DEBT SERVICE

GENERAL OBLIGATION DEBT

Introduction

The General Obligation Debt Service Fund provides for the payment of principal and interest on the City's outstanding general obligation bonds, certificates of obligation and equipment acquisition notes. Debt financing is used to pay for large capital projects by spreading the cost of the project over the life of the asset. Capital projects may include improvements to and/or construction of the City's street system; parks and recreational facilities; libraries, police and fire protection facilities; and the flood protection and storm drainage system. The Financial Management Performance Criteria (FMPC) address debt management, and among other requirements, necessitate voter approval prior to issuance of general obligation bonds and restrict the maturities, amounts of and purposes for which bonded debt may be issued.

The primary source of revenue for the debt service fund is the ad valorem property tax. The adopted ad valorem tax rate of 69.98¢ per $100 assessed value is split into two rates. Approximately one-fourth (17.55¢) of the tax revenue is used to pay principal and interest on the City's outstanding general obligation debt. The remaining three-fourths (52.43¢) of the revenue generated by the tax rate is used to pay for operating and maintenance costs incurred in the General Fund.

Due to the level principal structure of individual bond sales, the principal and interest payments of the existing general obligation debt decline annually (see page F-4.) This repayment schedule creates more growth in the capacity to issue new debt within the existing debt service tax rate than a level payment schedule would. Additionally, with the growth in the tax base in recent years and prevailing low interest rates, the debt service tax rate has been reduced as a percentage of the overall tax rate without compromising the size of the sales. With the passage of the May 2003 bond election, a modest increase in the tax rate may be necessary in future fiscal years based on conservative tax base growth projections.

Credit Rating

The City of Dallas' General Obligation debt currently holds AA+/Aa1 ratings from Standard & Poor's and Moody's Investors Service, respectively. These exceptionally high ratings reflect the sound management of the City of Dallas' financial resources and allow the City of Dallas to issue relatively low cost debt.

Legal Debt Margin

The City of Dallas Charter (Chapter XXI, Section 3) limits the maximum bonded indebtedness, payable from taxation, to 10% of assessed property value. However, the City's Financial Management Performance Criteria (FMPC) further limits the net general obligation debt to 4% of the true market valuation of the taxable property of Dallas. Existing debt plus new debt of $194.6 million would constitute 1.2% of the taxable value of $66.5 billion. Thus, the City would continue to be in compliance with this criterion as of 9/30/2004.

Certified Assessed Value	$66,501,655,057
10% Legal Debt Margin	$6,650,165,506
4% FMPC limit	$2,660,066,202
Projected Net GO Debt 9/30/2004	$792,572,753
Net GO Debt as a percent of certified assessed value	1.2%

DEBT SERVICE

FY 2003-04 Debt Service Budget

The FY 2003-04 budget includes principal and interest payments on $723.3 million of existing debt. New debt to be issued includes $173.4 million in general obligation bonds and $21.2 million in equipment acquisition notes. Principal and interest expenses for existing debt and new debt are $83.5 million and $43.6 million, respectively, and are summarized in the table below.

	Principal	Interest	Total
Existing Debt	$79,607,721	$38,126,488	**$117,734,209**
$173.4m General Obligation Bonds	$0	$5,129,010	**$5,129,010**
$21.2m Equipment Acquisition Notes	$3,845,000	$377,010	**$4,222,010**
Total	**$83,452,721**	**$43,632,508**	**$127,085,229**

Selected Financial Management Performance Criteria - Debt Management

These key criteria, established to ensure sound management of the City's financial resources, are listed below to detail the effects of the issuance of new debt.

Criteria	**09/30/02 Actual**	**09/30/03 Estimate**	**09/30/04 Adopted[1]**
Total direct plus overlapping debt not to exceed 8% of the market value of taxable property	2.87% In compliance	2.76% In compliance	2.92% In compliance
Weighted average general obligation bond maturities not to exceed 10 years	7.06 years In compliance	6.51 years In compliance	6.95 years In compliance
Certificate of obligation debt not to exceed 15% of total authorized and issued general obligation debt	3.98% In compliance	8.32% In compliance	6.22% In compliance
Per capita general obligation debt not to exceed 10% of latest authoritative computation of per capita annual income	1.72% In compliance	1.64% In compliance	1.90% In compliance

[1]9/30/04 Adopted includes the issuance of $194.6 million of new debt.

DEBT SERVICE

Statement of General Obligation Bonded Indebtedness
As of 09/30/2003

Series Number	Issue Name	Date of Issue	Term Years	Outstanding Principal
514	General Obligation Refunding	08/15/85	18.5	1,372,721
551	General Obligation Various Purpose	06/15/94	20	25,000,000
556	General Obligation Various Purpose	11/01/95	20	16,500,000
560	General Obligation Various Purpose	11/01/96	19	37,620,000
563	General Obligation Various Purpose	11/01/97	19	40,300,000
571	General Obligation Refunding and Improvement	11/01/98	20	207,560,000
574	General Obligation Various Purpose	11/01/99	19	55,470,000
578	General Obligation Various Purpose	11/01/00	19	92,125,000
583	General Obligation Various Purpose	11/01/01	19	61,250,000
589	General Obligation Refunding	01/15/03	8	82,790,000
	Total General Obligation Bonds			619,987,721
575	Equipment Acquisition Contractual Obligations	11/01/99	5	2,435,000
579	Equipment Acquisition Contractual Obligations	11/01/00	5	12,080,000
584	Equipment Acquisition Contractual Obligations	11/01/01	5	19,695,000
588	Equipment Acquisition Contractual Obligations	11/01/02	5	8,955,000
	Total Equipment Acquisition Contractual Obligations			43,165,000
558	Certificates of Obligation	11/01/95	10	360,000
565	Certificates of Obligation	11/01/97	10	2,575,000
580	Certificates of Obligation	11/01/00	10	16,220,000
585	Certificates of Obligation (Taxable)	11/01/01	5	4,995,000
591	Certificates of Obligation	05/01/03	10	36,000,000
	Total Certificates of Obligation			60,150,000
	Total General Obligation, Equipment Acquisition Contractual Obligations, and Certificates of Obligation			**$723,302,721**

DEBT SERVICE

General Obligation Debt Service Requirements
As of 09/30/2003

Fiscal	Outstanding Debt		
Year	Principal	Interest	Total
2004	79,607,721	38,126,488	117,734,209
2005	85,520,000	28,684,368	114,204,368
2006	77,495,000	25,019,900	102,514,900
2007	58,295,000	21,903,316	80,198,316
2008	51,330,000	19,370,912	70,700,912
2009	51,335,000	16,946,812	68,281,812
2010	48,385,000	14,587,016	62,972,016
2011	42,320,000	12,431,991	54,751,991
2012	41,770,000	10,430,635	52,200,635
2013	40,570,000	8,460,537	49,030,537
2014	31,770,000	6,690,175	38,460,175
2015	26,710,000	5,220,912	31,930,912
2016	24,515,000	3,925,688	28,440,688
2017	21,080,000	2,758,866	23,838,866
2018	18,105,000	1,743,025	19,848,025
2019	12,280,000	944,750	13,224,750
2020	8,815,000	385,181	9,200,181
2021	3,400,000	76,500	3,476,500
	$723,302,721	**$217,707,072**	**$941,009,793**

This table does not include any adjustments for anticipated refunding savings.

DEBT SERVICE

Statement of Revenues and Expenditures

General Obligation Debt

	FY 2001-02 Actual	FY 2002-03 Budget	FY 2002-03 Estimate	FY 2003-04 Adopted
Beginning Cash Balance	$ 5,232,522	$ 2,271,510	$ 1,639,757	$ 852,963
Revenues				
Ad Valorem Taxes	121,926,610	124,583,435	123,540,543	115,681,244
Interest/Transfers/Other	8,110,526	4,756,795	5,932,412	17,436,911
Total	**130,037,136**	**129,340,230**	**129,472,955**	**133,118,155**
Total Available Resources	**$ 135,269,658**	**$ 131,611,740**	**$ 131,112,712**	**$ 133,971,118**
Expenses				
Principal Payments	81,330,122	81,322,827	80,837,827	83,452,721
Interest Payments	50,426,550	47,418,933	44,390,739	43,632,508
Other Expenses	1,873,229	1,479,246	5,031,183	572,946 *
Total	**133,629,901**	**130,221,006**	**130,259,749**	**127,658,175**
Ending Cash Balance	**$ 1,639,757**	**$ 1,390,734**	**$ 852,963**	**$ 6,312,943**

*Includes anticipated refunding savings.

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 and was completed in April 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 2003-04 Debt Service Budget

The FY 2003-04 budget includes payments of $5.35 million in principal repayments and $2.46 million in interest payments. There are no plans to issue debt in the upcoming fiscal year.

Statement of Revenue Bonded Indebtedness, as of 09/30/03

Series Number	Issue Name	Date of Issue	Term Years	Outstanding Principal
581	Airport System Revenue Bonds	04/01/01	10	49,230,000
	Total Aviation Department Outstanding Debt			**$49,230,000**

Aviation Debt Service Requirements
As of 09/30/2003

Fiscal	Outstanding Debt		
Year	Principal	Interest	Total
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
	$ 49,230,000	**$ 11,586,750**	**$ 60,816,750**

Statement of Debt Service Revenues and Expenditures
Aviation

	FY 2001-02 Actual	FY 2002-03 Budget	FY 2002-03 Estimate	FY 2003-04 Adopted
Beginning Cash Balance	$ 3,752,257	$ 5,739,608	$ 4,106,584	$ 4,168,948
Revenues				
Transfers	8,148,920	7,845,500	7,845,500	7,780,250
Interest/Other	169,656	237,000	96,364	114,148
Total	**8,318,576**	**8,082,500**	**7,941,864**	**7,894,398**
Total Available Resources	**$ 12,070,834**	**$ 13,822,108**	**$ 12,048,448**	**$ 12,063,346**
Expenses				
Principal Payments	4,995,000	5,160,000	5,160,000	5,350,000
Interest Payments	2,969,250	2,719,500	2,719,500	2,461,500
Total	**7,964,250**	**7,879,500**	**7,879,500**	**7,811,500**
Ending Cash Balance	**$ 4,106,584**	**$ 5,942,608**	**$ 4,168,948**	**$ 4,251,846**

CONVENTION CENTER

Introduction
The Convention Center Debt Service Fund provides for the payment of principal and interest on the Convention Center's outstanding revenue bonded indebtedness. In April 1998, the Convention Center Complex issued $326.23 million in revenue bonds. This issue included the refunding of all of the Convention Center's $236.60 million outstanding debt and a new money issuance of $110.76 million. The new money issuance of $110.76 million was invested to generate total funding for the $125 million expansion and renovation of the complex that was put into service in 2002.

The 7% Hotel Occupancy Tax, operating revenues of the Convention Center Complex, and interest earned on cash balances in the bond reserve and debt service funds are pledged for repayment of the debt. Additionally, the City has covenanted to provide for the payment of operating and maintenance expenses of the Convention Center Complex, should a shortfall in Convention Center revenues occur. Revenue from the Convention Center operating fund is transferred to the debt service fund to meet annual principal and interest payments.

Credit Rating
The Convention Center Complex 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 MBIA Insurance Corporation is providing.

FY 2003-04 Debt Service Budget
The FY 2003-04 budget includes payments on existing debt of $7.3 million in principal repayments and $15.3 million in interest payments. There are no plans to issue debt in the upcoming fiscal year.

Statement of Revenue Bonded Indebtedness, as of 09/30/03

Series Number	Issue Name	Date of Issue	Term Years	Outstanding Principal
567	Civic Center Convention Complex, Revenue Refunding Bonds	04/01/98	30	305,910,000
	Total Convention Center Outstanding Debt			**$305,910,000**

Convention Center Debt Service Requirements
As of 09/30/2003

Fiscal	Outstanding Debt		
Year	Principal	Interest	Total
2004	7,290,000	15,326,493	22,616,493
2005	8,805,000	14,889,092	23,694,092
2006	10,685,000	14,360,792	25,045,792
2007	11,245,000	13,799,830	25,044,830
2008	11,835,000	13,209,467	25,044,467
2009	12,460,000	12,588,130	25,048,130
2010	12,065,000	12,014,970	24,079,970
2011	12,635,000	11,447,915	24,082,915
2012	13,240,000	10,841,435	24,081,435
2013	13,890,000	10,192,675	24,082,675
2014	14,585,000	9,498,175	24,083,175
2015	15,315,000	8,768,925	24,083,925
2016	16,080,000	8,003,175	24,083,175
2017	16,885,000	7,199,175	24,084,175
2018	17,725,000	6,354,925	24,079,925
2019	18,615,000	5,468,675	24,083,675
2020	19,520,000	4,561,194	24,081,194
2021	20,470,000	3,609,594	24,079,594
2022	6,470,000	2,611,681	9,081,681
2023	6,785,000	2,296,269	9,081,269
2024	7,115,000	1,965,500	9,080,500
2025	7,470,000	1,609,750	9,079,750
2026	7,845,000	1,236,250	9,081,250
2027	8,235,000	844,000	9,079,000
2028	8,645,000	432,250	9,077,250
	$305,910,000	**$193,130,337**	**$499,040,337**

Statement of Debt Service Revenues and Expenditures
Convention Center

	FY 2001-02 Actual	FY 2002-03 Budget	FY 2002-03 Estimate	FY 2003-04 Adopted
Beginning Cash Balance	$ 4,082,302	$ 4,189,218	$ 4,095,566	$ 4,232,352
Revenues				
Transfers	20,593,268	21,325,202	21,514,029	22,733,615
Interest/Other	315,739	391,915	160,000	160,000
Total	**20,909,007**	**21,717,117**	**21,674,029**	**22,893,615**
Total Available Resources	**$ 24,991,309**	**$ 25,906,335**	**$ 25,769,595**	**$ 27,125,967**
Expenses				
Principal Payments	4,975,000	5,915,000	5,915,000	7,290,000
Interest Payments	15,920,743	15,622,243	15,622,243	15,326,493
Total	**20,895,743**	**21,537,243**	**21,537,243**	**22,616,493**
Ending Cash Balance	**$ 4,095,566**	**$ 4,369,092**	**$ 4,232,352**	**$ 4,509,475**

DEBT SERVICE

SPORTS ARENA

Introduction

On January 17, 1998, the Dallas voters approved a proposition authorizing the City to impose an additional 2% Hotel Occupancy Tax and a 5% Motor Vehicle Rental Tax to be used solely to pay for a new sports arena. On June 24, 1998, $140.38 million of revenue bonds were issued to fund the City's $125 million contribution to build the new arena. Of the $140.38 million issued, $104.81 million of the bonds are tax-exempt and the other $35.57 million of the bonds are taxable. The debt service fund provides for the payment of principal and interest on both series of bonds.

Credit Rating

These bonds currently hold AAA/Aaa/AAA ratings from Standard & Poor's, Moody's Investors Service and Fitch IBCA, respectively. These ratings reflect the assessment of the likelihood of repayment of principal and interest based on the bond insurance policy that Ambac Assurance Corporation is providing.

FY 2003-04 Debt Service Budget

The FY 2003-04 budget includes scheduled debt service payments of $9.3 million. Of this total, $2.6 million and $6.7 million are for principal payments and interest payments, respectively. These payments are funded with transfers of the 2% Hotel Occupancy Tax, the 5% Motor Vehicle Rental Tax and interest earnings on the cash balance. Tax revenues in excess of the required debt service payments are retained in the Surplus Debt Redemption Fund until required for the payment of debt service. The Statement of Expenditures and Revenues shown on page F-14 reflects both of the Sports Arena Debt Service Funds and the Sports Arena Surplus Debt Redemption Fund.

Statement of Revenue Bonded Indebtedness as of 09/30/03

Series Number	Issue Name	Date of Issue	Term Years	Outstanding Principal
568	Special Tax Revenue Bonds	06/15/98	30	89,650,000
569	Special Tax and Lease Revenue Bonds	06/15/98	30	33,340,000
	Total Sports Arena Revenue Bonds			**$122,990,000**

DEBT SERVICE

Sports Arena Debt Service Requirements
As of 09/30/2003

Fiscal	Outstanding Debt		
Year	Principal	Interest	Total
2004	2,605,000	6,712,359	9,317,359
2005	2,725,000	6,590,454	9,315,454
2006	2,870,000	6,447,326	9,317,326
2007	3,020,000	6,296,237	9,316,237
2008	3,185,000	6,130,557	9,315,557
2009	3,360,000	5,955,389	9,315,389
2010	3,550,000	5,767,369	9,317,369
2011	3,750,000	5,568,604	9,318,604
2012	3,960,000	5,358,499	9,318,499
2013	4,180,000	5,136,529	9,316,529
2014	4,415,000	4,902,029	9,317,029
2015	4,665,000	4,650,124	9,315,124
2016	4,935,000	4,383,825	9,318,825
2017	5,210,000	4,106,863	9,316,863
2018	5,495,000	3,823,856	9,318,856
2019	5,795,000	3,525,056	9,320,056
2020	6,110,000	3,209,713	9,319,713
2021	6,440,000	2,876,913	9,316,913
2022	6,790,000	2,525,744	9,315,744
2023	7,160,000	2,155,206	9,315,206
2024	7,555,000	1,764,056	9,319,056
2025	7,965,000	1,350,963	9,315,963
2026	8,400,000	915,094	9,315,094
2027	8,850,000	469,781	9,319,781
	$ 122,990,000	**$ 100,622,546**	**$ 223,612,546**

DEBT SERVICE

Statement of Debt Service Revenues and Expenditures

Sports Arena

	FY 2001-02 Actual	FY 2002-03 Budget	FY 2002-03 Estimate	FY 2003-04 Adopted
Beginning Cash Balance	$ 12,343,354	$ 17,547,822	$ 17,056,899	$ 20,133,881
Revenues				
2% Hotel Occupancy Tax	8,494,400	9,714,000	8,254,030	8,603,427
5% Motor Vehicle Rental Tax	3,554,959	4,200,000	3,235,072	3,350,175
Interest/Transfers/Other	1,706,282	1,052,556	905,376	620,000
Total	**13,755,641**	**14,966,556**	**12,394,478**	**12,573,602**
Total Available Resources	**$ 26,098,995**	**$ 32,514,378**	**$ 29,451,377**	**$ 32,707,483**
Expenses				
Principal	2,115,000	2,490,000	2,490,000	2,605,000
Interest	6,927,096	6,827,496	6,827,496	6,712,359
Total	**9,042,096**	**9,317,496**	**9,317,496**	**9,317,359**
Ending Cash Balance	**$ 17,056,899**	**$ 23,196,882**	**$ 20,133,881**	**$ 23,390,124**

DEBT SERVICE

WATER UTILITIES

Introduction

The debt service component of the Operating Budget for Dallas Water Utilities (DWU) provides for payment of principal and interest on DWU's indebtedness. The budget for these payments is prescribed by the following standards:

- The Dallas City Charter provides in Chapter XI, Section 14 that all water and wastewater costs (including debt requirements) shall be paid for from customer service revenues.
- Revenue bond ordinances provide that customer service revenues solely secure water and wastewater bonds.
- Financial criteria for DWU provide for financing of capital improvements (effectively defined as capital projects with useful lives of 20 years or longer) either from debt or directly from revenues, to maintain system equity levels.

In addition to revenue bonds, debt sources include tax-exempt commercial paper notes (CP), which are utilized for interim financing of capital construction projects. On an annual basis, commercial paper is refinanced and retired with revenue bonds. This process lowers overall interest costs and provides greater financing flexibility. Debt sources also include certain contractual obligations whereby DWU reimburses other agencies for debt incurred to construct joint-use facilities. Under these contractual agreements DWU makes payments in proportion to its allocated share of the joint use facilities.

Credit Ratings

The City of Dallas Waterworks and Sewer System Revenue Bonds are judged to be of high quality by all standards. These credit ratings reflect the sound management of DWU financial resources and allow issuance of bonds with relatively low interest costs. The City of Dallas Waterworks and Sewer System Commercial Paper Notes hold similarly high credit ratings. Current ratings of the City's debt instruments are shown in the table below.

Credit Rating Service	Revenue Bonds	Commercial Paper Notes
Moody's	Aa2	P-1
Standard & Poor's	AA+	A-1+

DEBT SERVICE

Revenue Bond and Commercial Paper Note Coverage

The following are established standards for DWU net revenue in relation to future debt service payments.

- Revenue bond ordinances require net revenues equal to at least 1.25 times bond principal and interest requirements of the future year when those requirements are highest.
- DWU financial criteria state that net revenues should be 1.5 times maximum annual bond requirements at the end of each fiscal year.
- Commercial Paper coverage requirements state that net revenues should be 1.10 times the maximum annual principal and interest payments required on all debt outstanding in the future year when those requirements are highest.

For fiscal year 2002 coverage at September 30, 2002 is summarized in the table below.

Debt Service Coverage Requirements
FY 2002

Coverage Net Revenue (CNR) = $ 143, 800 (000 omitted)

Authority	Ratio	Requirement	Denominator $	Actual
Bond Ordinance	CNR/Max YR	1.25	110,192	1.30
DWU Criteria	CNR/Max YR	1.50	110,192	1.30
DWU Criteria	CNR/Max CP	1.10	119,767	1.20
Rating Agencies	CNR/AVG	N/A	52,113	2.76

Max Yr = Maximum amount of debt service required in a single fiscal year for Principal and Interest payments on Outstanding Revenue Bond indebtedness.
Max CP = Maximum amount of debt service required in a single fiscal year for Principal and interest payments on all Outstanding Debt.

FY 2003-04 Debt Service Budget

The FY 2003-04 budget provides principal and interest of $69 million and $62 million, respectively. New debt to be issued includes $171 million in revenue bonds to refinance and retire $137 million in commercial paper and $34 million for additional projects. The 2003A bond issue is projected to require $10 million in interest payments for FY2003-04. Commercial paper issues in FY2003-04 are forecast at $182 million with an estimated interest cost of $1.5 million, which is paid from the Water Utilities Operating Fund.

DEBT SERVICE

Water Utilities Financial Criteria for Debt Management

Financial criteria have been established to ensure sound management of DWU's financial resources. Financial criteria that apply to DWU indebtedness are listed below. Compliance with each of the criteria is projected both for FY2002-03 and for FY2003-04.

(1) Current revenues will be sufficient to support current expenditures including debt service and other obligations of the system.

(2) Long-term debt will be used only for capital expansion, replacement and improvement of plant, not for current expenses.

(3) Short-term debt, including tax-exempt commercial paper, will be used as authorized for interim financing of projects that will result in capital improvements.

(4) Capital projects financed through the issuance of debt will be financed for a period not to exceed the expected useful lives of the projects.

(5) An equity target will be maintained for each fiscal year-end of at least 20% of the total capital structure, excluding current liabilities.

(6) Net revenues available for debt service should be at least 1.5 times the maximum annual principal and interest requirements of relevant outstanding revenue bonds at the end of the same fiscal year, and at least 1.3 times maximum-year requirements at all times, measured during a fiscal year using the previous year net revenues available for debt service.

(7) Capital financing will be provided through revenue bonds, current revenues, contributed capital, and short-term debt.

(8) Revenue bonds will be issued with serial maturities not to exceed twenty (20) years.

(9) Debt refinancing will only be considered when the overall net present value savings is at least 3% of the principal amount to be refunded.

(10) Fully funded debt service reserves shall be maintained. A surety bond (or other type of credit facility such as a letter of credit) may be used in lieu of funding the reserve if the former is economically advantageous.

DEBT SERVICE

Statement of Indebtedness
As of 09/30/03

Series Number	Issue Name	Date of Issue	Term Years	Outstanding Principal
Water Works and Sewer System Revenue Bonds				
550	Refunding & Improvement	09/01/93	20	4,715,000
562	Refunding & Improvement	09/01/97	20	2,210,000
570	Refunding *	09/01/98	31	310,075,000
573	Refunding & Improvement	09/01/99	20	54,930,000
576	Refunding & Improvement	09/01/00	20	69,895,000
582	Refunding & Improvement	09/01/01	20	120,045,000
586	Refunding	02/01/02	20	38,975,000
587	Refunding	09/01/02	8	179,350,000
590	Refunding & Improvement	01/01/03	20	307,410,000
	Total Dallas Water Utilities Revenue Bonds			**$ 1,087,605,000**
	*Longer term authorized to prepay previous 50 year contractual obligation			
Other Long Term Indebtedness				
	Contractual obligation to Sabine River Authority - SRA revenue bonds - for water rights in Lake Fork			**18,720,000**
	Total Other Long Term Indebtedness			**$ 18,720,000**
Commercial Paper Notes (projected)				**$ 137,000,000**
Equipment Notes (projected)				**$ 12,000,000**

DEBT SERVICE

Dallas Water Utilities Debt Service Requirements
As of 09/30/2003

Fiscal	Outstanding Debt		
Year	Principal	Interest	Total
2004	$ 50,915,000	$ 55,671,656	$ 106,586,656
2005	59,565,000	50,252,441	109,817,441
2006	61,930,000	47,640,445	109,570,445
2007	62,730,000	44,809,004	107,539,004
2008	65,560,000	41,774,262	107,334,262
2009	68,450,000	38,546,810	106,996,810
2010	72,005,000	35,103,108	107,108,108
2011	62,875,000	31,735,023	94,610,023
2012	52,285,000	28,821,814	81,106,814
2013	56,175,000	26,052,785	82,227,785
2014	51,320,000	23,369,660	74,689,660
2015	45,920,000	20,882,953	66,802,953
2016	42,960,000	18,479,741	61,439,741
2017	42,370,000	16,227,504	58,597,504
2018	34,725,000	14,069,894	48,794,894
2019	37,755,000	12,155,122	49,910,122
2020	39,775,000	10,108,388	49,883,388
2021	36,735,000	8,118,025	44,853,025
2022	32,465,000	6,366,125	38,831,125
2023	24,305,000	4,946,875	29,251,875
2024	10,660,000	4,072,750	14,732,750
2025	11,190,000	3,526,500	14,716,500
2026	11,750,000	2,953,000	14,703,000
2027	12,340,000	2,350,750	14,690,750
2028	12,955,000	1,718,375	14,673,375
2029	13,605,000	1,054,375	14,659,375
2030	14,285,000	357,125	14,642,125
	$ 1,087,605,000	**$ 551,164,510**	**$ 1,638,769,510**

DEBT SERVICE

Statement of Debt Service Revenues and Expenditures
Dallas Water Utilities

	FY 2001-02 Actual	FY 2002-03 Budget	FY 2002-03 Estimate	FY 2003-04 Adopted
Beginning Cash Balance	$ 71,974,330	$ 80,350,036	$ 80,350,036	$ 93,769,733
Revenues				
Operating Fund Transfers*	132,293,559	130,572,979	132,370,070	128,206,213
Storm Water Utility Transfers	568,463	565,335	565,335	563,342
Total	**132,862,022**	**131,138,314**	**132,935,405**	**128,769,555**
Total Available Resources	**$ 204,836,352**	**$ 211,488,350**	**$ 213,285,441**	**$ 222,539,288**
Expenses				
Principal Payments**	70,535,000	76,465,000	76,465,000	62,405,000
Interest Payments	53,951,316	43,050,708	43,050,708	66,392,981
Total	**124,486,316**	**119,515,708**	**119,515,708**	**128,797,981**
Ending Cash Balance	**$ 80,350,036**	**$ 91,972,642**	**$ 93,769,733**	**$ 93,741,307**

**Commercial paper costs, debt fees, and smaller debt expenses are paid directly from Water Utilities Operating Funds.*
***These payments are to bond holders and reservoir debt holders. They do not include any additional fees or commercial paper interest.*

Note: This schedule reflects the accrual basis of accounting.