

DEBT SERVICE

AVIATION

Introduction

The Aviation Debt Service Fund provides for the payment of principal and interest on the Department of Aviation's outstanding revenue bonded indebtedness. In April 2001, the Department of Aviation issued \$59.385 million in Series 2001 Airport System Revenue Bonds for construction of an additional parking facility at Dallas Love Field. Construction of the new garage began in August of 2001 with completion slated for March of 2003. Operating revenues from Aviation operations and interest earned on the cash balance in the debt service fund are pledged for repayment of the debt. Revenues are transferred from the Aviation operating fund to the debt service fund to meet annual principal and interest obligations.

Credit Rating

The Department of Aviation currently holds A/A1 underlying ratings from Standard & Poor's and Moody's Investors Service, respectively. The bonds are rated AAA/Aaa based on the bond insurance policy that AMBAC Assurance Corporation is providing.

FY 2002-03 Debt Service Budget

The FY 2002-03 budget includes payments of \$5.16 million in principal repayments and \$2.72 million in interest payments. There are no plans to issue debt in the upcoming fiscal year.

Statement of Revenue Bonded Indebtedness, as of 09/30/02

<u>Series Number</u>	<u>Issue Name</u>	<u>Date of Issue</u>	<u>Term Years</u>	<u>Outstanding Principal</u>
581	Airport System Revenue Bonds	04/01/01	10	54,390,000
Total Aviation Department Outstanding Debt				\$54,390,000

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Debt Service Requirements

As of 09/30/2002

Fiscal Year	Outstanding Debt		
	Principal	Interest	Total
2003	5,160,000	2,719,500	7,879,500
2004	5,350,000	2,461,500	7,811,500
2005	5,555,000	2,194,000	7,749,000
2006	5,770,000	1,916,250	7,686,250
2007	6,000,000	1,627,750	7,627,750
2008	6,240,000	1,327,750	7,567,750
2009	6,495,000	1,015,750	7,510,750
2010	6,765,000	691,000	7,456,000
2011	7,055,000	352,750	7,407,750
	<u>\$ 54,390,000</u>	<u>\$ 14,306,250</u>	<u>\$ 68,696,250</u>

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Statement of Debt Service Revenues and Expenditures *Aviation*

	<u>FY 2000-01</u> <u>Actual</u>	<u>FY 2001-02</u> <u>Budget</u>	<u>FY 2001-02</u> <u>Estimate</u>	<u>FY 2002-03</u> <u>Adopted</u>
Beginning Cash Balance	\$ -	\$ 3,755,079	\$ 3,752,257	\$ 5,739,608
<u>Revenues</u>				
Transfers	2,086,973	8,148,920	9,747,523	6,568,132
Interest/Other	1,665,284	140,000	204,078	237,000
Total	3,752,257	8,288,920	9,951,601	6,805,132
Total Available Resources	\$ 3,752,257	\$ 12,043,999	\$ 13,703,858	\$ 12,544,740
<u>Expenses</u>				
Principal Payments	-	4,995,000	4,995,000	5,160,000
Interest Payments	-	2,969,250	2,969,250	2,719,500
Total	-	7,964,250	7,964,250	7,879,500
Ending Cash Balance	\$ 3,752,257	\$ 4,079,749	\$ 5,739,608	\$ 4,665,240