



## Debt Summary

Debt service expenses represent the retiring of debt such as leases, loans, and bond issues. It includes principal and interest payments, and administrative costs for paying agents, registrars, and escrow agents. As of July 1, 2006 the City uses 3 different debt instruments. The following is a list of those instruments as well as an explanation of each.

**Lease Purchases:** A financing approach to acquire the use of an asset in which installment payments are made. A "lease purchase" agreement permits the lessee to purchase the asset at the end of the lease term for a predetermined price. Leases do not constitute a general obligation or other indebtedness of the City within the meaning of any constitutional, statutory, or Charter debt limitations.

One of the City's funding mechanisms for procuring machinery and equipment are lease purchase obligations. At July 1, 2006, the City will have 13 lease purchase obligations in the amount of \$1,037,229. Short-term debt for Fiscal Year 2006/2007 totals \$471,095. Through these financing arrangements, the City has purchased the following:

Ladder Fire Truck	IP Telephone System	Duplex Printer
Triple Combo Fire Truck	i5 iSeries Server	9 Servers
4 Police Vehicles	102 PCs	Scanner
Air Sweeper	3 Laptops	Imaging Software
Tractor	Projector	800 MHz Radios

All leases are collateralized with the machinery and equipment purchased under the financing arrangements. These obligations are to be paid from the General Fund (with the exception of the Air Sweeper, it has been moved to the Stormwater Fund) with interest rates ranging from 2.38% to 10.65%.

**Revenue Bonds:** Securities for which debt service payments are generated from a specific revenue source.

In April 2003, the City issued Water and Sewer Revenue Note, Series 2001A in the amount of \$10,069,024 including capitalized interest. The proceeds were issued to partially finance improvements and expansion of the City's Wastewater Treatment Facility. The expansion provides extra treatment capacity to the City and allows the City to provide wastewater treatment services to the Town of Andrews and Georgetown County Water and Sewer District in conjunction with the West Georgetown County Regional Wastewater Treatment System Service Agreement entered into in 1997. Debt service on this loan is payable by and is secured by pledged revenues of the Combined Water and Wastewater Utility Enterprise Funds.



### Debt Summary (continued)

**Interfund loans:** Amounts provided between funds and blended component units of the primary government with a requirement for repayment.

On August 21, 2003, City Council authorized an Internal Wastewater Utility Fund Loan due from the Wastewater Utility Fund to the Electric Utility Fund, in the amount of \$900,000. The loan was used to fund the City's portion of the Regional Wastewater Treatment Plant not funded by grants or other external loans as well as the City's portion of the landfill compost pad. The loan is being repaid in annual installments of \$63,325 at 3.5% interest.

**Future Debt:** The City is currently planning to enter into a lease agreement to cover the cost of several capital items in the FY 2006/2007 budget. The budgeted amount to borrow is \$116,000.

**Legal Debt Margin:** The City has a legal debt limit of 8% of the total assessed value. This is the excess of the amount of debt legally authorized over the amount of debt outstanding. The City is authorized by state statute to exceed the legal debt margin if the additional debt is approved by the City's citizens.

Total Assessed Value	\$28,852,207
Debt Limit - 8% of Total Assessed Value	2,308,177
Total Amount of Debt Applicable to Debt Limit	(145,000)
Legal Debt Margin	<u><u>\$2,163,177</u></u>



## Debt Schedules

### LEASE-LADDER FIRE TRUCK

Amount of Lease	\$725,000
Remaining Lease Payments as of July 1, 2006	115,566
Present Value of Minimum Lease payments as of July 1, 2006	112,837

Lease Issued July 26, 1999  
 Interest payable annually on the 26th of July to First Citizens Bank  
 Principal payments due annually on the 26th of July to First Citizens Bank

2.39%	July 26, 2006	\$115,566
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### LEASE-TRIPLE COMBINATION FIRE TRUCK

Amount of Lease	\$258,884
Remaining Lease Payments as of July 1, 2006	156,700
Present Value of Minimum Lease payments as of July 1, 2006	141,783

Lease Issued September 20, 2000  
 Interest payable annually on the 20th of September to BB&T  
 Principal payable annually on the 20th of September to BB&T

3.43%	Sept 20, 2006	\$31,340
3.43%	Sept 20, 2007	31,340
3.43%	Sept 20, 2008	31,340
3.43%	Sept 20, 2009	31,340
3.43%	Sept 20, 2010	31,340

### LEASE-TELECOMMUNICATIONS AND DATA SYSTEM EQUIPMENT

Amount of Lease	\$537,070
Remaining Lease Payments as of July 1, 2006	119,525
Present Value of Minimum Lease payments as of July 1, 2006	116,371

Lease Issued May 10, 2001  
 Interest payable annually on the 12th of February to BB&T  
 Principal payable annually on the 12th of February to BB&T

2.71%	Feb 12, 2007	\$119,525
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**Debt Schedules (continued)**

**LEASE-AIR SWEEPER**

Amount of Lease	\$124,614
Remaining Lease Payments as of July 1, 2006	27,013
Present Value of Minimum Lease payments as of July 1, 2006	26,313

Lease Issued October 9, 2001  
 Interest payable annually on the 9th of October to BB&T  
 Principal payable annually on the 9th of October to BB&T

2.66%	Oct 9, 2006	\$27,013
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**LEASE-800 MHz RADIOS**

Amount of Lease	\$239,000
Remaining Lease Payments as of July 1, 2006	156,336
Present Value of Minimum Lease payments as of July 1, 2006	147,547

Lease Issued March 19, 2004  
 Interest payable annually on the 19th of March to BB&T  
 Principal payable annually on the 19th of March to BB&T

2.95%	March 19, 2007	\$52,112
2.95%	March 19, 2008	52,112
2.95%	March 19, 2009	52,112

**LEASE-4 POLICE VEHICLES, 1 PASSENGER TRUCK, TRACTOR, 800 MHz RADIO EQUIPMENT**

Amount of Lease	\$321,519
Remaining Lease Payments as of July 1, 2006	356,355
Present Value of Minimum Lease payments as of July 1, 2006	321,519

Lease Issued October 14, 2005  
 Interest payable annually on the 14th of October to BB&T  
 Principal payable annually on the 14th of October to BB&T

3.53%	Oct 14, 2006	\$71,271
3.53%	Oct 14, 2007	71,271
3.53%	Oct 14, 2008	71,271
3.53%	Oct 14, 2009	71,271
3.53%	Oct 14, 2010	71,271



**Debt Schedules (continued)**

**LEASE-i5 iSERIES SERVER**

Amount of Lease	\$30,913
Remaining Lease Payments as of July 1, 2006	24,512
Present Value of Minimum Lease payments as of July 1, 2006	22,328

Lease Issued August 4, 2005

Interest payable monthly in arrears on the 1st of each month to IBM Credit LLC

Principal payable monthly in arrears on the 1st of each month to IBM Credit LLC

9.43%	July 06-Jun 07	\$11,781
9.43%	July 07-Jun 08	11,781
9.43%	July 08	950

**LEASE-AGENDA MAESTRO SOLUTION SOFTWARE AND SCANNER**

Amount of Lease	\$80,000
Remaining Lease Payments as of July 1, 2006	42,250
Present Value of Minimum Lease payments as of July 1, 2006	37,750

Lease Issued July 26, 2005

Interest payable annually on the 26th of July to Government Leasing Company

Principal payable annually on the 26th of July to Government Leasing Company

11.92%	July 26, 2006	\$42,250
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**LEASE-TECHNOLOGY REFRESH ROLL OUT**

Amount of Lease	\$138,599
Remaining Lease Payments as of July 1, 2006	112,352
Present Value of Minimum Lease payments as of July 1, 2006	101,738

Lease Issued August 4, 2005

Interest payable annually on the 4th of September to Dell Financial Services

Principal payable annually on the 4th of September to Dell Financial Services

5.32%	Sept 4, 2006	\$36,782
5.32%	Sept 4, 2007	36,782
5.32%	Sept 4, 2008	36,782
5.32%	Sept 4, 2009	2,006



**Debt Schedules (continued)**

**LEASE-TECHNOLOGY REFRESH ROLL OUT**

Amount of Lease	\$3,395
Remaining Lease Payments as of July 1, 2006	2,586
Present Value of Minimum Lease payments as of July 1, 2006	2,393

Lease Issued September 7, 2005  
 Interest payable annually on the 7th of September to Dell Financial Services  
 Principal payable annually on the 7th of September to Dell Financial Services

3.79%	Sept 7, 2006	\$725
3.79%	Sept 7, 2007	863
3.79%	Sept 7, 2008	863
3.79%	Sept 7, 2009	135

**LEASE-TECHNOLOGY REFRESH ROLL OUT**

Amount of Lease	\$3,213
Remaining Lease Payments as of July 1, 2006	2,579
Present Value of Minimum Lease payments as of July 1, 2006	2,396

Lease Issued September 8, 2005  
 Interest payable annually on the 8th of September to Dell Financial Services  
 Principal payable annually on the 8th of September to Dell Financial Services

3.79%	Sept 8, 2006	\$817
3.79%	Sept 8, 2007	817
3.79%	Sept 8, 2008	817
3.79%	Sept 8, 2009	128

**LEASE-TECHNOLOGY REFRESH ROLL OUT**

Amount of Lease	\$5,883
Remaining Lease Payments as of July 1, 2006	4,881
Present Value of Minimum Lease payments as of July 1, 2006	4,254

Lease Issued November 17, 2005  
 Interest payable annually on the 17th of November to Dell Financial Services  
 Principal payable annually on the 17th of November to Dell Financial Services

7.27%	Nov 17, 2006	\$1,550
7.27%	Nov 17, 2007	1,550
7.27%	Nov 17, 2008	1,550
7.27%	Nov 17, 2009	231



**Debt Schedules (continued)**

**WATER AND SEWER REVENUE NOTE, SERIES 2001A**

Amount of Issue	\$10,069,024
Principal Payments to Date	1,198,310
Remaining Principal Outstanding as of July 1, 2006	8,870,714

Note Issued April 1, 2003

Interest payable quarterly on July 1, Oct 1, Jan 1, and April 1st to the SC Water Pollution Control Revolving Fund

Principal payable quarterly on July 1, Oct 1, Jan 1, and April 1st to the SC Water Pollution Control Revolving Fund

Note payment schedule October 1, 2006 to April 1, 2023 as follows:

3.50%	FY 2006/2007	\$702,163
3.50%	FY 2007/2008	702,163
3.50%	FY 2008/2009	702,163
3.50%	FY 2009/2010	702,163
3.50%	FY 2010/2011	702,163
3.50%	FY 2011/2012	702,163
3.50%	FY 2012/2013	702,163
3.50%	FY 2013/2014	702,163
3.50%	FY 2014/2015	702,163
3.50%	FY 2015/2016	702,163
3.50%	FY 2016/2017	702,163
3.50%	FY 2017/2018	702,163
3.50%	FY 2018/2019	702,163
3.50%	FY 2019/2020	702,163
3.50%	FY 2020/2021	702,163
3.50%	FY 2021/2022	702,163
3.50%	FY 2022/2023	526,622



**Debt Schedules (continued)**

**INTERNAL WASTEWATER UTILITY FUND LOAN**

Amount of Issue	\$900,000
Principal Payments to Date	64,763
Remaining Principal Outstanding as of July 1, 2006	835,237

Note Issued August 21, 2003

Interest payable annually on the 30th of June to the Electric Utility Fund

Principal payable annually on the 30th of June to the Electric Utility Fund

3.50%	FY 2006/2007	\$63,325
3.50%	FY 2007/2008	63,325
3.50%	FY 2008/2009	63,325
3.50%	FY 2009/2010	63,325
3.50%	FY 2010/2011	63,325
3.50%	FY 2011/2012	63,325
3.50%	FY 2012/2013	63,325
3.50%	FY 2013/2014	63,325
3.50%	FY 2014/2015	63,325
3.50%	FY 2015/2016	63,325
3.50%	FY 2016/2017	63,325
3.50%	FY 2017/2018	63,325
3.50%	FY 2018/2019	63,325
3.50%	FY 2019/2020	63,325
3.50%	FY 2020/2021	63,325
3.50%	FY 2021/2022	63,325
3.50%	FY 2022/2023	63,325
3.50%	FY 2023/2024	63,325