

## DEBT SERVICE FUND

The Debt Service Fund reports current financial resources restricted for the payment of principal and interest for long-term debt. The Debt Service Fund is operated in accordance with the debt policy section of the County's financial policies.

### LONG-TERM DEBT

The following is a summary of change in general long-term debt for the year ended June 30, 2017.

| Governmental Activities                  | General Obligation Bonds | Certificates of Participation | Special Source Revenue Bonds | Debt Security Deposit Agreement | Unamortized Premium/Discount | Capital Leases Payable | Compensated Absences Payable | Total          |
|--|--------------------------|-------------------------------|------------------------------|---------------------------------|------------------------------|------------------------|------------------------------|----------------|
| Balance at June 30, 2016                 | \$ 72,305,000            | \$ 45,675,000                 | \$ 17,513,000                | \$ 392,640                      | \$ 3,283,538                 | \$ 7,323,920           | \$ 7,685,153                 | \$ 154,178,251 |
| Additions                                | -                        | 8,635,000                     | -                            | -                               | 727,294                      | 3,000,000              | 6,367,107                    | 18,729,401     |
| Adjustments                              | -                        | -                             | -                            | -                               | -                            | (14,530)               | -                            | (14,530)       |
| Retirements                              | (6,025,000)              | (15,010,000)                  | (2,741,000)                  | (80,570)                        | (306,097)                    | (2,896,447)            | (6,008,872)                  | (33,067,986)   |
| Balance at June 30, 2017                 | \$ 66,280,000            | \$ 39,300,000                 | \$ 14,772,000                | \$ 312,070                      | \$ 3,704,735                 | \$ 7,412,943           | \$ 8,043,388                 | \$ 139,825,136 |
| Current Portion of Long-term obligations | \$ 6,110,000             | \$ 4,780,000                  | \$ 2,747,000                 | \$ 80,570                       | \$ 300,000                   | \$ 2,897,234           | \$ 723,904                   | \$ 17,638,708  |

Source Greenville County Comprehensive Annual Financial Report (FY2017)

### GENERAL OBLIGATION BONDS

General obligation bonds are used to finance a variety of public projects. The full faith and credit of the County backs these bonds. Article X, Section 14, of the constitution of the State of South Carolina, 1895, as amended (the "Constitution"), provides that counties shall have the power to incur bonded indebtedness in such a manner and upon such terms and conditions as the General Assembly shall prescribe by general law. General obligation debt may be incurred only for public and corporate purpose in an amount not exceeding 8% of the assessed value of all taxable property of such county. The County Bond Act provides that the governing bodies of the several counties of the State may issue general obligation bonds to defray the cost of any authorized purpose and for any amount not exceeding its applicable constitutional debt limit.

Under Article X, Section 14, of the Constitution, bonded indebtedness of the County existing on November 30, 1977, is not considered in determining the county's 8% debt limitation. General obligation debt authorized by a majority vote of the qualified electors of the county voting in a referendum may be incurred without limitation as to amount.

In addition, Article X, Section 12 and Section 13, of the Constitution provides that bonded indebtedness may be incurred by counties for sewage disposal or treatment, fire protection, street lighting, garbage collection and disposal, water service, or any other service or facility benefiting only a particular geographical section of a county, provided a special assessment, tax or service charge, in an amount designed to provide debt service on bonded indebtedness, incurred for such purpose, shall be imposed upon the area or persons receiving the benefit therefrom; and general obligation debt so incurred shall not be considered in computing the bonded indebtedness of counties under the 8% debt limitation. In addition to the state limitation that general obligation debt not exceed 8% of assessed valuation, the County Financial Policies require that annual debt service not exceed 15% of the combined operating and capital budgets.

| COUNTY'S DEBT LIMITATION  |              |
|---|--------------|
| Assessed Value, FY2016  | \$ 2,184,257 |
| Less Manufacturer's Abatements and Properties Pledges for SSRB Security | \$ (171,886) |
| Constitutional Debt Limit (8%) Valuation of Taxable Property            | 160,990      |
| Outstanding Debt Subject to Limit                                       | 78,275       |
| Less Reserve for Debt Service   | (1,327)      |
| Net Amount of Debt Applicable to Limit                                  | 76,948       |
| Debt Margin   | \$ 84,042    |

Note: Amounts expressed in thousands

The County’s general obligation debt service payments for FY2018 total \$8,124,034 and \$7,722,909 for FY2019. These payments include the following issues:

- FY2007 issue of \$10,085,000 for road improvements
- FY2008 issue of \$4,200,000 for Greenville Technical College
- FY2012 issue of \$3,950,000 for the partial refunding of Series 2002
- FY2012 issue of \$7,700,000 for the partial refunding of Series 2005
- FY2013 issue of \$20,115,000 for the partial refunding of Series 2004, 2004A, and 2005A
- FY2013 issue of \$2,445,000 for the partial refunding of Series 2005B
- FY2014 issue of \$25,000,000 for Greenville Technical College project
- FY2015 issue of \$8,880,000 for the advanced refunding of Series 2006 and 2007
- FY2016 issue of \$10,080,000 for the advanced refunding of Series 2011A, 2013D, and 2008C

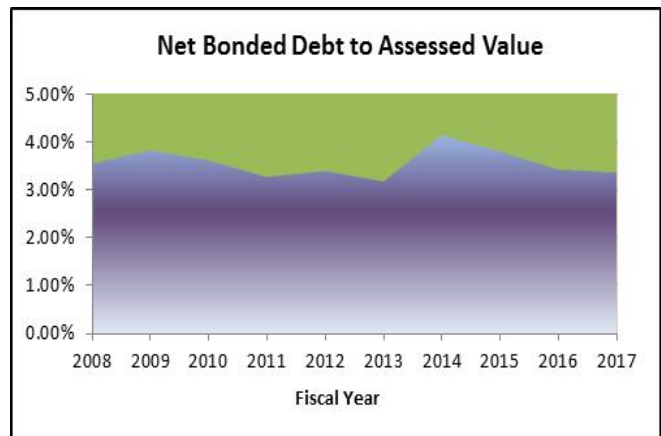
The following chart depicts the annual requirements to amortize the County’s general obligation debt.

| YEAR ENDING<br>JUNE 30 | PRINCIPAL            | INTEREST/FISCAL<br>CHARGES | TOTAL                |
|------------------------|----------------------|----------------------------|----------------------|
| 2018                   | \$ 6,110,000         | \$ 2,014,034               | \$ 8,124,034         |
| 2019                   | \$ 5,890,000         | \$ 1,832,909               | \$ 7,722,909         |
| 2020                   | \$ 6,040,000         | \$ 1,653,409               | \$ 7,693,409         |
| 2021                   | \$ 6,230,000         | \$ 1,464,153               | \$ 7,694,153         |
| 2022                   | \$ 5,515,000         | \$ 1,283,678               | \$ 6,798,678         |
| 2023                   | \$ 5,240,000         | \$ 1,097,140               | \$ 6,337,140         |
| 2024-2034              | \$ 31,255,000        | \$ 4,209,968               | \$ 35,464,968        |
| <b>TOTAL</b>           | <b>\$ 66,280,000</b> | <b>\$ 13,555,291</b>       | <b>\$ 79,835,291</b> |

The following charts reflect the ratio of net general obligation debt to assessed value for the past ten fiscal years.

| FISCAL YEAR | ASSESSED VALUE | NET BONDED DEBT |
|-------------|----------------|-----------------|
| 2008        | \$ 1,736,662   | \$ 61,838       |
| 2009        | \$ 1,816,181   | \$ 69,294       |
| 2010        | \$ 1,848,987   | \$ 66,844       |
| 2011        | \$ 1,944,313   | \$ 63,795       |
| 2012        | \$ 1,950,976   | \$ 65,900       |
| 2013        | \$ 1,978,278   | \$ 62,870       |
| 2014        | \$ 2,029,290   | \$ 84,034       |
| 2015        | \$ 2,101,998   | \$ 79,683       |
| 2016        | \$ 2,184,257   | \$ 74,467       |
| 2017        | \$ 2,222,058   | \$ 74,467       |

(000s omitted)



## CERTIFICATES OF PARTICIPATION

The following chart depicts the annual requirements to amortize all of the County's Certificates of Participation (COPs).

| YEAR ENDING<br>JUNE 30 | PRINCIPAL            | INTEREST/FISCAL<br>CHARGES | TOTAL                |
|------------------------|----------------------|----------------------------|----------------------|
| 2018                   | \$ 4,780,000         | \$ 1,364,776               | \$ 6,144,776         |
| 2019                   | \$ 4,905,000         | \$ 1,241,425               | \$ 6,146,425         |
| 2020                   | \$ 2,685,000         | \$ 1,109,675               | \$ 3,794,675         |
| 2021-2030              | \$ 26,930,000        | \$ 5,071,988               | \$ 32,001,988        |
| <b>TOTAL</b>           | <b>\$ 39,300,000</b> | <b>\$ 8,787,864</b>        | <b>\$ 48,087,864</b> |

These payments include the following issues:

- COPS9 issue of \$35,710,000 for Hospitality Tax COPs
- COPS10 issue of \$14,680,000 for Hospitality Tax COPs
- COPS11 issue of \$8,290,000 for refunding Series 1998 (Greenville Technical College project)
- COPS12 issue of \$9,300,000 for partially refunding Series 2011 (Courthouse project)
- COPS13 issue of \$26,553,883 for Hospitality Tax COPs
- COPS14 issue of \$11,740,000 for refunding of 2015 Public Facilities Corporation refunding
- COPS15 issue of \$8,635,000 for partial refunding of Series 2010

## SPECIAL SOURCE REVENUE BONDS

The County issued Special Source Revenue Bonds beginning in 1996 to provide for specific county needs. These bonds are repaid primarily from fee-in-lieu-of-tax payments of certain designated properties located in multi-county parks within Greenville County. The annual requirements to amortize the County's Special Source Revenue Bonds are as follows:

| YEAR ENDING<br>JUNE 30 | PRINCIPAL            | INTEREST/FISCAL<br>CHARGES | TOTAL                |
|------------------------|----------------------|----------------------------|----------------------|
| 2018                   | \$ 2,747,000         | \$ 411,183                 | \$ 3,158,183         |
| 2019                   | \$ 2,617,000         | \$ 330,908                 | \$ 2,947,908         |
| 2020                   | \$ 2,257,000         | \$ 252,641                 | \$ 2,509,641         |
| 2021-2030              | \$ 7,151,000         | \$ 410,644                 | \$ 7,561,644         |
| <b>TOTAL</b>           | <b>\$ 14,772,000</b> | <b>\$ 1,405,376</b>        | <b>\$ 16,177,376</b> |

Each series is outlined below:

- Series 2007 issue of \$7,545,000 for partial refunding of Series 1999 and 2001
- Series 2010 issue of \$6,770,000 for refunding in whole Series 1996, 1997, and 2998
- Series 2012 issue of \$7,835,000 for partial refunding of Series 2003
- Series 2015A issue of \$3,733,000 for refunding of Recreation District bonds
- Series 2015B issue of \$3,113,000 for Pavilion Ice Repair project

## CAPITAL LEASES

Greenville County's capital leases payable are a culmination of various contracts with a broad range of terms for machinery and equipment. The County's capital lease arrangement with a commercial bank was initiated in FY1993. On April 17, 1997, the County adopted a Master Lease Agreement. A total of twenty leases have been issued under the Master Lease Agreement, nineteen of which were for the acquisition of vehicles and equipment. Fifteen master leases have been retired. A total of nine leases have been issued for the Parks, Recreation, and Tourism Department for various items, including land acquisition, vehicles, renovations, and equipment. Of these nine leases, one lease has been retired. The budget also includes projected leases for vehicle replacement and additions for both FY2018 and FY2019. The following chart reflects the projected annual requirements to amortize the capital lease agreements for FY2018-FY2030:

| YEAR ENDING<br>JUNE 30 | PRINCIPAL            | INTEREST/FISCAL<br>CHARGES | TOTAL                |
|------------------------|----------------------|----------------------------|----------------------|
| 2018                   | \$ 3,283,929         | \$ 124,050                 | \$ 3,407,979         |
| 2019                   | \$ 3,485,276         | \$ 126,287                 | \$ 3,611,563         |
| 2020                   | \$ 2,383,954         | \$ 105,620                 | \$ 2,489,574         |
| 2021-2030              | \$ 2,114,576         | \$ 80,770                  | \$ 2,195,347         |
| <b>TOTAL</b>           | <b>\$ 11,267,735</b> | <b>\$ 436,727</b>          | <b>\$ 11,704,463</b> |

## TOTAL DEBT SERVICE OBLIGATIONS

The following chart shows the total current debt obligations of the County for all debt service funds.

|                           | General<br>Obligation<br>Bonds | Certificates<br>Of<br>Participation | Special Source<br>Revenue<br>Bonds | Capital<br>Leases    | Total<br>Debt<br>Service |
|---------------------------|--------------------------------|-------------------------------------|------------------------------------|----------------------|--------------------------|
| <i>Principal</i>          |                                |                                     |                                    |                      |                          |
| 2018                      | 6,110,000                      | 4,780,000                           | 2,747,000                          | 3,283,929            | 16,920,929               |
| 2019                      | 5,890,000                      | 4,905,000                           | 2,617,000                          | 3,485,276            | 16,897,276               |
| 2020                      | 6,040,000                      | 2,685,000                           | 2,257,000                          | 2,383,954            | 13,365,954               |
| 2021-2034                 | 48,240,000                     | 26,930,000                          | 7,151,000                          | 2,114,576            | 84,435,576               |
| <b>Total Principal</b>    | <b>\$ 66,280,000</b>           | <b>\$ 39,300,000</b>                | <b>\$ 14,772,000</b>               | <b>\$ 11,267,735</b> | <b>\$ 131,619,735</b>    |
| <i>Interest</i>           |                                |                                     |                                    |                      |                          |
| 2018                      | 2,014,034                      | 1,364,776                           | 411,183                            | 124,050              | 3,914,043                |
| 2019                      | 1,832,909                      | 1,241,425                           | 330,908                            | 126,287              | 3,531,529                |
| 2020                      | 1,653,409                      | 1,109,675                           | 252,641                            | 105,620              | 3,121,345                |
| 2021-2034                 | 8,054,939                      | 5,071,988                           | 410,644                            | 80,770               | 13,618,341               |
| <b>Total Interest</b>     | <b>\$ 13,555,291</b>           | <b>\$ 8,787,864</b>                 | <b>\$ 1,405,376</b>                | <b>\$ 436,727</b>    | <b>\$ 24,185,258</b>     |
| <i>Debt Service</i>       |                                |                                     |                                    |                      |                          |
| 2018                      | 8,124,034                      | 6,144,776                           | \$ 3,158,183                       | 3,407,979            | 20,834,972               |
| 2019                      | 7,722,909                      | 6,146,425                           | \$ 2,947,908                       | 3,611,563            | 20,428,805               |
| 2020                      | 7,693,409                      | 3,794,675                           | \$ 2,509,641                       | 2,489,574            | 16,487,299               |
| 2021-2034                 | 56,294,939                     | 32,001,988                          | \$ 7,561,644                       | 2,195,347            | 98,053,918               |
| <b>Total Debt Service</b> | <b>\$ 79,835,291</b>           | <b>\$ 48,087,864</b>                | <b>\$ 16,177,376</b>               | <b>\$ 11,704,463</b> | <b>\$ 155,804,994</b>    |