

## COMAL COUNTY DEBT AS OF DECEMBER 31, 2017

General Obligation Bonds, Certificates of Obligation and Tax Notes Payable are direct obligations and pledge the full faith and credit of the County. These bonds generally are issued as 25-year serial bonds, except for refunding issues, with equal amounts of principal maturing each year.

**Certificates of Obligation.** Certificates of Obligation are issued by the vote of Commissioners Court as allowed under the Certificates of Obligation Act. The County currently has one (1) series of notes payable outstanding.

**Series 2007.** On August 2, 2007, the Commissioners' Court of Comal County approved passage of orders authorizing the issuance of certificates of obligation in an aggregate amount not to exceed \$20,200,000. The purpose being the purchase of right of way for the State Highway 46 TXDOT pass through project, Schwab Road realignment, expansion of the JP #3 offices to provide office space for Adult Probation officers, land acquisition for conservation purposes and parks, courthouse restoration, Dry Comal Creek flood retarding structures, and the purchase of land and construction of a new justice center. The order awarding the sale of \$20,190,000 Certificates of Obligation, Series 2007 was approved on August 9, 2007. Closing and delivery of the certificates occurred on September 6, 2007. At December 31, 2017, the obligation on this issuance were paid in full.

### General Obligation Bonds.

On February 16, 2017 the Commissioners' Court passed an order authorizing the issuance of 'Comal County, Texas, Limited Tax General Obligation Bonds, Series 2017' in the amount of \$60,680,000. These bonds, dated February 1, 2017 were issued March 8, 2017. The proceeds will be used to construct a new jail facility and renovate the existing Sheriff's Office facilities.

The 2017 General obligation bonds currently outstanding are as follows:

Purpose	Interest Rate	Amount
General government	3.00%	\$ 60,680,000
		\$ 60,680,000

Annual debt service requirements to maturity for Series 2017 general obligation bonds are as follows:

Year Ending December 31	Principal	Interest
2018	585,000	2,016,831
2019	2,085,000	1,990,131
2020	1,480,000	1,947,081
2021	1,630,000	1,900,431
2022	2,580,000	1,947,081
2023 - 2027	20,195,000	7,119,006
2028 - 2032	32,125,000	2,678,547
Total	\$ 60,680,000	\$ 19,599,110

### General Obligation Refunding Bonds.

In September 2015, General Obligation Refunding Bonds, Series 2015 in the amount of \$15,485,000 were issued. Comal County, Texas Combination Tax and Revenue Certificates of Obligation, Series 2007 dated August 1, 2007 in the original principal amount of \$15,500,000 and stated to mature on February 1 in each of the years 2017 through 2023 and February 1, 2028 in the principal amount of \$15,150,000 will be redeemed on February 1, 2016. This refunding produced a gross savings of \$2,321,255, including the County's cash contribution of \$46,406 and a Net Present Value benefit of \$1,952,745.

The 2016 General obligation refunding bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Amount</u>
General government	1.00% - 3.00%	\$ 14,405,000
		<u>\$ 14,405,000</u>

Annual debt service requirements to maturity for Series 2016 general obligation refunding bonds are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>
2018	1,170,000	339,550
2019	1,200,000	315,850
2020	1,220,000	291,650
2021	1,240,000	267,050
2022	1,270,000	241,950
2023 - 2027	6,820,000	715,025
2028	1,485,000	22,275
Total	<u>\$ 14,405,000</u>	<u>\$ 2,193,350</u>

**Combination Limited Tax and Revenue Bonds.** The County issued combination limited tax and revenue bonds pursuant to a Pass-Through Toll Agreement between the County and the Texas Department of Transportation (TxDot), an agency of the State of Texas, with retirement of the bond principal to be from ad valorem taxes and payments from TxDot and the interest to be from County taxes and revenues and for the purchase of land. The combination limited tax and revenue bonds are an obligation of the County and the County is liable for the repayment of the bonds whether or not TxDot makes the agreed payments to the County.

On February 26, 2009 the Commissioners' Court passed an order authorizing the issuance of 'Comal County, Texas, Combination Limited Tax and Revenue Bonds, Series 2009' in the amount of \$16,070,000. These bonds, dated February 1, 2009 were issued March 17, 2009. The proceeds were transferred to the Texas Department of Transportation for the purpose of widening State Highway 46 in Comal County, Texas.

The 2009 bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Amount</u>
General government	3.00% - 5.25%	\$ 5,360,000
		<u>\$ 5,360,000</u>

Annual debt service requirements to maturity for Series 2009 combination limited tax and revenue bonds are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>
2018	2,680,000	201,000
2019	2,680,000	107,200
Total	<u>\$ 5,360,000</u>	<u>\$ 308,200</u>

On July 23, 2012 the Commissioners Court passed an order authorizing the issuance of 'Comal County, Texas, Combination Limited Tax and Revenue Bonds, Series 2012' in the amount of \$14,855,000. These bonds, dated August 1, 2012 were issued August 21, 2012. The proceeds were transferred to the Texas Department of Transportation for the purpose of widening State Highway 281 in Comal County, Texas.

The 2012 bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Amount</u>
General government	2.50% - 4.00%	\$ 9,900,000
		<u>\$ 9,900,000</u>

Annual debt service requirements to maturity for Series 2012 combination limited tax and revenue bonds are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>
2018	2,475,000	339,000
2019	2,475,000	264,750
2020	2,475,000	190,500
2021	2,475,000	91,500
Total	<u>\$ 9,900,000</u>	<u>\$ 885,750</u>

On October 20, 2016 the Commissioners Court passed an order authorizing the issuance of 'Comal County, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2016' in the amount of \$11,300,000. These bonds, dated October 15, 2016 were issued November 17, 2016. The proceeds were used to purchase land.

The 2016 bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Amount</u>
General government	3.00%	\$ 11,200,000
		<u>\$ 11,200,000</u>

Annual debt service requirements to maturity for Series 2016 combination limited tax and revenue bonds are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>
2018	200,000	322,000
2019	250,000	317,500
2020	500,000	310,000
2021	500,000	295,000
2022	750,000	270,000
2023 - 2027	5,000,000	836,250
2028 - 2031	4,000,000	180,000
Total	<u>\$ 11,200,000</u>	<u>\$ 2,530,750</u>

On August 3, 2017 the Commissioners Court passed an order authorizing the issuance of 'Comal County, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2017A' in the amount of \$21,455,000. These bonds, dated August 1, 2017 were issued September 7, 2017. The proceeds will be used for making permanent improvements to the County's Landa Building and Courthouse Annex Building.

The 2017A bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Amount</u>
General government	3.00%	\$ 21,455,000
		<u>\$ 21,455,000</u>

Annual debt service requirements to maturity for Series 2017A combination limited tax and revenue bonds are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>
2018	-	606,275
2019	1,000,000	596,275
2020	1,065,000	575,625
2021	1,165,000	547,500
2022	1,355,000	509,700
2023 - 2027	7,295,000	6,302,181
2028 - 2032	9,575,000	1,762,391
Total	<u>\$ 21,455,000</u>	<u>\$ 10,899,947</u>

**Tax Notes.** The County issued tax notes pursuant to authority granted to the County by Chapter 1431, as amended, Texas Government Code, and an order adopted by the County's Commissioners Court.

On June 23, 2011 the Commissioners' Court passed an order authorizing the issuance of 'Comal County, Texas, Tax Notes, Series 2011 in the amount of \$13,435,000. These notes, dated June 1, 2011 were issued July 26, 2011. The proceeds of the notes will be used for the purpose of purchasing technology improvements, rights-of way for road improvements, and costs related to the County's flood control system.

The 2011 tax notes currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Amount</u>
General government	2.00% - 4.00%	\$ 2,350,000
		<u>\$ 2,350,000</u>

Annual debt service requirements to maturity for Series 2011 tax notes are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>
2018	2,350,000	47,000
Total	<u>\$ 2,350,000</u>	<u>\$ 47,000</u>

On October 23, 2014 the Commissioners' Court passed an order authorizing the issuance of 'Comal County, Texas, Tax Notes, Series 2014 in the amount of \$4,550,000. These notes, dated October 15, 2014 were issued November 13, 2014. The proceeds of the notes will be used for the purpose of purchasing financial software, land, new building construction, repairs and remodeling of an existing building and payment of professional services related to the aforementioned projects and the issuance of the debt.

The 2014 tax notes currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Amount</u>
General government	0.35% - 1.65%	\$ 3,115,000
		<u>\$ 3,115,000</u>

Annual debt service requirements to maturity for Series 2014 tax notes are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>
2018	750,000	36,235
2019	770,000	28,774
2020	790,000	18,892
2021	805,000	6,641
Total	<u>\$ 3,115,000</u>	<u>\$ 90,542</u>

On June 18, 2015 the Commissioners' Court passed an order authorizing the issuance of 'Comal County, Texas, Tax Notes, Series 2015 in the amount of \$3,300,000. These notes, dated June 1, 2015 were issued July 16, 2015. The proceeds of the notes will be used for the purpose of purchasing voting equipment, land, buildings, renovations of County-owned facilities and professional services related to the aforementioned projects.

The 2015 tax notes currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Amount</u>
General government	1.89%	\$ 2,420,000
		<u>\$ 2,420,000</u>

Annual debt service requirements to maturity for Series 2015 tax notes are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>
2018	465,000	41,344
2019	470,000	32,508
2020	485,000	23,483
2021	495,000	14,222
2022	505,000	4,772
Total	<u>\$ 2,420,000</u>	<u>\$ 116,330</u>

**Capital Leases.** In 2012 the County entered into a five year agreement with the Comal Independent School District for the lease/purchase of an unused school building to provide additional office space for the County. The effective interest rate on capital leases was 3.5%. At December 31, 2017, the obligation for this capital lease was paid in full.

## Changes in Bonded Debt and Other Long-Term Obligations.

Long-term liability activity for the year ended December 31, 2017, was as follows:

Type of Debt	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities</b>					
Bonds payable:					
Certificates of obligation Series 2007	\$ 225,000	\$ -	\$ 225,000	\$ -	\$ -
General obligation refunding bonds, Series 2015	15,325,000	-	920,000	14,405,000	1,170,000
Limited tax general obligation bonds, Series 2017	-	60,680,000	-	60,680,000	585,000
Combined limited tax and revenue bonds, Series 2009	8,040,000	-	2,680,000	5,360,000	2,680,000
Combined limited tax and revenue bonds, Series 2012	12,375,000	-	2,475,000	9,900,000	2,475,000
Combined limited tax and revenue bonds, Series 2016	11,300,000	-	100,000	11,200,000	200,000
Combined limited tax and revenue bonds, Series 2017a	-	21,455,000	-	21,455,000	-
Tax Notes Series 2011	4,555,000	-	2,205,000	2,350,000	2,350,000
Tax Notes Series 2014	3,850,000	-	735,000	3,115,000	750,000
Tax Notes Series 2015	2,870,000	-	450,000	2,420,000	465,000
Bond premiums	1,314,090	1,955,719	365,151	2,904,658	374,092
Total bonds payable	59,854,090	84,090,719	10,155,151	133,789,658	11,049,092
Capital leases	138,346	-	138,346	-	-
Compensated absences payable	1,025,836	258,938	207,934	1,076,840	223,444
Net pension liability	25,165,348	1,937,069	-	27,102,417	-
Net post employment benefit obligation	2,792,833	307,606	-	3,100,439	-
Governmental activity long-term liabilities	\$ 88,976,453	\$ 86,594,332	\$ 10,501,431	\$ 165,069,354	\$ 11,272,536

Debt payments are made from the debt service fund. Other long-term liabilities are primarily liquidated from the General fund and Road and Bridge fund.

### Conduit Debt

Comal County issued certificates of obligation on behalf of Bulverde Area Rural Library District and the Canyon Lake Community Library District to construct libraries in the County and The Crossings Public Improvement District (PID) for infrastructure improvements. The bonds are to be repaid solely from sales taxes and other revenue of the Library Districts and by special assessments of the PID. The County considers the certificates to be a debt of the Districts rather than debt of the County. Therefore these certificates of obligation have been excluded from the County's financial statements in order to avoid misrepresenting the nature of the certificates and distorting the County's financial statements.

The certificates outstanding at December 31, 2017 were as follows:

<b>District</b>	<b>Maturity</b>	<b>Outstanding Balance</b>
Bulverde Area Rural Library District	September 1, 2022	\$ 1,855,000
Bulverde Area Rural Library District	September 1, 2032	7,000,000
Canyon Lake Community Library District	September 1, 2039	2,685,000
The Crossing Public Improvement District	September 1, 2027	3,625,000