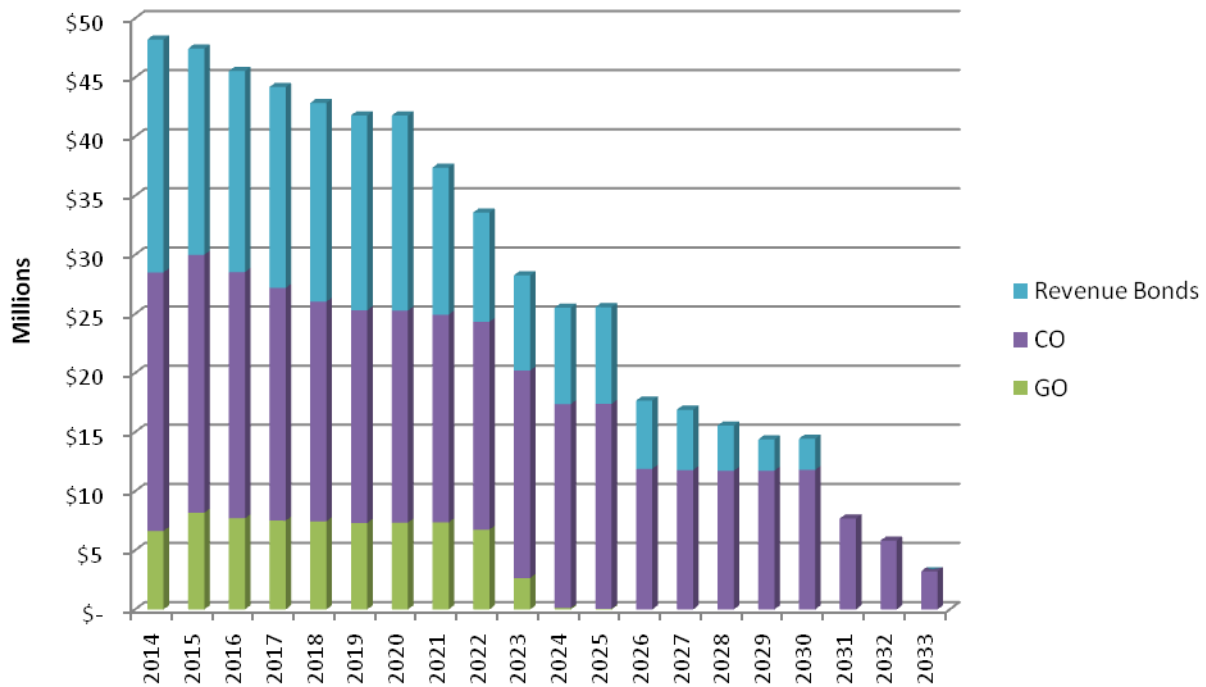


**City of Denton**  
**Total Annual Debt Service (Principal & Interest) - Revenue Supported Debt**  
**As of September 30, 2013**

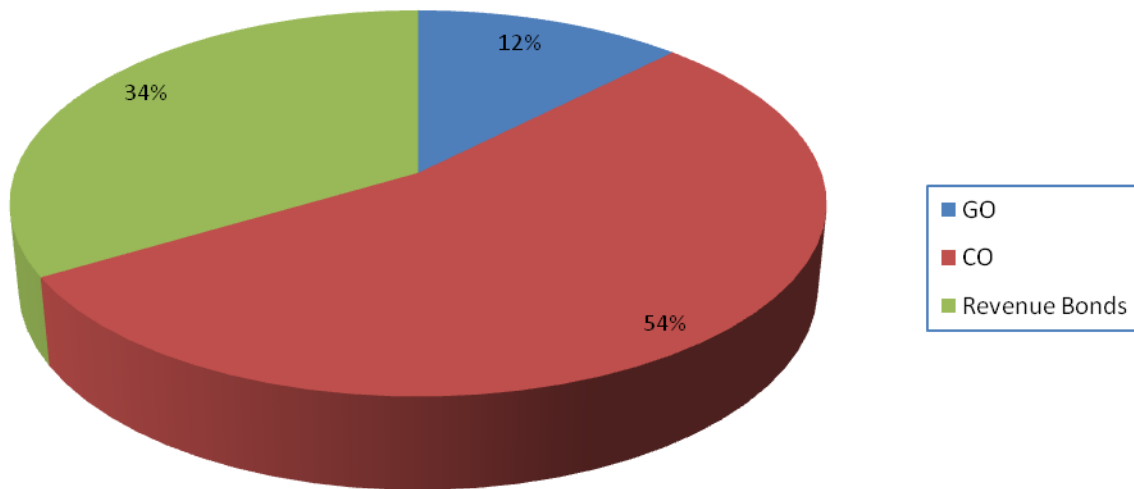
<b>FY End</b>	<b>General Obligation Bonds</b>		<b>Certificates of Obligation</b>		<b>Revenue</b>	<b>Total</b>
<b>9-30</b>	<b>GOs</b>		<b>COs</b>		<b>Bonds</b>	<b>Total</b>
2014	\$	6,638,285	\$	21,870,156	\$ 19,697,088	\$ 48,205,529
2015		8,185,868		21,815,951	17,431,144	47,432,963
2016		7,704,054		20,833,597	16,999,006	45,536,657
2017		7,513,425		19,684,875	16,985,913	44,184,213
2018		7,452,328		18,580,400	16,804,013	42,836,741
2019		7,315,808		17,981,888	16,484,081	41,781,777
2020		7,347,363		17,922,275	16,501,313	41,770,951
2021		7,363,911		17,571,228	12,429,347	37,364,486
2022		6,750,160		17,573,356	9,241,534	33,565,050
2023		2,660,101		17,548,163	8,050,059	28,258,323
2024		117,644		17,251,233	8,157,650	25,526,527
2025		57,879		17,328,150	8,174,838	25,560,867
2026		-		11,890,020	5,770,653	17,660,673
2027		-		11,774,888	5,112,594	16,887,482
2028		-		11,720,093	3,829,538	15,549,631
2029		-		11,733,609	2,637,456	14,371,065
2030		-		11,799,978	2,639,931	14,439,909
2031		-		7,678,669	-	7,678,669
2032		-		5,816,438	-	5,816,438
2033		-		3,223,494	-	3,223,494
	\$	<b>69,106,826</b>	\$	<b>301,598,461</b>	<b>\$ 186,946,158</b>	<b>\$ 557,651,445</b>



### Revenue Supported (\$)



### Revenue Supported (%)



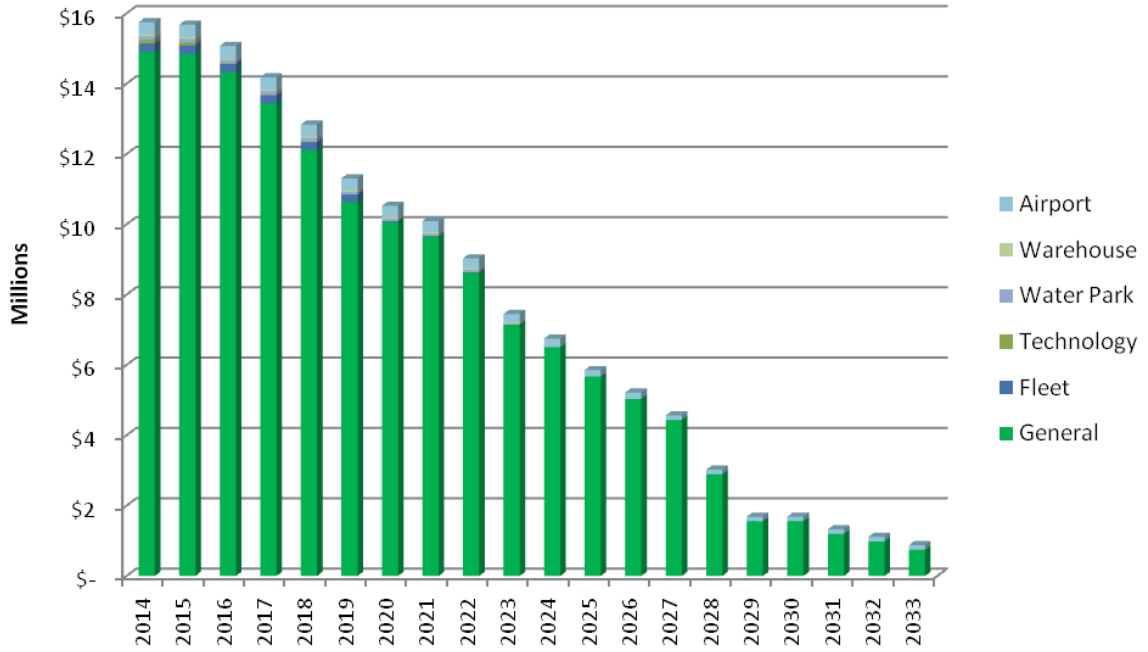
City of Denton

Total Annual Debt Service (Principal & Interest) - General Government

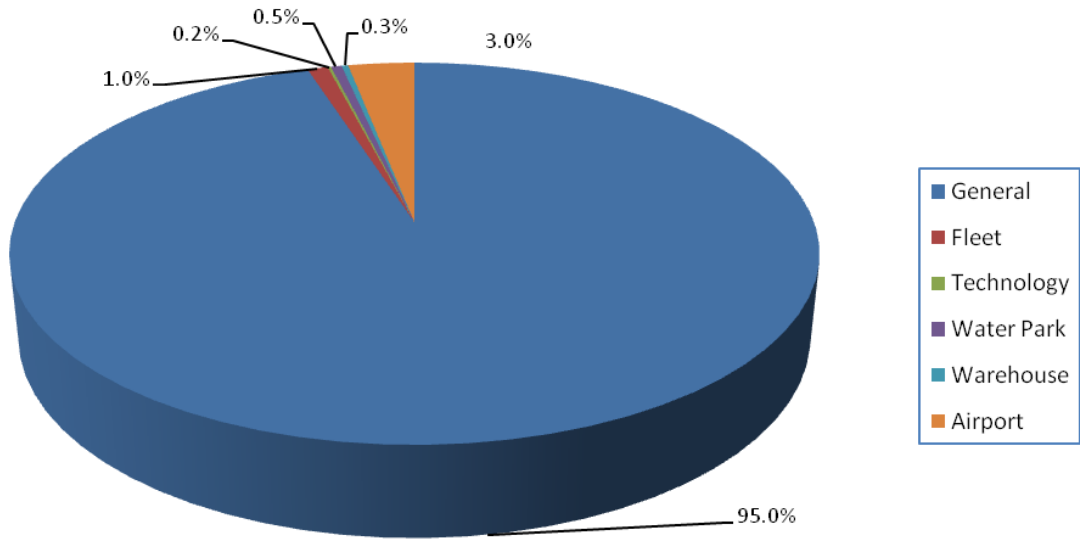
As of September 30, 2013

<b>FY End</b>	<b>General</b>	<b>Fleet</b>	<b>Technology</b>	<b>Water Park</b>	<b>Warehouse</b>	<b>Airport</b>	<b>Total</b>
2014	\$ 14,893,557	\$ 247,117	\$ 105,113	\$ 100,012	\$ 44,114	\$ 357,141	\$ 15,747,054
2015	14,842,305	250,637	82,913	100,280	47,934	355,078	15,679,147
2016	14,321,136	242,725	11,806	97,436	48,334	352,569	15,074,006
2017	13,440,473	229,425	16,281	103,977	48,036	344,884	14,183,076
2018	12,118,329	220,590	10,731	104,641	47,519	337,536	12,839,346
2019	10,633,672	211,899	10,250	64,838	49,339	338,614	11,308,612
2020	10,068,944	21,712	-	66,888	48,752	320,032	10,526,328
2021	9,649,573	15,717	-	64,038	47,936	316,551	10,093,815
2022	8,622,127	16,185	-	66,381	49,364	278,895	9,032,952
2023	7,142,525	15,813	-	-	48,230	242,706	7,449,274
2024	6,508,570	-	-	-	-	239,878	6,748,448
2025	5,671,798	-	-	-	-	181,406	5,853,204
2026	5,035,069	-	-	-	-	180,188	5,215,257
2027	4,435,376	-	-	-	-	129,925	4,565,301
2028	2,891,256	-	-	-	-	131,175	3,022,431
2029	1,556,506	-	-	-	-	127,805	1,684,311
2030	1,558,308	-	-	-	-	129,218	1,687,526
2031	1,195,194	-	-	-	-	130,400	1,325,594
2032	982,906	-	-	-	-	131,419	1,114,325
2033	743,178	-	-	-	-	132,194	875,372
	<b>\$ 146,310,802</b>	<b>\$ 1,471,820</b>	<b>\$ 237,094</b>	<b>\$ 768,491</b>	<b>\$ 479,558</b>	<b>\$ 4,757,614</b>	<b>\$ 154,025,379</b>

## General Government (\$)



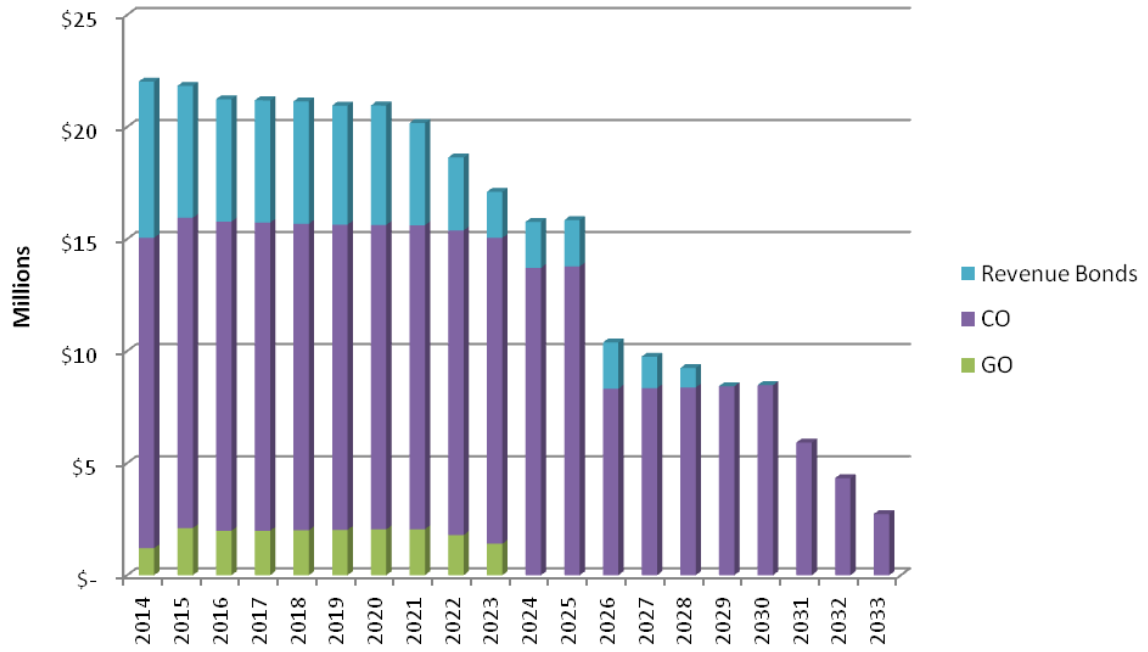
## General Government (%)



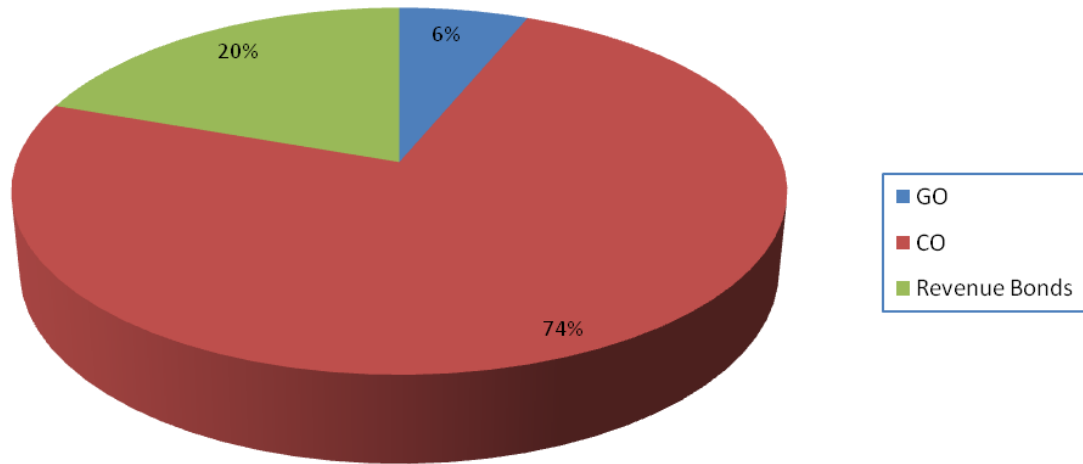
**City of Denton**  
**Total Annual Debt Service (Principal & Interest) - Electric**  
**As of September 30, 2013**

FY End 9-30	General Obligation Bonds		Certificates of Obligation		Revenue	Total
		GOs		COs	Bonds	
2014	\$	1,204,000	\$	13,852,362	\$ 6,967,673	\$ 22,024,035
2015		2,102,100		13,844,581	5,887,825	21,834,506
2016		1,983,100		13,796,431	5,459,975	21,239,506
2017		1,984,687		13,744,356	5,458,025	21,187,068
2018		2,007,450		13,672,406	5,462,875	21,142,731
2019		2,020,950		13,620,956	5,310,519	20,952,425
2020		2,041,112		13,591,169	5,324,175	20,956,456
2021		2,051,500		13,565,880	4,557,456	20,174,836
2022		1,790,500		13,592,712	3,252,372	18,635,584
2023		1,404,250		13,646,844	2,052,025	17,103,119
2024		-		13,710,394	2,052,109	15,762,503
2025		-		13,778,669	2,060,465	15,839,134
2026		-		8,319,106	2,062,040	10,381,146
2027		-		8,343,863	1,404,506	9,748,369
2028		-		8,374,200	866,125	9,240,325
2029		-		8,431,444	-	8,431,444
2030		-		8,482,931	-	8,482,931
2031		-		5,915,663	-	5,915,663
2032		-		4,330,363	-	4,330,363
2033		-		2,730,309	-	2,730,309
	\$	<b>18,589,649</b>	\$	<b>219,344,639</b>	\$ <b>58,178,165</b>	\$ <b>296,112,453</b>

## Electric (\$)



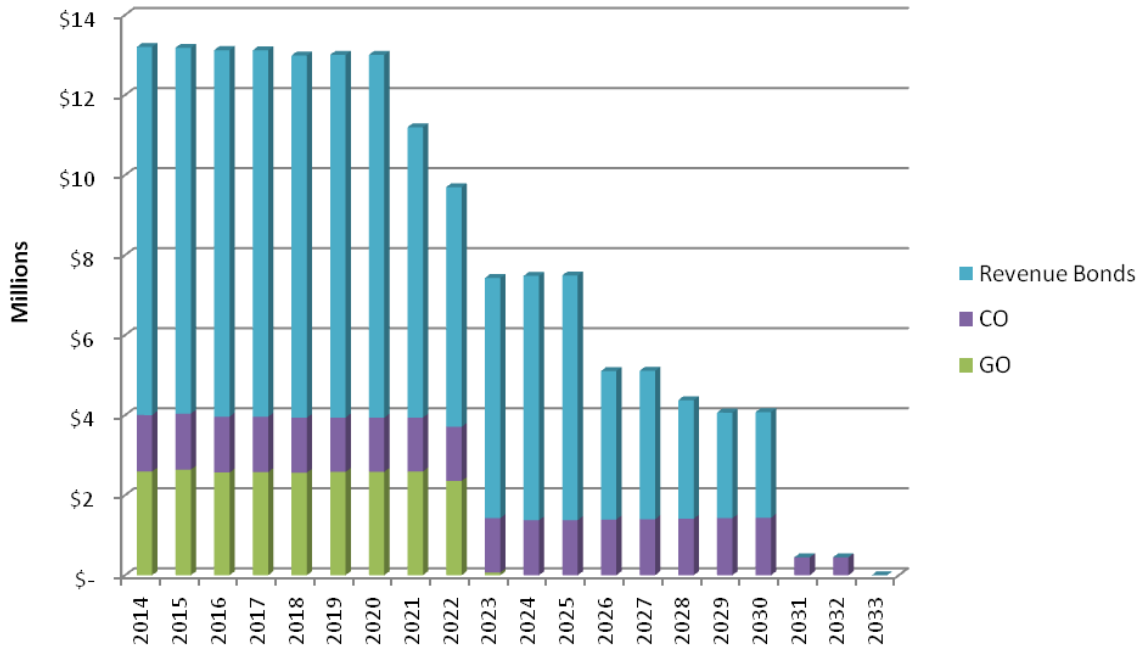
## Electric (%)



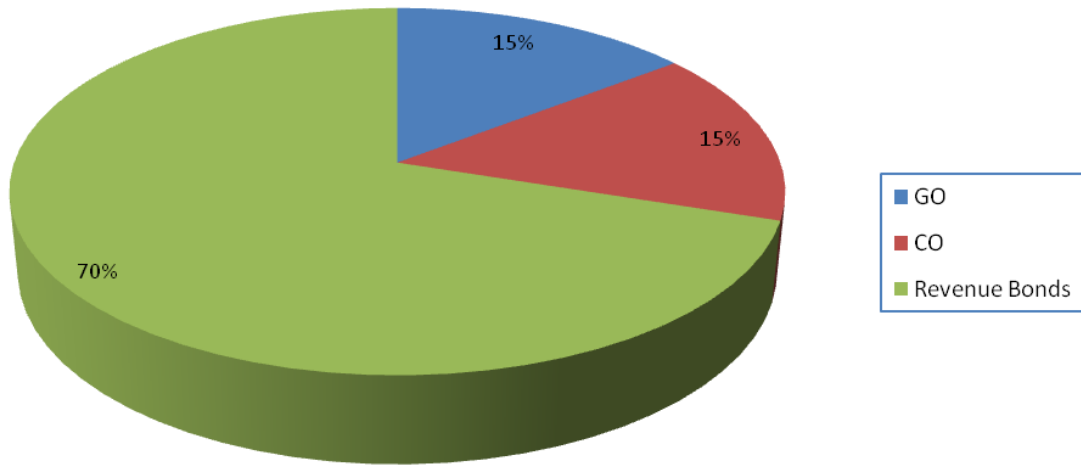
**City of Denton**  
**Total Annual Debt Service (Principal & Interest) - Water**  
**As of September 30, 2013**

<b>FY End 9-30</b>	<b>General Obligation Bonds GOs</b>	<b>Certificates of Obligation COs</b>	<b>Revenue Bonds</b>	<b>Total</b>
2014	\$ 2,591,612	\$ 1,409,944	\$ 9,197,700	\$ 13,199,256
2015	2,637,562	1,401,244	9,139,369	13,178,175
2016	2,564,988	1,397,094	9,156,906	13,118,988
2017	2,578,988	1,382,319	9,154,263	13,115,570
2018	2,562,513	1,371,494	9,050,963	12,984,970
2019	2,580,156	1,359,519	9,062,313	13,001,988
2020	2,586,575	1,349,994	9,064,838	13,001,407
2021	2,591,875	1,347,492	7,254,791	11,194,158
2022	2,355,624	1,351,018	5,989,163	9,695,805
2023	66,625	1,360,493	5,998,034	7,425,152
2024	-	1,372,718	6,105,541	7,478,259
2025	-	1,376,069	6,114,372	7,490,441
2026	-	1,390,669	3,708,613	5,099,282
2027	-	1,398,053	3,708,088	5,106,141
2028	-	1,409,763	2,963,413	4,373,176
2029	-	1,424,888	2,637,456	4,062,344
2030	-	1,436,406	2,639,931	4,076,337
2031	-	445,900	-	445,900
2032	-	447,700	-	447,700
2033	-	-	-	-
	<b>\$ 23,116,518</b>	<b>\$ 24,432,777</b>	<b>\$ 110,945,754</b>	<b>\$ 158,495,049</b>

### Water (\$)



### Water (%)

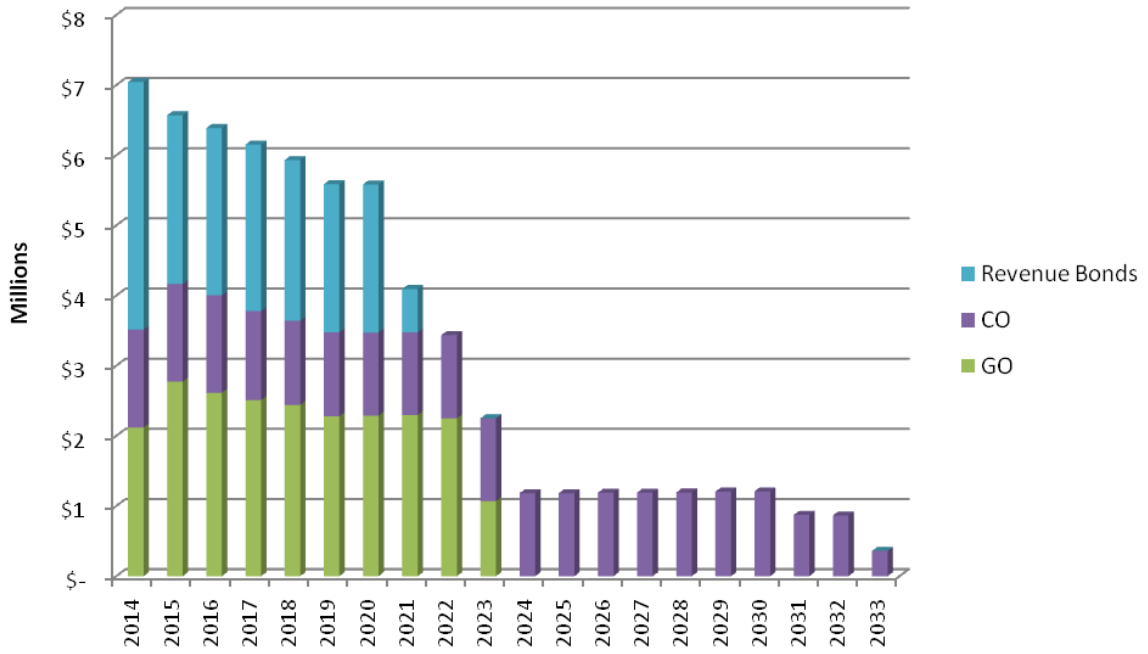


**City of Denton**  
**Total Annual Debt Service (Principal & Interest) - Wastewater**  
**As of September 30, 2013**

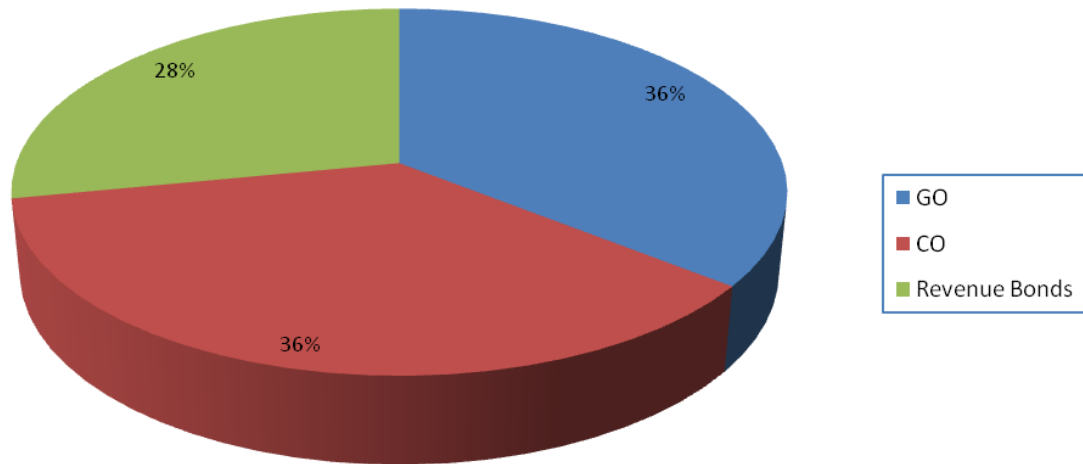
FY End 9-30	General Obligation Bonds		Certificates of Obligation		Revenue	Total
		GOs		COs	Bonds	
2014	\$	2,120,876	\$	1,392,840	\$ 3,531,714	\$ 7,045,430
2015		2,774,663		1,391,537	2,403,950	6,570,150
2016		2,615,338		1,390,362	2,382,125	6,387,825
2017		2,509,213		1,269,487	2,373,625	6,152,325
2018		2,441,719		1,200,037	2,290,175	5,931,931
2019		2,279,969		1,195,812	2,111,250	5,587,031
2020		2,288,188		1,184,162	2,112,300	5,584,650
2021		2,296,800		1,179,888	617,100	4,093,787
2022		2,250,874		1,185,038	-	3,435,912
2023		1,071,125		1,179,663	-	2,250,788
2024		-		1,182,738	-	1,182,738
2025		-		1,182,913	-	1,182,913
2026		-		1,190,338	-	1,190,338
2027		-		1,191,138	-	1,191,138
2028		-		1,192,863	-	1,192,863
2029		-		1,204,850	-	1,204,850
2030		-		1,209,034	-	1,209,034
2031		-		873,019	-	873,019
2032		-		866,256	-	866,256
2033		-		360,991	-	360,991
	\$	<b>22,648,765</b>	\$	<b>23,022,965</b>	\$ <b>17,822,239</b>	\$ <b>63,493,969</b>



## Wastewater (\$)



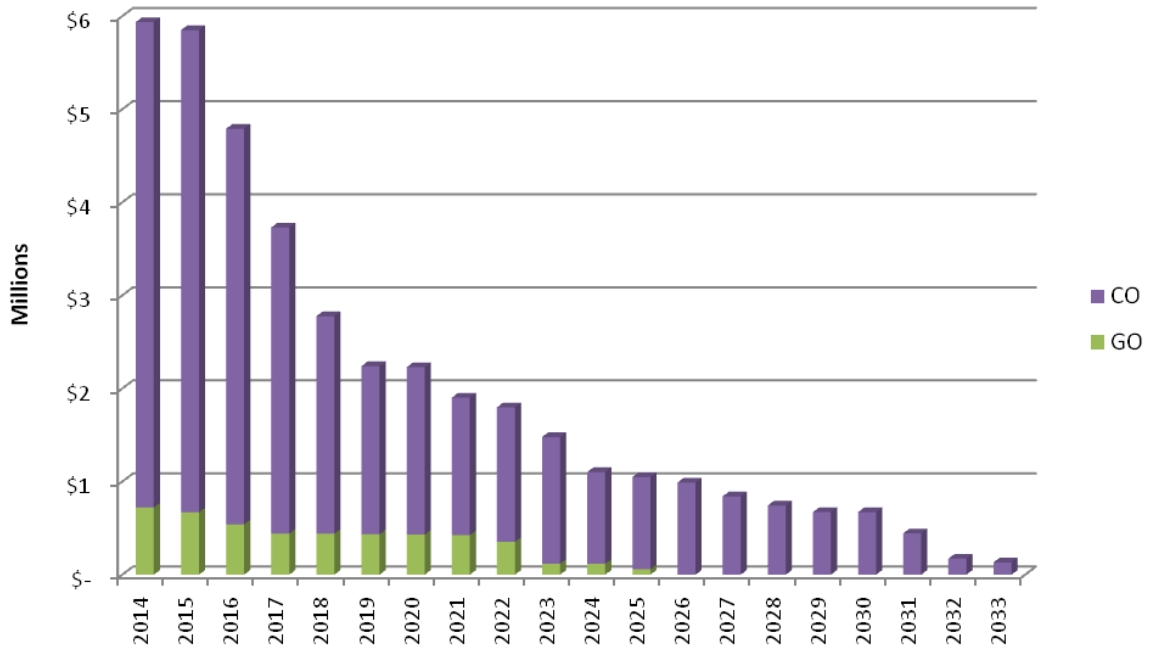
## Wastewater (%)



**City of Denton**  
**Total Annual Debt Service (Principal & Interest) - Solid Waste**  
**As of September 30, 2013**

FY End 9-30	General Obligation Bonds GOs	Certificates of Obligation COs	Revenue Bonds	Total
2014	\$ 721,798	\$ 5,215,011	\$ -	\$ 5,936,809
2015	671,543	5,178,589	-	5,850,132
2016	540,630	4,249,709	-	4,790,339
2017	440,538	3,288,712	-	3,729,250
2018	440,645	2,336,462	-	2,777,107
2019	434,732	1,805,600	-	2,240,332
2020	431,488	1,796,950	-	2,228,438
2021	423,736	1,477,966	-	1,901,702
2022	353,160	1,444,588	-	1,797,748
2023	118,101	1,361,163	-	1,479,264
2024	117,644	985,383	-	1,103,027
2025	57,879	990,500	-	1,048,379
2026	-	989,909	-	989,909
2027	-	841,834	-	841,834
2028	-	743,269	-	743,269
2029	-	672,428	-	672,428
2030	-	671,606	-	671,606
2031	-	444,088	-	444,088
2032	-	172,119	-	172,119
2033	-	132,194	-	132,194
	<b>\$ 4,751,894</b>	<b>\$ 34,798,080</b>	<b>\$ -</b>	<b>\$ 39,549,974</b>

### Solid Waste (\$)



### Solid Waste (%)

