

COMAL COUNTY DEBT AS OF 12/31/14

General Obligation Bonds, Certificates of Obligation and Notes Payable are direct obligations and pledge the full faith and credit of the County. These bonds generally are issued as 25-year serial bonds, except for refunding issues, with equal amounts of principal maturing each year.

Certificates of Obligation. Certificates of Obligation are issued by the vote of Commissioners Court as allowed under the Certificates of Obligation Act. The County currently has two (2) series of notes payable outstanding.

Series 2007. On August 2, 2007, the Commissioners' Court of Comal County approved passage of orders authorizing the issuance of certificates of obligation in an aggregate amount not to exceed \$20,200,000. The purpose being the purchase of right of way for the State Highway 46 TXDOT pass through project, Schwab Road realignment, expansion of the JP #3 offices to provide office space for Adult Probation officers, land acquisition for conservation purposes and parks, courthouse restoration, Dry Comal Creek flood retarding structures, and the purchase of land and construction of a new justice center. The order awarding the sale of \$20,190,000 Certificates of Obligation, Series 2007 was approved on August 9, 2007. Closing and delivery of the certificates occurred on September 6, 2007.

The 2007 Certificates of obligation currently outstanding are as follows:

Purpose	Interest Rate	Amount
General government	4.25% - 5.75%	\$ 17,225,000
		\$ 17,225,000

Annual debt service requirements to maturity for Series 2007 certificates of obligation are as follows:

Year Ending December 31	Principal	Interest
2015	\$ 900,000	\$ 786,809
2016	950,000	740,746
2017	990,000	699,521
2018	1,030,000	656,596
2019	1,080,000	611,489
2020 - 2024	6,160,000	2,276,059
2025 - 2028	6,115,000	630,625
Total	\$ 17,225,000	\$ 6,401,846

Combination Limited Tax and Revenue Bonds. The County issued combination limited tax and revenue bonds pursuant to a Pass-Through Toll Agreement between the County and the Texas Department of Transportation (TxDot), an agency of the State of Texas, with retirement of the bond principal to be from ad valorem taxes and payments from TxDot and the interest to be from County taxes and revenues. The combination limited tax and revenue bonds are an obligation of the County and the County is liable for the repayment of the bonds whether or not TxDot makes the agreed payments to the County.

On February 26, 2009 the Commissioners' Court passed an order authorizing the issuance of 'Comal County, Texas, Combination Limited Tax and Revenue Bonds, Series 2009' in the amount of \$16,070,000. These bonds, dated February 1, 2009 were issued March 17, 2009. The proceeds were transferred to the Texas Department of Transportation for the purpose of widening State Highway 46 in

Comal County, Texas.

The 2009 bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Amount</u>
General government	3.00% - 5.25%	\$ 13,395,000
		<u>\$ 13,395,000</u>

Annual debt service requirements to maturity for Series 2009 combination limited tax and revenue bonds are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 2,675,000	\$ 458,130
2016	2,680,000	377,880
2017	2,680,000	294,800
2018	2,680,000	201,000
2019	2,680,000	107,200
Total	<u>\$ 13,395,000</u>	<u>\$ 1,439,010</u>

On July 23, 2012 the Commissioners' Court passed an order authorizing the issuance of 'Comal County, Texas, Combination Limited Tax and Revenue Bonds, Series 2012' in the amount of \$14,855,000. These bonds, dated August 1, 2012 were issued August 21, 2012. The proceeds were transferred to the Texas Department of Transportation for the purpose of widening State Highway 281 in Comal County, Texas.

The 2012 bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Amount</u>
General government	2.50% - 4.00%	\$ 14,855,000
		<u>\$ 14,855,000</u>

Annual debt service requirements to maturity for Series 2012 combination limited tax and revenue bonds are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ -	\$ 487,650
2016	2,480,000	487,650
2017	2,475,000	413,250
2018	2,475,000	339,000
2019	2,475,000	264,750
2020 - 2021	4,950,000	282,000
Total	<u>\$ 14,855,000</u>	<u>\$ 2,274,300</u>

Tax Notes. The County issued tax notes pursuant to authority granted to the County by Chapter 1431, as amended, Texas Government Code, and an order adopted by the County's Commissioners Court.

On June 23, 2011 the Commissioners' Court passed an order authorizing the issuance of 'Comal County, Texas, Tax Notes, Series 2011 in the amount of \$13,435,000. These notes, dated June 1, 2011 were

issued July 26, 2011. The proceeds of the notes will be used for the purpose of purchasing technology improvements, rights-of way for road improvements, and costs related to the County's flood control system.

The 2011 tax notes currently outstanding are as follows:

2011 Series

<u>Purpose</u>	<u>Interest Rate</u>	<u>Amount</u>
General government	2.00% - 4.00%	\$ 8,625,000
		<u>\$ 8,625,000</u>

Annual debt service requirements to maturity for Series 2011 tax notes are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 1,980,000	\$ 230,525
2016	2,090,000	170,025
2017	2,205,000	121,563
2018	2,350,000	47,000
Total	<u>\$ 8,625,000</u>	<u>\$ 569,113</u>

On October 23, 2014 the Commissioners' Court passed an order authorizing the issuance of 'Comal County, Texas, Tax Notes, Series 2014 in the amount of \$4,550,000. These notes, dated October 15, 2014 were issued November 13, 2014. The proceeds of the notes will be used for the purpose of purchasing financial software, land, new building construction, repairs and remodeling of an existing building and payment of professional services related to the aforementioned projects and the issuance of the debt.

The 2014 tax notes currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Amount</u>
General government		\$ 4,550,000
		<u>\$ 4,550,000</u>

Annual debt service requirements to maturity for Series 2014 tax notes are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ -	\$ 32,906
2016	700,000	44,690
2017	735,000	41,444
2018	750,000	36,235
2019	770,000	28,774
2020 - 2021	1,595,000	25,533
Total	<u>\$ 4,550,000</u>	<u>\$ 209,581</u>

Capital Leases. In 2012 the County entered into a five year agreement with the Comal Independent School District for the lease/purchase of an unused school building to provide additional office space for the County.

Commitments under capitalized lease agreements for facilities provide for minimum future lease payments as of December 31, 2014, as follows:

<u>Year Ending December 31</u>	<u>Principal</u>
2015	\$ 210,333
2016	210,333
2017	140,222
Total lease payments	<u>560,888</u>
Less amount representing interest	(26,176)
Net present value	<u>\$ 534,712</u>

The effective interest rate on capital leases was 3.5%.

The total assets acquired under capital leases cost \$963,500 and have accumulated depreciation of \$119,045 at December 31, 2014.

Changes in Bonded Debt and Other Long-Term Obligations.

Long-term liability activity for the year ended December 31, 2014, was as follows:

<u>Type of Debt</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Governmental activities</u>					
Bonds payable:					
Certificates of obligation Series 2007	\$ 18,080,000	\$ -	\$ 855,000	\$ 17,225,000	\$ 900,000
Combined limited tax and revenue bonds, Series 2009	16,070,000	-	2,675,000	13,395,000	2,675,000
Combined limited tax and revenue bonds, Series 2012	14,855,000	-	-	14,855,000	-
Tax Notes Series 2011	10,525,000	-	1,900,000	8,625,000	1,980,000
Tax Notes Series 2014	-	4,550,000	-	4,550,000	-
Bond premiums	1,762,544	-	258,121	1,504,423	258,121
Total bonds payable	<u>61,292,544</u>	<u>4,550,000</u>	<u>5,688,121</u>	<u>60,154,423</u>	<u>5,813,121</u>
Capital leases	722,744	-	188,032	534,712	194,738
Compensated absences payable	923,650	205,021	162,564	966,107	197,306
Net pension obligation	377,812	4,816	-	382,628	-
Net post employment benefit obligation	2,250,548	-	15,287	2,235,261	-
Governmental activity long-term liabilities	<u>\$ 65,567,298</u>	<u>\$ 4,759,837</u>	<u>\$6,054,004</u>	<u>\$ 64,273,131</u>	<u>\$6,205,165</u>

Debt payments are made from the debt service fund. Other long-term liabilities are primarily liquidated from the General fund and Road and Bridge fund.

Conduit Debt

Comal County issued certificates of obligation on behalf of Bulverde Area Rural Library District and the Canyon Lake Community Library District to construct libraries in the County. The bonds are to be repaid solely from sales taxes and other revenue of the Districts. The County considers the certificates to be a debt of the Districts rather than debt of the County. Therefore these certificates of obligation have been excluded from the County's financial statements in order to avoid misrepresenting the nature of the certificates and distorting the County's financial statements. The certificates outstanding at December 31, 2014 were \$2,910,000 and mature September 1, 2022 for the Bulverde Area Rural Library District and \$2,890,000 and mature September 1, 2039 for the Canyon Lake Community Library District.