

Franklin County NC
Debt Service Monthly Status
Jul-16

<u>Type of Financing</u>	<u>Principal Owed at June 30th, 2016</u>	<u>3/15/2017 Principal paid todate</u>	<u>New Debt Issued</u>	<u>Balance Remaining</u>
General Fund Debt				
General Obligation Bonds for schools	49,587,425	2,318,000		47,269,425
COPS - for Schools, Jail, Ct Hse, etc. (Certificates of Participation)	8,445,000	705,000		7,740,000
Bank Loans - Schools, E911	10,202,007	2,142,348		8,059,659
			G.F.	<u>63,069,084</u>
Enterprise Fund Debt				
State and Federal Loans - Water	900,000	4,875		895,125
COPS - Water and Sewer	2,933,631	160,000		2,773,631
Bank Loans - Water and Sewer	7,193,636	674,625		6,519,011
Total Franklin County Debt	79,261,699	6,004,848	-	73,256,851

Water/Sewer 10,187,767

Note: Does not take into account the Refi.

**FRANKLIN COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

At June 30, 2016, the County was obligated under various operating leases for office equipment as follows:

Total lease expense for the year ended June 30, 2016 was \$13,056.

Total operating lease expense for the year ended June 30, 2016, was \$107,131.

Future lease payments total for the years ending June 30:

	<u>Total</u>
2017	\$ 220,606
2018	94,716
2019	<u>87,198</u>
Total	<u>\$ 402,520</u>

At June 30, 2016, the County was obligated under a commitment as follows:

The County has made and entered into an agreement in July 2014 with Republic Waste to transport certain solid waste from the transfer station to a permitted landfill, Upper Piedmont. The County began a 5 year relationship with Republic Waste on July 1, 2014 at 39.93 per ton.

At June 30, 2016, the County was obligated to purchase water from two local municipalities as follows:

With the Town of Louisburg to purchase at a minimum 80,000 gallons of water per day. The current rate is \$4.38 per thousand gallons. The obligation ends September 20, 2017.

With the City of Henderson to purchase at a minimum 500,000 gallons of water per day. Based on average consumption, the current rate is \$4.16 per thousand gallons. The obligation ends July 1, 2036.

6. Contingent Liabilities

At June 30, 2016, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

7. Long-Term Obligations

a. Installment Purchases

Serviced by the County's General Fund:

In December 2011, the County entered an installment contact with Bank of America to refinance old debt in the amount of \$2,038,480. A principal payment of \$290,883 plus interest at 1.81% is due each year in monthly installments until 2018. Principal and interest payments are appropriated when due. \$ 729,507

On April 30, 2001, the County entered into an installment purchase contract with Branch Banking and Trust in the amount of \$4,000,000 to finance school construction. A principal amount of \$133,333 plus interest at 4.81% is due October 30, 2001, and semiannually after that until a final payment due April 30, 2016. Principal and interest payments are appropriated when due. -

**FRANKLIN COUNTY, NORTH CAROLINA
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<p>In December 2011, the County entered into an installment obligation to upgrade the County's E-911 paging system and undergo new debt in the amount of \$6,600,000. A principal amount of \$330,000, plus interest at 2.24% is due in January and July of each year until 2022. Principal and interest payments are appropriated when due.</p>	3,960,000
<p>On June 22, 2010, the County entered into an installment obligation to refinance old debt and issue new debt in the amount of \$12,179,000. A principal payment of \$1,789,000 to \$474,000, plus interest between 3.31% and 3.970% is due June and December of each year until 2025. Principal and interest are appropriated when due.</p>	1,435,000
<p>In March 2015, the County entered into an installment obligation to finance the purchase of land and courthouse renovation. A principal payment of \$92,500, plus interest at 2.5% is due March and September of each year until March 2025. Principal and interest are appropriated when due.</p>	1,665,000
<p>In July 2014, the County entered into an installment agreement for \$300,000 to finance food service equipment. It requires payments monthly in the amount of \$12,500 for two years.</p>	12,500
<p>In December 2013, the County entered into an installment contract to finance the jail renovations in the amount of \$3,000,000. A principal payment of \$300,000, plus interest at 2.38% is due annually for ten years beginning December 2014.</p>	<u>2,400,000</u>
<p>Total installment obligation debt</p>	<u>\$ 10,202,007</u>

Serviced by the County's Water and Sewer Fund:

<p>\$ 7,215,000 On June 22, 2010, the County entered into an installment obligation to refinance old debt and issue new debt. A principal amount of \$320,000 to \$600,000 plus interest between 3.31% and 3.970% is due June and December of each year until 2025.</p>	\$ 4,391,000
<p>\$ 1,299,520 In December 2011, the County entered into an installment agreement to refinance old debt and issue new debt. A principal amount of \$185,974 plus interest at 1.81% is due at year in monthly installments. Principal and interest are appropriated each year until 2018.</p>	462,636
<p>\$ 2,600,000 On April 15, 2015, the County entered into an installment agreement to finance water and sewer improvements. Payments are due on April and October each year in the amount of \$130,000, plus interest of 2.6%.</p>	<u>2,340,000</u>
<p>Total installment obligation debt</p>	<u>\$ 7,193,636</u>

b. General Obligation Indebtedness

All general obligation bonds serviced by the County's General Fund are collateralized by the full faith, credit, and taxing power of the County. Franklin County Water and Sewer Fund issues certificates of participation. These certificates do not constitute a legal or equitable pledge, charge, lien or encumbrance upon any of the County's property or revenue.

**FRANKLIN COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
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The County's long-term indebtedness at June 30, 2016 is comprised of the following:

Serviced by the County's General Fund:

\$1,400,000 2005 School Bonds, issued 6/1/05, with interest and principal annually on April 1 of \$100,000 plus interest through 2019, interest payable at 3.0-3.8%. This debt was paid off early through the 2015 refunding bonds.	\$ -
\$5,550,000 2005 Refinancing School Bonds, issued 6/1/05, with interest semiannually on August 1 and April 1 and principal due on April 1 of \$220,000-\$550,000 through 2018, interest payable at 2.75-3.50%. This debt was paid off early through the 2015 refunding bonds.	-
\$20,000,000 2006 School Bonds, issued 8/1/07, with interest semiannually on August 1 and February 1 and principal on August 1 of \$1,000,000 through 2026, interest payable at 4.0-5.0%	1,000,000
\$8,600,000 2007 School Bonds, issued 8/14/2007, with interest semiannually on August 1 and February 1 and principal on February 1 of \$200,000 through 2028, interest at 4.125-6.125%	550,000
\$14,000,000 2009 School Bonds, issued 9/10/2009, with interest semiannually on March 1 and September 1 and principal on March 1 of \$500,000- \$900,000 through 2029, interest at 3.0-4.0%	10,900,000
\$3,600,000 2010A Qualified School Construction Bonds, issued 1/5/2010, with interest and principal due annually on December 15; principal of \$240,000 through 2024, interest at 2.17%	2,160,000
\$24,000,000 2010B School Bonds, issued 11/9/2010, with interest semiannually on April 1 and October 1 and principal due on April 1 through 2030, interest payable at 2.0%-4.0%	17,000,000
\$1,604,000 2015A Refunding Bonds, issued 04/07/16, with interest semiannually on April 1 and October 1 and principal due on April 1 through 2019, interest payable at 1.34%.	1,000,000
\$16,401,000 2015B Refunding Bonds, issued 04/07/16, with interest semiannually on February 1 and August 1 and principal due on August 1 through 2027, interest payable at 2.31%.	<u>16,401,000</u>
Total General Obligation Indebtedness	<u>\$ 49,011,000</u>

Certificates of Participation:

\$14,095,000 2007 Franklin County Animal Control and School Certificates of Participation with interest due semiannually on September 1 through 2028, interest at 4% to 5%	<u>\$ 8,445,000</u>
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Serviced by the County's Water and Sewer Fund:

Revolving Loans:

\$1,500,000 2000 Federal Revolving Loan, issued 2/19/00 with interest due semiannually on November 1 and May 1 and principal of \$75,000 due May 1 through 2021, interest at 2.6%.	\$ 375,000
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**FRANKLIN COUNTY, NORTH CAROLINA
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\$2,100,000 2000 State Revolving Loan, issued 2/19/00 with interest due semiannually on November 1 and May 1 and principal of \$105,000 due May 1 through 2021, interest at 2.6% 525,000

Total Revolving Loans \$ 900,000

Certificates of Participation:

\$3,155,000 2008 Franklin County Water and Sewer Certificates of Participation, issued June, 2008, with interest and principal annually on September 1 through 2027, interest at 4% to 5%. \$ 1,875,000

\$6,500,000 2004 Franklin County Water and Sewer Certificates of Participation, issued 5/15/03, with interest semiannually on December 1 and January 1 and principal due on June 1 through 2018, interest at 3.17% to 4.5%. 1,058,631

Total Certificates of Participation \$ 2,933,631

On June 30, 2016, Franklin County had a legal debt margin of \$284,289,813.

Debt Related to Capital Activities - Of the total Governmental Activities debt listed, only \$9,532,007 relates to assets the County holds title. Unspent restricted cash related to this debt amount to \$1,070,975.

8. Changes in Long-Term Debt

The following is a summary of changes in general long-term debt for the year ended June 30, 2016:

	Balance July 1, 2015	Additions	Retirements	Balance June 30, 2016	Current Portion
Governmental Activities:					
General obligation bonds	\$ 52,745,000	\$ 18,005,000	\$(21,739,000)	\$ 49,011,000	\$ 4,445,000
Plus: Premiums on issuance	<u>617,598</u>	-	(41,173)	<u>576,425</u>	-
Total general obligation bonds	53,362,598	18,005,000	(21,780,173)	49,587,425	4,445,000
Certificates of participation	9,150,000	-	(705,000)	8,445,000	705,000
Installment purchases	12,541,556	-	(2,339,549)	10,202,007	1,931,383
Compensated absences	1,498,382	1,598,070	(1,498,382)	1,598,070	399,518
Net pension liability (LGERS)	-	1,449,727	-	1,449,727	-
Net pension obligation	683,643	80,830	-	764,473	-
Other postemployment benefits	<u>10,000,473</u>	<u>1,885,653</u>	-	<u>11,886,126</u>	-
Total	<u>\$ 87,236,652</u>	<u>\$ 23,019,280</u>	<u>\$(26,323,104)</u>	<u>\$ 83,932,828</u>	<u>\$ 7,480,901</u>
Business-type Activities:					
Revolving loans	\$ 1,080,000	\$ -	\$ (180,000)	\$ 900,000	\$ 180,000
Certificates of participation	3,616,009	-	(682,378)	2,933,631	702,714
Installment purchases	8,038,610	-	(844,974)	7,193,636	861,974
Landfill Post-closure Costs	235,498	13,835	(22,171)	227,162	38,650
Compensated absences	85,989	112,509	(85,989)	112,509	28,128
Net pension liability (LGERS)	-	107,947	-	107,947	-
Other postemployment benefits	<u>865,518</u>	<u>131,556</u>	-	<u>997,074</u>	-
Total	<u>\$ 13,921,624</u>	<u>\$ 365,847</u>	<u>\$(1,815,512)</u>	<u>\$ 12,471,959</u>	<u>\$ 1,811,466</u>