

## Florence, SC, City of, SC

- 1 City of Florence, South Carolina, Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2016, \$14,405,000, Dated: November 9, 2016
- 2 City of Florence, South Carolina, Special Obligation Bonds (Florence Downtown Redevelopment Project Area), Series 2016B, \$26,515,000, Dated: November 9, 2016
- 3 City of Florence, South Carolina, Special Obligation Bonds (Florence Downtown Redevelopment Project Area), Taxable Series 2016A, \$9,055,000, Dated: November 9, 2016
- 4 Florence, South Carolina, City of, Combined Waterworks and Sewerage Capital Improvement Revenue Bonds, Series 2010B (Build America Bonds-Taxable Series)\$67,995,000, Dated: May 4, 2010
- 5 Florence, South Carolina, City of, Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2010A \$31,005,000, Dated: May 4, 2010

### APPENDIX C - THE SYSTEM

Series 2016, 2016A,B, 2010A, 2010B

#### **Largest Customers**

##### **Largest Principal Water Users for the 12-Month Period Ending June 30, 2017**

<u>Company</u>	<u>Type of Business</u>	<u>Water Revenues</u>	<u>Percentage of Total Water Revenue</u>
Johnson Controls	Manufacturing	\$380,552	2.34%
McLeod Regional Medical Center	Medical Services	296,255	1.82%
Patheon API Inc.	Manufacturing	161,761	1.00%
Francis Marion University	University	157,857	0.97%
Ruiz Foods	Manufacturing	145,274	0.89%
Florence School District One	School	86,337	0.53%
Florence County	County Government	83,784	0.52%
Forest Lake Apartments	Apartments	76,154	0.47%
Carolina Hospital System	Medical Services	65,472	0.40%
Habitat 2000	Apartments	55,572	0.34%
<b>Total</b>		<b>\$1,509,019</b>	<b>9.29%</b>

##### **Largest Principal Sewer Users for the 12-Month Period Ending June 30, 2017**

<u>Company</u>	<u>Type of Business</u>	<u>Sewer Revenues</u>	<u>Percentage of Total Sewer Revenue</u>
McLeod Regional Medical Center	Medical Services	\$325,309	1.86%
Francis Marion University	University	249,555	1.43%
Koppers	Manufacturing	249,511	1.43%
Johnson Controls	Manufacturing	249,091	1.42%
Ruiz Foods	Manufacturing	214,426	1.23%
Darlington County	Government	136,574	0.78%
Forest Lake Apartments	Apartments	116,274	0.66%
Florence School District One	School	111,463	0.64%
Patheon API Inc.	Manufacturing	105,438	0.60%
Habitat 2000	Apartments	88,314	0.50%
<b>Total</b>		<b>\$1,845,955</b>	<b>10.55%</b>

Series 2016, 2016A,B, 2010A, 2010B

#### **Operations**

Fiscal Year Ended June 30,2017

##### **Utility Customer Trends**

	<b>2017</b>
Water Customers	
Residential	29,064
Commercial	3,289
Industrial	2
Total	32,355
Sewer Customers	
Residential	18,976
Commercial	2,466
Industrial	2
Total	21,444

Florence, SC, City of, SC

Series 2016, 2016A,B, 2010A, 2010B

Waterworks and Sewerage Rates

Water/Sewer Rate Increases 6,000 gallons per month			
	FY 17 Rate	FY 17 % Increase	
In-City	\$67.75	2.6%	
Out-of-City	104.20	2.6%	
Comparison of Water and Sewer Rates as of June 30, 2017			
Municipality/Utility	Monthly Water Bill	Monthly Sewer Bill	Total
City of Florence	\$25.44	\$42.31	\$67.75
North Augusta	16.13	28.12	44.25
Sumter	17.06	30.22	47.28
Anderson	23.92	53.28	77.20
Greenville	15.60	44.66	60.26
Greenwood	20.98	52.11	73.09
Rock Hill	20.36	41.38	61.74
Spartanburg	29.82	46.20	76.02
Mount Pleasant	35.82	47.82	83.64
Lexington	32.11	39.51	71.62
Beaufort-Jasper WSA	28.46	48.08	76.54
Charleston	25.85	84.86	110.71
Average of Other Systems	24.19	46.93	71.12

Series 2016, 2016A,B, 2010A, 2010B

Capital Expenditures

Fiscal Year Ended June 30	Capital Financed Improvements Appropriated from Revenues
2017	7,669,000
2018	6,936,000

Series 2016, 2016A,B, 2010A, 2010B

Summary of Capital Improvements Program

Series 2016, 2016A,B, 2010A, 2010B

Capital improvement expenditures from revenue generated by the System

Fiscal Year Ended June 30	Water	Sewer	Total
2017	1,815,500	2,497,500	4,313,000
2018	4,103,000	4,685,000	8,788,000
2019	2,869,500	1,992,500	4,862,000
2020	3,060,500	1,053,500	4,114,000
2021	2,629,500	328,500	2,958,000

Series 2016, 2016A,B

Capital improvement expenditures from revenue bonds issued by the System

Fiscal Year Ended June 30	Water	Sewer	Total
2017	901,359	639,659	1,541,018
2018	1,900,000	3,160,000	5,060,000
2019	980,000	8,510,000	9,490,000
2020	0	7,130,000	7,130,000
2021	0	0	0

Florence, SC, City of, SC

Series 2016, 2016A,B, 2010A, 2010B

Permits and Ordinances

Fiscal Year Ended June 30, 2017

Permit	Effective Date	Expiration Date	Description
NPDES - Florence WWTP	10/1/11	9/30/16	pending renewal by SCDHEC
NPDES	7/1/14	6/30/19	Florence/Timmonsville Plant
Elevated water tank replacement	7/28/16	7/28/19	Timmonsville
Distribution system improvements	7/27/16	7/27/19	Timmonsville
Wastewater plant improvements	12/1/17	11/30/19	influent pumping station

Series 2016, 2016A,B

Indebtedness Secured by System Revenues

				Debt Service Requirements			
Fiscal Year	Gross Revenue	Less Operating Expenses	Net Revenue Available for Debt Service	Principal	Interest	Total	Coverage
2017	37,740,275	15,387,905	22,352,370	4,988,178	5,765,255	10,753,433	2.08

Series 2016, 2016A,B

Summary of the Operating Revenues, Operating Expenses, Non-Operating Revenues and Expenses and Net Income of the System

Year Ended June 30	
2017	
Operating Revenue	
Current Use Charge	34,288,130
Miscellaneous	978,802
Water and Sewer Tap Fees	834,427
Total Operating Revenues	36,101,359
Operating Expenses Before Depreciation	
Personnel	4,533,727
Employee Benefits	2,345,244
Purchased Services	5,618,392
Supplies and Materials	1,290,164
Other Expenses	1,600,378
Total Operating Expenses	15,387,905
Operating Income Before Depreciation	20,713,454
Depreciation	7,917,127
Operating Income (Loss)	12,796,327
Non-Operating Revenues (Expenses)	
Investment Earnings	294,787
Intergovernmental Revenues	-
Miscellaneous Revenues	1,751,011
Economic Development	(972,913)
Gain (Loss) on Disposal of Assets	(61,990)
Interest Expense	(5,102,431)
Total Non-Operating Revenues (Expenses)	(4,091,536)
Income Before Transfers	8,704,791
Capital Contributions	-
Transfers In (Out)	(3,483,000)
Change In Net Assets	5,221,791
Total Net Assets - Beginning	126,128,765
Net Asset Restatement	-
Total Net Assets - Restated	126,128,765
Total Net Assets - Ending	131,350,556

Florence, SC, City of, SC

APPENDIX B - THE CITY

Series 2016, 2016A,B  
Assessed Value of Taxable Property

Tax Levy Year	Real Property		Personal Property		Total	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2017	134,434,126	2,734,034,523	37,159,535	472,773,863	171,593,661	3,206,808,386

  

Classification of Property	2016 Tax Year Assessed Value
	2016 Tax Year Assessed Value
Real Property (Nonmanufacturing)	134,434,126
Vehicles	18,500,010
Manufacturing (Real/Personal)	247,360
Marine/Aircraft	541,290
Business Personal Property	3,927,236
Furniture and Fixtures	6,065,708
Railroad/Pipeline	656,231
Utilities	7,221,700
Total	171,593,661

Series 2016, 2016A,B  
Tax Rates

Tax Levy Year	Total Millage
2016	60.2

Series 2016, 2016A,B  
Tax Collections

Fiscal Year	Total Tax Levy	Fiscal Year Current Tax Collections	Fiscal Year Percent of Levy Collected	Delinquent Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes
2017	10,329,938	9,998,304	96.8	55,084	10,053,388	97.3	196,897

Series 2016, 2016A,B  
Ten Largest Taxpayers in the City  
Fiscal Year Ended June 30, 2017

	Taxpayer	Type of Business	2016 Gross Property Taxes	Assessed Value
1	Carolina Hospital Systems	Medical Services	493,855	8,203,570
2	Duke Energy Progress	Utility	225,421	3,744,540
3	Magnolia, LLC	Property Management	195,770	3,251,990
4	McLeod Regional Medical Center	Medical Services	164,881	2,738,880
5	Florence Mall	Retail	99,685	1,655,890
6	Raldex, Inc	Hotels	77,647	1,289,810
7	Holcombe Land Development	Property Management	67,438	1,120,230
8	BellSouth Telecommunications	Utility	108,213	1,797,550
9	Wal-Mart	Retail	66,132	1,098,530
10	South Carolina Electric and Gas	Utility	59,122	982,100
	Total		1,558,162	25,883,090

Projects Funded by the Florence County Penny Salex Tax  
Fiscal Year Ended June 30, 2017

Project Category	Allocation
Water and Sewer Improvements	750,000
Corridor Enhancements	9,216,875
Intersection Improvements	1,301,250
Resurfacing	340,625
Road Widening	9,125,625
Recreation	1,040,000

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Series 2016, 2016A,B  
Local Hospitality Fees

Fiscal Year	Hospitality Fees Collected
2016-2017	4,036,958

Series 2016, 2016A,B  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Fiscal Year Ended June 30, 2017

	2017
Revenues	
General Property Taxes	10,213,969
Licenses, Permits and Fees	13,202,859
Intergovernmental Revenue	6,054,556
Charges for Services	2,471,693
Fines and Forfeitures	465,109
Investment Earnings	62,571
Other Revenues	440,085
Total Revenues	32,910,842
Expenditures	
Current:	
General Government	8,220,228
Public Safety	13,842,148
Public Works	6,067,821
Culture and Recreation	3,292,626
Community Development	-
Debt Service:	
Principal	864,958
Interest	220,475
Capital Outlay	1,376,303
Total Expenditures	33,884,559
Excess (Deficiency) of Revenues Over (Under) Expenditures	(973,717)
Other Financing Sources (Uses):	
Capital Leases	-
Proceeds from Sale of Property	-
Insurance Proceeds	118,636
Transfers In	3,068,768
Transfers (Out)	-
Total Other Financing Sources:	3,187,404
Net Changes in Fund Balances	2,213,687
Fund Balance, Beginning of Year	15,026,580
Fund Balance, End of Year	17,240,267

Florence, SC, City of, SC

Series 2016, 2016A,B

General Fund Budget

Fiscal Year Ended June 30, 2017

	2017-2018 Budget
Revenues	
General Property Taxes	10,581,600
License and Permits	12,655,000
Governmental Reimbursements	2,535,300
Charges for Services	2,552,000
Fines and Forfeitures	422,100
Investment Earnings	55,000
Miscellaneous	330,000
Other Revenues	85,000
Transfers	5,224,000
Total Revenues	34,440,000
Expenditures	
General Government	1,453,770
Finance and Accounting	880,240
Human Resources	591,010
Community Services	381,760
Public Safety	15,377,520
Public Works	6,832,990
Recreation and Athletics	3,339,390
Planning Research and Development	434,100
Building Inspections & Permits	490,720
Employee Benefits	716,600
General Ins/Claims	561,000
Community Programs	288,000
Non Departmental	3,092,900
Total Expenditures	34,440,000

TAX INCREMENT REVENUE INFORMATION FOR THE 2016 REDEVELOPMENT PROJECT AREA

Series 2016, 2016A,B

Downtown TIF Incremental Value Changes By Fiscal Year

Fiscal Year	Tax Rate	Total Assessed Value	2006 Initial Equalized Assessed Value	Incremental Assessed Value	City	County/School	Total Incremental Tax Revenues Downtown*
2011-2012	346.0	\$6,911,459	\$6,836,126	\$75,333	N/A	N/A	N/A
2012-2013	361.6	6,790,728	6,836,126	(45,398)	N/A	N/A	N/A
2013-2014	367.0	6,933,885	6,836,126	97,759	N/A	N/A	N/A
2014-2015	365.0	7,057,655	6,836,126	221,529	\$12,516	\$68,342	\$80,858
2015-2016	373.3	7,158,774	6,836,126	322,648	18,230	102,215	120,444
2016-2017	381.4	7,694,855	6,836,126	858,729	51,695	275,824	327,519

\*Includes Downtown Incremental Tax Revenues resulting from City, County and School District tax levies. The City did not begin receiving the Downtown Incremental Tax revenues until Fiscal Year 2014-15

Series 2016, 2016A,B

Major Contributors to Increment in the District

Business Name	Type of Business	2006 Initial Equalized Assessed Value	2017 Assessed Value	Increment Added*	Incremental Revenue
150 Florence Apartments LLC	Apartments	\$9,395	\$370,536	\$361,141	\$116,469
Johnson Vivian I	Property Management	16,350	312,804	296,454	95,607
Downtown Hospitality LLC	Hotel/Restaurant	12,680	197,975	185,295	59,758
Asset Holding Trust LLC	Property Management	146,758	323,439	176,681	56,980
Waters Building LLC	Property Management	5,351	161,352	156,001	50,311
Sexton Property Holdings LLC	Eye Care/ Property Mgt	51,442	188,282	136,840	44,151
Libris Redevelopment LLC	Property Management	4,899	110,266	105,367	33,981
100 West Evans LLC	Hotels	6,039	97,453	91,414	29,481
Coit St Village, LLC	Apartments	1,874	91,200	89,326	28,808
Rainwater Development LLC	Property Management	4,596	84,046	79,450	25,623

\* Does not include properties of which the assessed value has decreased since initial equalized assessed value was established in 2006.