

DEBT SERVICE

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BUDGET SUMMARY

	FY 2008 Adopted	FY 2009 Adopted	FY 2009 Amended	FY 2010 Adopted	% change
Expenditure:					
General Obligation Bonds					
Bond Principal	\$27,715,000	\$27,898,180	\$27,650,000	\$35,705,000	28.0%
Bond Interest	\$23,612,500	\$37,830,268	\$37,320,068	\$34,982,240	-7.5%
Total Principal & Interest	\$51,327,500	\$65,728,448	\$64,970,068	\$70,687,240	7.5%
Issuance Costs/Fees/Other	\$977,350	\$3,978,545	\$3,978,545	\$6,393,110	60.7%
Total	\$52,304,850	\$69,706,993	\$68,948,613	\$77,080,350	10.6%
BB&T Building					
Capital Related Principal	\$0	\$0	\$510,200	\$510,200	0.0%
Capital Related Interest	\$0	\$0	\$248,180	\$222,726	-10.3%
Total	\$0	\$0	\$758,380	\$732,926	-3.4%
<i>Note: debt for BB&T building was included in GO Bond accounts at budget adoption. Funds were moved into separate accounts during the year. The percent change column reflects the change from the amended budget.</i>					
Total Debt Service	\$52,304,850	\$69,706,993	\$69,706,993	\$77,813,276	11.6%
Debt by Category					
Guilford County Schools	\$38,392,580	\$48,107,660	\$48,107,660	\$59,943,430	24.6%
Other	\$13,912,270	\$21,599,333	\$21,599,333	\$17,869,846	-17.3%
Total Debt Service	\$52,304,850	\$69,706,993	\$69,706,993	\$77,813,276	11.6%

Revenues:

Federal & State (Lottery)	(\$6,000,000)	(\$12,500,000)	(\$12,500,000)	(\$8,000,000)	-36.0%
Other	(\$730,447)	(\$712,954)	(\$712,954)	(\$392,046)	-45.0%
County Funds	(\$45,574,403)	(\$56,494,039)	(\$56,494,039)	(\$69,421,230)	22.9%
Total Revenue	(\$52,304,850)	(\$69,706,993)	(\$69,706,993)	(\$77,813,276)	11.6%

Data for each year reflect adopted amounts. FY 2010 adopted amounts were based on estimates available in Spring 2009. The full repayment schedule included in this section represents estimates available in Summer 2009.

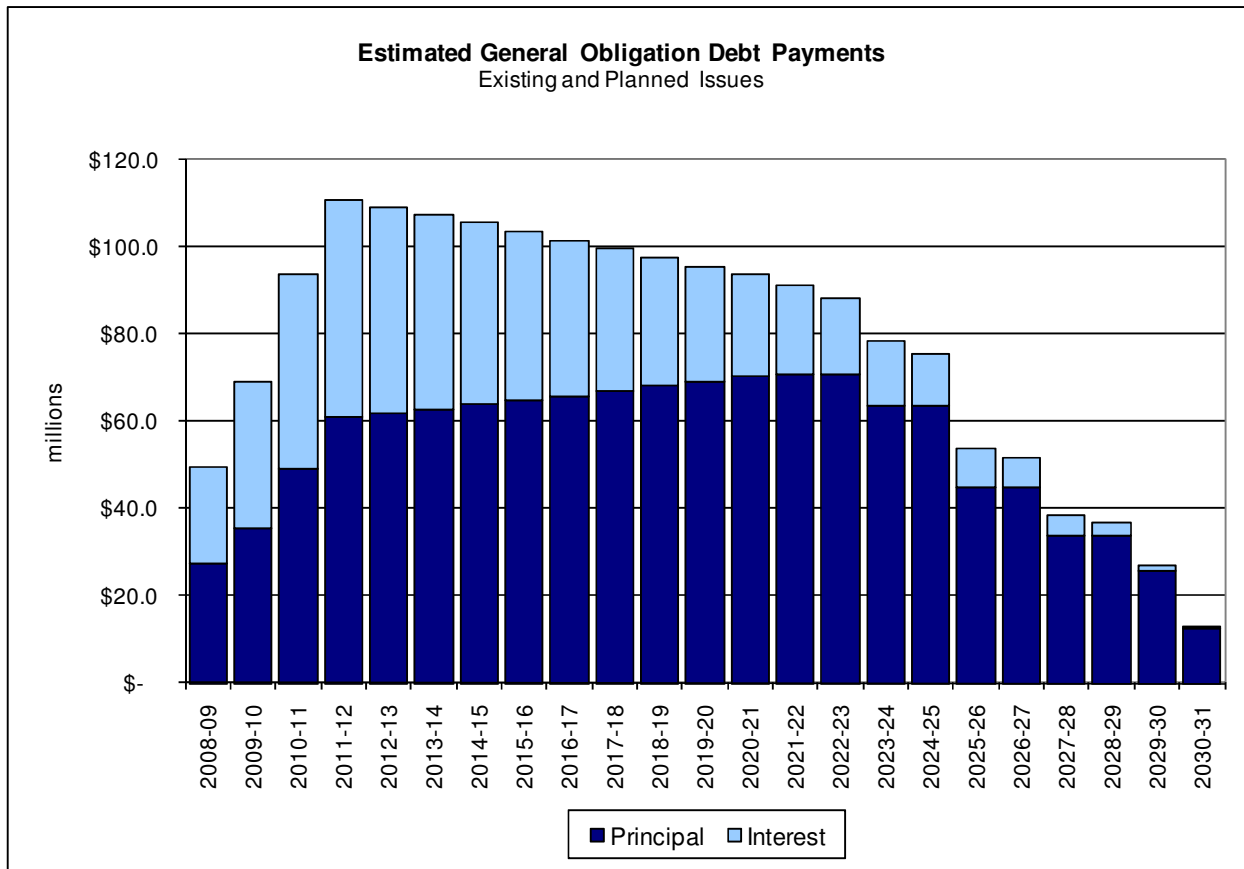
DEPARTMENTAL PURPOSE & GOALS

Guilford County issues debt, primarily through the issuance of general obligation bonds, to help fund large capital projects, including new schools, detention facilities, emergency services bases, and other governmental needs.

FY 2010 ADOPTED BUDGET HIGHLIGHTS

Debt service expenditures are expected to increase by 11.6%, or \$8.1 million, over last year’s adopted budget. Most of this increase is related to the planned January 2010 issuance of an additional \$262.8 million in voter-approved general obligation bonds for school and college facilities, the new Greensboro Detention Facility, and parks.

As the County issues the final bonds authorized in the 2004 and 2008 referenda, its overall debt balance will grow. At the time of printing, the County anticipates issuing \$262,800,000 of General Obligation debt in January 2010. Additional issues of \$235,915,000 and \$13,615,000 are planned for January 2011 and January 2012, respectively. Issue amounts may change based on revised cash needs for bond-funded projects, market conditions, and future timing decisions made by the Board of Commissioners.



**Estimated Annual Bond Debt Service Payments
Existing and Planned Issues**

Total All Issues

Fiscal Year	Principal	Interest	Total Due	Balance Due
2008-09	\$ 27,650,000	\$ 21,766,191	\$ 49,416,191	\$ 694,355,000
2009-10	\$ 35,705,000	\$ 33,558,741	\$ 69,263,741	\$ 921,450,000
2010-11	\$ 49,315,000	\$ 44,323,816	\$ 93,638,816	\$ 1,108,050,000
2011-12	\$ 61,205,750	\$ 49,597,502	\$ 110,803,252	\$ 1,060,459,250
2012-13	\$ 61,946,500	\$ 47,190,972	\$ 109,137,472	\$ 998,512,750
2013-14	\$ 62,961,500	\$ 44,377,065	\$ 107,338,565	\$ 935,551,250
2014-15	\$ 63,991,500	\$ 41,582,501	\$ 105,574,001	\$ 871,559,750
2015-16	\$ 64,971,500	\$ 38,637,260	\$ 103,608,760	\$ 806,588,250
2016-17	\$ 65,951,500	\$ 35,642,728	\$ 101,594,228	\$ 740,636,750
2017-18	\$ 67,051,500	\$ 32,642,353	\$ 99,693,853	\$ 673,585,250
2018-19	\$ 68,506,500	\$ 29,354,994	\$ 97,861,494	\$ 605,078,750
2019-20	\$ 69,096,500	\$ 26,399,315	\$ 95,495,815	\$ 535,982,250
2020-21	\$ 70,361,500	\$ 23,654,014	\$ 94,015,514	\$ 465,620,750
2021-22	\$ 70,741,500	\$ 20,728,732	\$ 91,470,232	\$ 394,879,250
2022-23	\$ 70,741,500	\$ 17,545,641	\$ 88,287,141	\$ 324,137,750
2023-24	\$ 63,741,500	\$ 14,702,409	\$ 78,443,909	\$ 260,396,250
2024-25	\$ 63,736,500	\$ 11,790,655	\$ 75,527,155	\$ 196,659,750
2025-26	\$ 45,096,500	\$ 8,879,114	\$ 53,975,614	\$ 151,563,250
2026-27	\$ 45,096,500	\$ 6,749,485	\$ 51,845,985	\$ 106,466,750
2027-28	\$ 33,846,500	\$ 4,729,100	\$ 38,575,600	\$ 72,620,250
2028-29	\$ 33,846,500	\$ 3,075,763	\$ 36,922,263	\$ 38,773,750
2029-30	\$ 25,616,500	\$ 1,423,974	\$ 27,040,474	\$ 13,157,250
2030-31	\$ 12,476,500	\$ 405,997	\$ 12,882,497	\$ 680,750
2031-32	\$ 680,750	\$ 20,848	\$ 701,598	\$ -

Totals \$ 1,234,335,000 \$ 558,779,172 \$ 1,793,114,172

Includes: Additional planned debt issues from the 2004 and 2008 referenda as follows:
\$262,800,000 in January 2010; \$235,915,000 in January 2011; and \$13,615,000 in
January 2012.

Excludes: Non-bond financing for the prior purchase of the BB& T building and other costs, such as
debt issuance costs, legal fees, and paying agent fees.

DEBT POLICIES AND STATUTORY LIMITATIONS

North Carolina General Statute 159-55 requires that the net debt of a county not exceed 8% of the appraised value of property subject to taxation. Net debt includes all authorized (issued and unissued) bonded debt and capital lease obligations, less certain deductions. For the fiscal year ended June 30, 2009, the County's net debt is equal to 2.7% of the assessed value of taxable property, well below the 8% statutory limit, and its unused debt capacity (the 'Legal Debt Margin') is just over \$2.36 billion. These figures are not expected to change significantly by the end of FY 2010 as no additional bond referenda are planned next fiscal year.

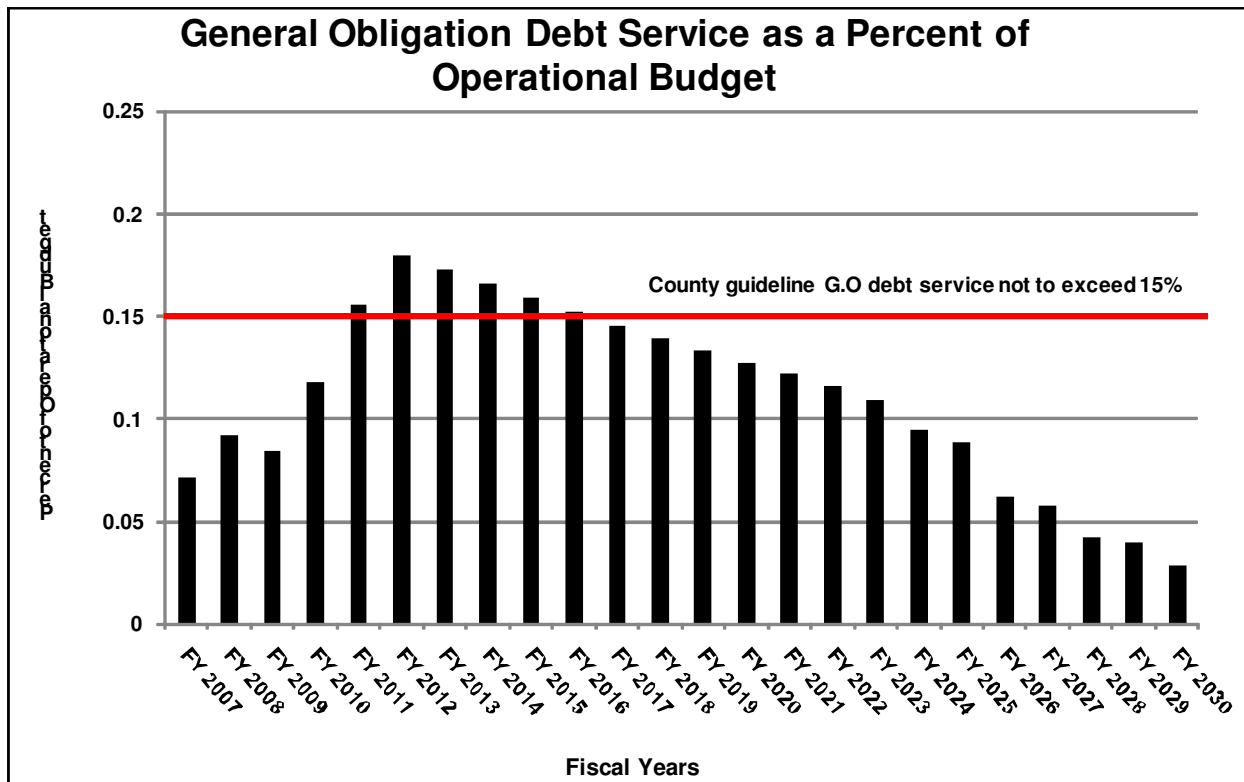
Legal Debt Margin Calculation	
Fiscal Year Ending June 30, 2009	
Assessed value of taxable Property	\$ 44,588,078,951
Debt limit (8% of total assessed value)	\$ 3,567,046,316
Debt applicable to limit:	
Bonded Debt	\$ 694,355,000
Bonds authorized, unissued	\$ 512,330,000
Obligations under capital leases and purchase money installment contracts	<u>\$ 4,783,962</u>
Gross Debt	\$ 1,211,468,962
Less statutory deductions:	
Bonds issued and outstanding for water purposes	\$ (6,552,822)
Net amount of debt applicable to limit	\$ 1,204,916,140
As a percent of total assessed value	2.70%
Legal Debt Margin	\$ 2,362,130,176

In addition to the statutory limit discussed above, the County has several guidelines it uses when evaluating debt levels. As a practical matter, these local policies limit outstanding debt to a level

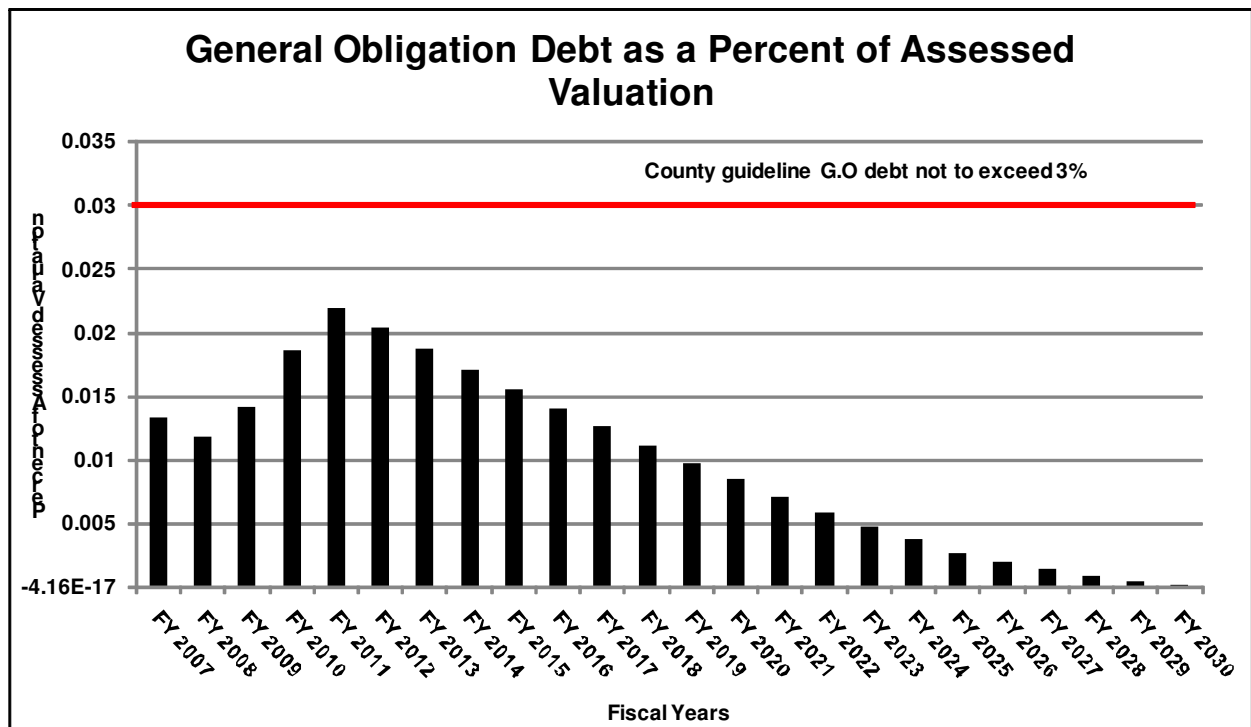
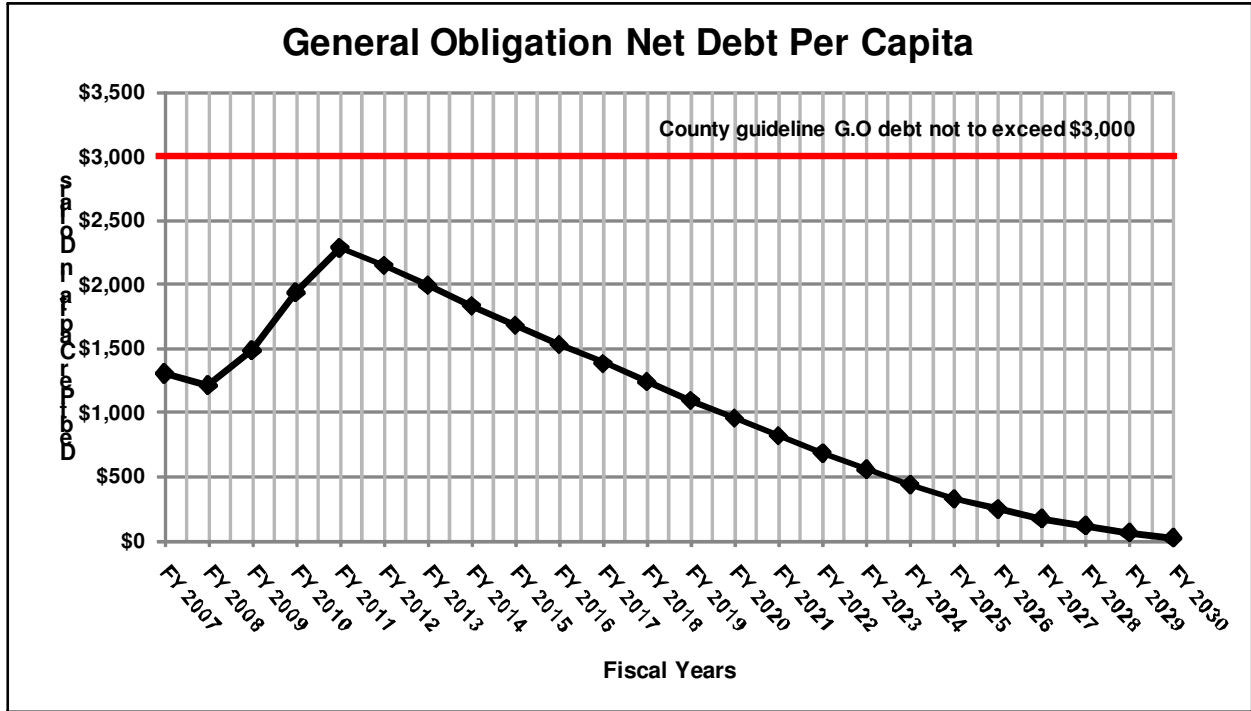
far below that of the legal debt limit. The County considers the following internal guidelines when evaluating how much and when to issue additional debt:

- General obligation debt service should not exceed 15% of the operating budget;
- General obligation debt per capita should not exceed \$3,000; and,
- General obligation debt as a percentage of assessed property valuation should not exceed 3%.

Based on estimates of future debt service for all currently authorized general obligation debt and annual operating budgets, the County will exceed its guideline for general obligation debt service in fiscal years 2011 - 2016. At its highest, debt service will peak at just under 18% of the operating budget in FY 2012. This spike in debt service is due to payments on the initial issues of the \$651,430,000 in bonds approved by voters in May 2008.



Although the County will exceed one of its guidelines, it will not exceed its guidelines for its two other debt indicators, which are general obligation net debt per capita and general obligation debt as a percent of assessed valuation. For all years, the County remains well below its recommended limits.



FUTURE BOND REFERENDA

The County's Capital Investment Plan (<http://www.co.guilford.nc.us/CIP10/index.php>) includes \$431,274,000 of Future Debt/Bonds that have not yet been authorized by the voters or the Board of Commissioners. This Future Debt/Bonds amount is related to proposed Guilford Technical Community College projects and the Public Safety 800 MHz communications system upgrade. (Note: Proposed new projects for the Guilford County Schools were not available at the time this document was prepared and related future debt amounts are not included in the figure noted above.) The Board of Commissioners will make the final determination on the amount of Future Debt/Bonds that is presented to the voters as future bond referenda are considered. As the County's guideline charts presented above indicate, however, additional debt capacity may not be available for several years.