

Texas Counties Debt Summary

Quick Facts			
	FY 2009	FY 2010	Biennial Total
Number of Issuers	42	51	76
Number of Bond Issues	70	95	165
Total New Money Issued	\$1,188,034,972	\$1,639,496,000	\$2,827,530,972
Total Refunding Money Issued	\$767,725,000	\$1,083,499,998	\$1,851,224,998
Total Par Amount Issued	\$1,955,759,972	\$2,722,995,998	\$4,678,755,970

BOND ISSUES FOR FISCAL YEARS 2009 AND 2010

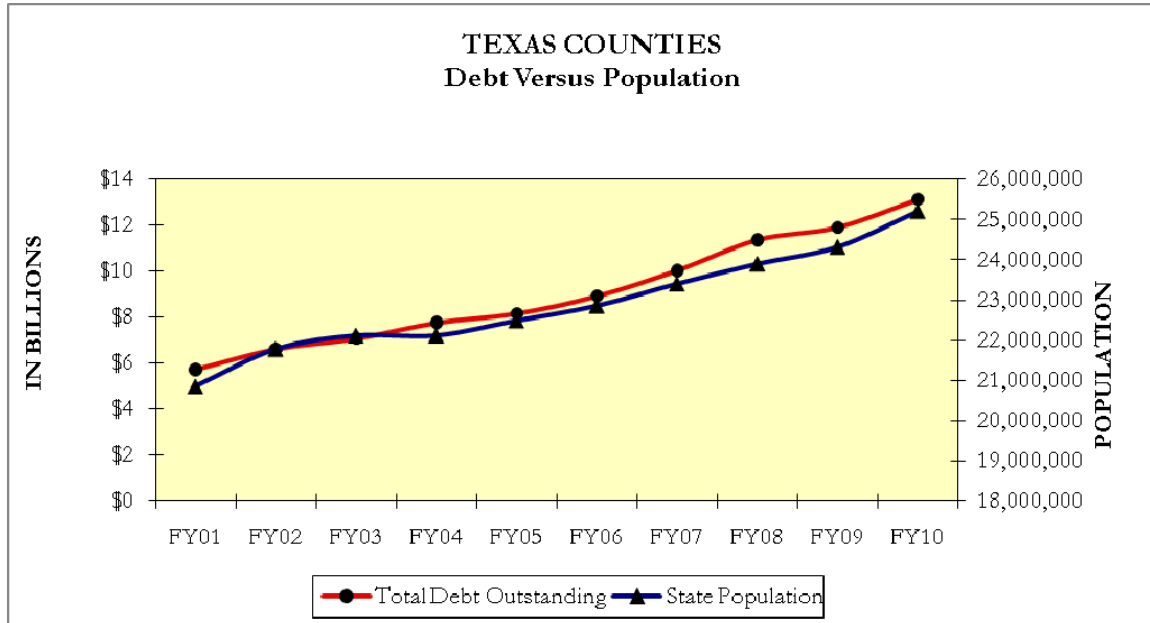
- During FY 2009 and 2010, 76 counties issued debt in a total par value of \$4,678,755,970 of which 75.0 percent was tax-backed, 22.3 percent was revenue-backed and 2.7 percent was lease purchases for jail/detention facilities.
- FY 2010's total par issuance of \$2.72 billion was a record high and, reversed a two-year declining trend. The second highest annual issuance of \$2.70 billion occurred in FY 2007.
- Texas County bond refunding volume increased by 41.1 percent during FY 2010 and has increased 203.6 percent since FY 2006. Historically, refunding volume has had major upward and downward swings each year since FY 2006.
- The 31 counties that refunded bonds during FYs 2009 and 2010 had a total gross cash savings of \$27.1 million and a \$24.9 million net present value savings. Seven had both a cash and present value loss and two others had achieved present value savings but incurred cash losses.
- Of the debt issued in FY2009 and 2010, 39.3 percent (\$767.7 million) and 39.8 percent (\$1.08 billion), respectively, refunded outstanding obligations.
- Harris County's Tax & Subordinate Lien Revenue and Refunding Bonds, Series 2009C resulted in the largest cash loss of \$9.0 million for FY 2009 and 2010. The major loss was due to Harris County restructuring their debt service.
- During fiscal years 2009 and 2010, six counties issued Build America Bonds (BAB) totaling \$413.4 million. BABs were created by the American Recovery and Reinvestment Act and could be issued as Tax Credit BABs or Direct-Payment BABs. Tax Credit BABs provide a federal subsidy to investors equal to 35% of the interest payable, and Direct-Payment BABs provide a direct federal subsidy payment to state and local governmental issuers equal to 35% of the interest payable. Authority to issue either type of BABs expired in December 2010.
- The largest county transactions were issued in Harris County:

FY 2009- Toll Road Senior Lien Revenue Bonds, Series 2009A for \$215.5 million

FY 2010- Toll Road Senior Lien Revenue Bonds, Series 2009C for \$250.0 million

The proceeds from Series 2009A were used to improve the toll roads in Harris County.

The proceeds from Series 2009C bond issue were used to provide funds for the Toll Road Project – including Beltway 8, the Hardy Toll Road, and Sam Houston Tollway, and to fund an increase in the Debt Service Reserve Fund.



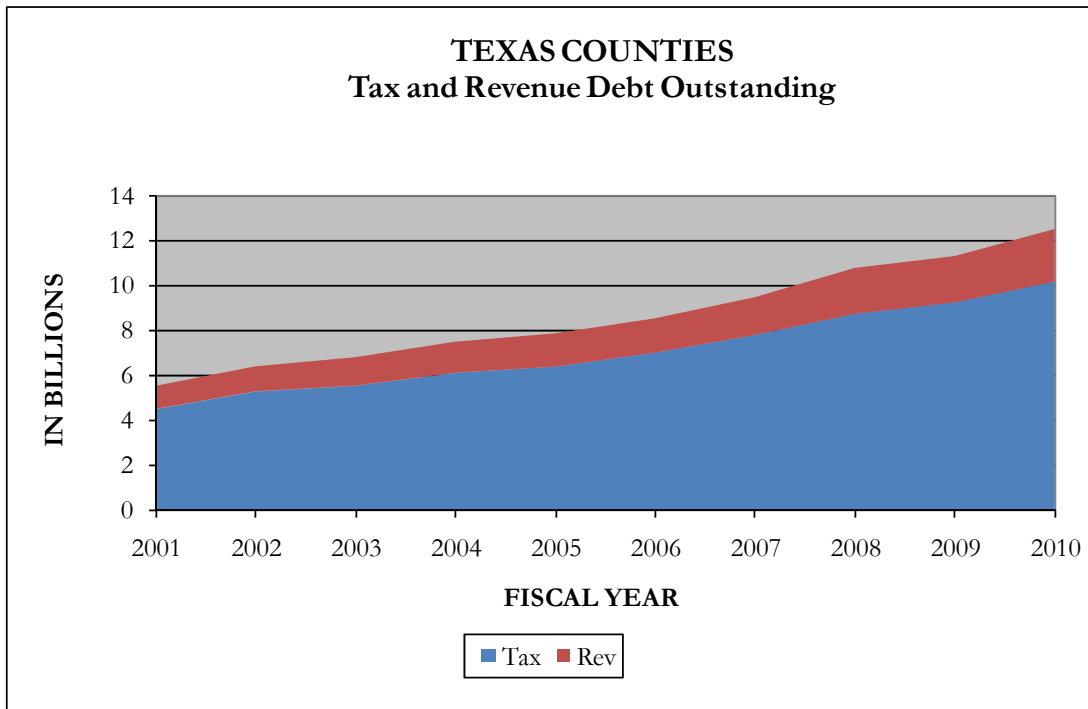
Source: U.S. Census Bureau, Population Division - Release Date: 2/2011.

COMMERCIAL PAPER

- Commercial paper is a short-term financing tool with a maximum maturity of 270 days and is used by governmental entities such as counties. It is normally issued at the first stage of financing projects, and is then either “rolled over” or “fixed out” by issuing long-term bonds to retire the outstanding commercial paper.
- No county commercial paper transactions took place during FY 2009 and 2010.
- The last three commercial paper transactions occurred in FY 2008 and were issued by Harris County to finance the restoration of a civil courthouse in Houston, build new parks, road upkeep and health-care purposes.
- As of August 31, 2010, Harris County had \$287,313,000 outstanding in GO commercial paper. Harris County – Toll Road Revenue and Bexar County GO had nothing outstanding,

TOTAL DEBT OUTSTANDING AS OF AUGUST 31, 2010

- Texas counties had a total of \$10.14 billion in tax-supported debt outstanding including commercial paper.
- Tax-supported debt increased by 10.1 percent (\$933.8 million) from FY 2009 and by 45.6 percent (\$3.18 billion) in a five-year period.
- Revenue debt increased 13.0 percent (\$270.8 million) from FY 2009 and by 52.9 percent (\$813.0 million) in a five-year period.
- Harris County Toll Road bonds accounted for 78.8 percent (\$1.85 billion) of the total revenue debt outstanding.



- Of the 254 Texas counties, 171 have tax-supported debt, 11 have revenue debt, 19 have lease-purchase contracts for jail/detention facilities, and 9 have both tax and revenue-supported debt.
- Of tax-supported debt principal outstanding, approximately 69.7 percent (\$7.06 billion) is concentrated in counties with major population centers including Austin, Leander, Conroe, Houston, Galveston, Dallas, Fort Worth, Plano, Denton and San Antonio.
- As a municipal performance indicator, repayment of 25 percent of principal in five years and 50 percent in ten years is considered average by the credit rating agencies. See the chart below.

TEXAS COUNTIES				
Debt Repaid	Tax-Supported Debt (\$ billions)	Percent (%)	Revenue Debt (\$ millions)	Percent (%)
Within Five Years	2.52	24.9	281.3	12.0
Within Ten Years	4.99	49.2	686	29.2

TOTAL OUTSTANDING TAX-SUPPORTED DEBT SERVICE – PRINCIPAL + INTEREST

- The top ten counties listed below account for 73.9 percent of all Texas county tax-supported debt service outstanding.

TEXAS COUNTIES	
10 Highest Tax-Supported Debt Service	
As of August 31, 2010	
Government Name	GO Tax-Supported Debt Service
Harris County*	\$4,087,880,153
Bexar County	\$1,535,281,834
Williamson County	\$1,169,861,700
Travis County	\$836,310,138
Denton County	\$769,279,224
Fort Bend County	\$736,757,355
Montgomery County	\$625,144,927
Galveston County	\$536,475,470
Collin County	\$521,662,155
Tarrant County	\$440,454,386
Total	\$11,259,107,342
*Includes Harris Co. GO Toll Road Debt and GO commercial paper.	

AVERAGE DEBT PER CAPITA

- Rating agencies consider an overall debt per capita for counties of \$0-600 to be low and over \$1,800 as high; however, many other factors are involved in assessing credit risk, such as population, taxpayer concentration and various economic, administrative and financial factors.

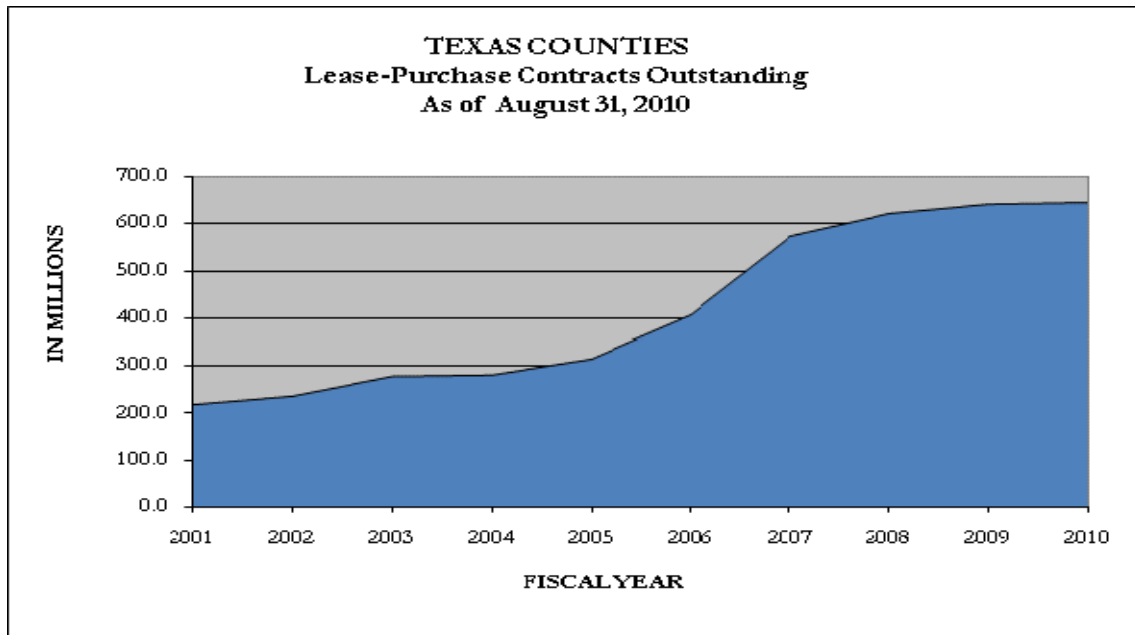
TEXAS COUNTIES		
Tax Debt Per Capita Greater than \$600		
As of August 31, 2010		
Government Name	Population	Tax Debt Per Capita
Maverick County	4,581	\$5,318.71
Zapata County	14,036	\$2,955.69
Titus County	30,206	\$2,252.17
Garza County	4,659	\$1,883.88
Williamson County	410,686	\$1,851.44
Somervell County	8,031	\$1,760.05
Winkler County	6,772	\$1,626.55
Roberts County	878	\$1,457.86
Hays County	155,545	\$1,313.03
Scurry County	16,222	\$1,235.98
Galveston County	286,814	\$1,233.93
Carson County	6,110	\$1,226.68
Lampasas County	5,810	\$1,226.33
Stephens County	9,632	\$985.24
El Paso County	151,737	\$975.67
Uvalde County	26,811	\$927.98
Montgomery County	447,718	\$900.11
Haskell County	5,002	\$875.65
Fort Bend County	556,870	\$827.70
Upton County	3,130	\$822.68
McLennan County	36,978	\$811.83
Childress County	7,548	\$806.84
Pecos County	16,248	\$800.41
Blanco County	9,198	\$760.49
Denton County	658,616	\$754.46
Rockwall County	81,391	\$725.82
Polk County	46,530	\$711.37
Parker County	114,919	\$703.80
Edwards County	1,863	\$684.38
Yoakum County	7,698	\$678.75
Live Oak County	11,046	\$668.57
Harris County*	4,070,989	\$663.83
Calhoun County	20,573	\$652.80
Aransas County	24,826	\$647.91
Menard County	2,127	\$622.94
DeWitt County	19,713	\$615.84
Jack County	8,497	\$601.39

*inclusive of GO commercial paper and Harris County Toll Road

- Tax debt per capita increased by 9.4 percent from \$393 in FY 2009 to \$429 in FY 2010.
- Tax debt per capita has increased by 35.4 percent (\$112) since 2006; the state's population has increased by 8.4 percent (1.9 million).

LEASE-PURCHASE CONTRACTS FOR JAIL/DETENTION FACILITIES

- Some Counties form nonprofit corporations to finance the acquisition of land and to construct or expand, furnish and equip adult or juvenile correctional facilities that may house local county, state or federal prisoners.
- Lease-purchase contracts outstanding increased by 0.6 percent (\$3.6 million), from \$641.9 million in FY 2009 to \$645.5 million in FY 2010.



TEXAS COUNTIES		
Lease-Purchase Contracts Issued		
In FY 2009 & 2010		
Issuer	Issue	Par
Jones County- Texas Midwest Public Facility Corp.	Project Revenue Bonds, Series 2009	\$35,470,000
McLennan County- Public Facility Corp.	Project Revenue Bonds, Series 2009	49,015,000
Jones County-Public Facility Corp.	Project Revenue Bonds, Series 2009	7,880,000
Limestone County - Public Facility Corp.	Project Revenue Bonds, Series 2009	15,890,000
Reeves County-Public Facility Corp.	Project Revenue Bonds, Series 2010	19,680,000
Total		\$43,450,000