

ROANE COUNTY 2016 ANNUAL DEBT REPORT

○ Executive Summary #11d




June 30, 2015

OBJECTIVES OF REPORT

- Comply with Roane County Debt Management Policy
- Enhance decision-making process
- Provide transparency
- Identify all estimated expenditures of principal, interest, and annual costs associated with the issuance of debt



METHODOLOGY FOR REPORT

- Obtain most recent Annual Audit
 - Create an updated schedule of changes to include any new debt issuances and related expenditures incurred since the audit
 - Create a multi-year budget for each debt service fund
 - Graph multi-year budgets
 - Graph property tax pennies needed to support budgets
 - Graph a series of benchmarks compared to Roane County's data
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SCHEDULE OF DEBT PAYMENTS

By fund: Reflects the principal and interest that will be paid out during Fiscal Year 2016 in each fund.

By Purpose: Reflects the principal and interest that will be paid out according to the purpose for indebtedness.



DEBT PAYMENTS BY FUND

Debt Service by Fund as of 6/30/16

	Principal	Interest	Total
• General Debt Service 151	\$1,890,000	\$1,185,782	\$3,075,782
• Rural Debt Service 152	1,305,000	301,118	1,606,118
• Education Debt Service 156	245,000	53,210	298,210
• Wastewater 204	41,149	107,466	148,615
• General Purpose School 141	98,316	-	98,316
• Total Debt Service	3,579,465	1,647,576	5,227,041

- ***Funds 131 & 204 have designated revenues for their activities, therefore they have Transfers into Fund 151 for their related debt.**



DEBT PAYMENTS BY FUND AS OF 6/30/16

	Fund	Principal	Interest	Total
General Debt Service	151	\$1,890,000	\$1,185,782	\$3,075,782
Rural Debt Service	152	\$1,305,000	\$301,118	\$1,606,118
Education Debt Service	156	\$245,000	\$53,210	\$298,210
Wastewater	204	\$41,149	\$107,466	\$148,615
General Purpose School	141	\$98,316	\$0	\$98,316
Total Debt Service		\$3,579,465	\$1,647,576	\$5,227,041



DEBT PAYMENTS BY PURPOSE AS OF 06/30/16

	Principal	Interest	Total
General	\$1,640,000	\$570,576	\$2,210,576
Roads & Bridges	\$100,000	\$22,894	\$122,894
Industrial Development	\$150,000	\$138,788	\$288,788
Schools	\$1,648,316	\$354,328	\$2,002,644
Sewer Lines	\$41,149	\$107,466	\$148,615
Jail...	\$0	\$453,525	\$453,525
Total	\$3,579,465	\$1,647,577	\$5,227,042



OUTSTANDING NET DEBT

Net Debt is the difference in outstanding debt principal less all available fund balance.

This calculation shows how much debt would remain if all available fund balances were applied to the County's outstanding debt.

To calculate net debt:

Total Outstanding Principal-Fund Balance=Net Debt

Calculations show the net debt figures as of 6/30/15 and 6/30/16



OUTSTANDING NET DEBT AMOUNT 6/30/15

	Total	151	152	156	Operational
Outstanding Principal	\$44,566,359	\$26,930,000	\$10,680,000	\$1,340,000	\$5,616,359
Fund Balance	\$3,990,568	\$2,104,366	\$1,311,587	\$574,615	\$0
Net Debt	\$40,575,791	\$24,825,634	\$9,368,413	\$765,385	\$5,616,359

3/12/2015



OUTSTANDING NET DEBT AMOUNT 6/30/16

	Total	151	152	156	Operational
Outstanding Principal	\$40,497,470	\$25,040,000	\$9,375,000	\$1,095,000	\$4,987,470
Fund Balance	\$3,422,752	\$1,825,778	\$1,099,569	\$497,405	\$0
Net Debt	\$37,074,718	\$23,214,222	\$8,275,431	\$597,595	\$4,987,470

3/12/2015



BENCHMARK COMPARISONS

Benchmarking allows us to assess our current debt status compared to where we would like it to be. By using data such as national benchmarks, and local goals, we can see how Roane County is doing relative to a standard.

Based on the most recent data, census, property values and budgeted expenditures, Roane County has created goals in a number of areas to improve our current debt status.

Roane County is doing well when comparing our net debt/per capita, net debt as a percentage of assessed property value, and net debt as a percentage of personal income. Efforts will be made to reduce the county's total debt/per capita, as well as, the ratio of total debt expenditures as a percentage of our total operational expenditures.



DATA FOR BENCHMARKING

	As of	
Assessed Value of Property	6/30/15	\$1,259,949,343
Per Capita Income	2010	\$33,616
Population	2010	\$54,181
Total Government Budget	7/1/14	\$95,803,410
Debt Expenditure Budget	7/1/14	\$5,107,728

9/26/14



BENCHMARK CALCULATION 6/30/16

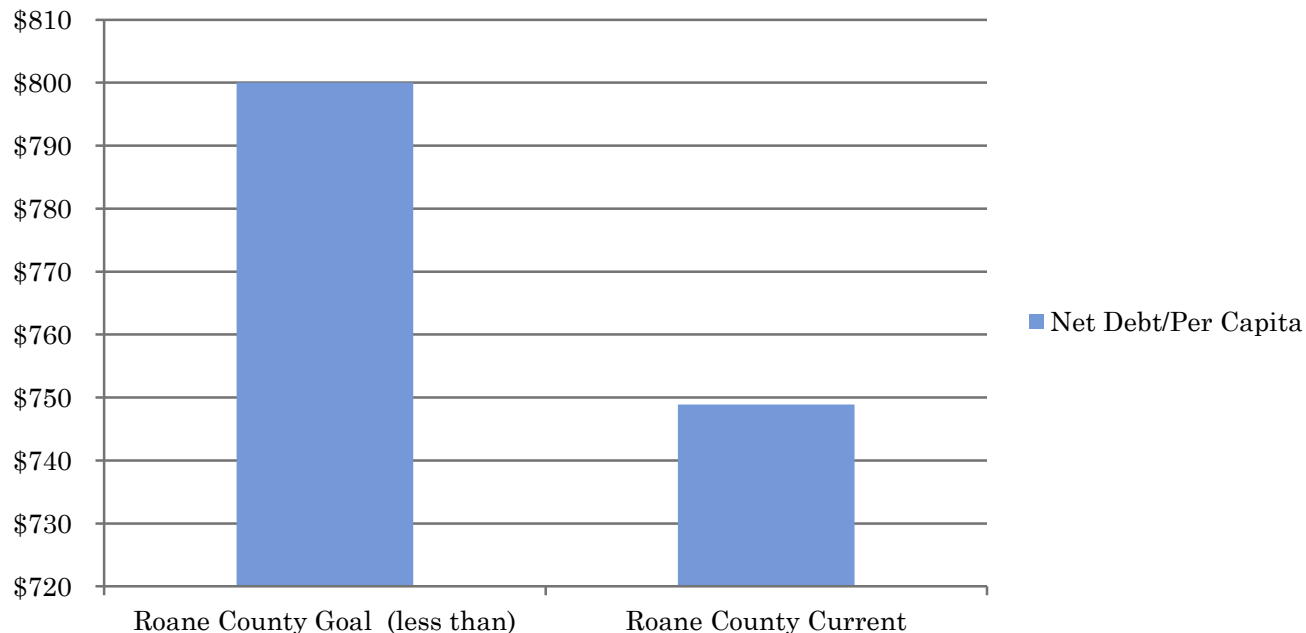
	National Benchmark	Goal	Roane County
Net Debt/per Capita		\$800	\$759
Total Debt/per Capita	\$1,200	\$800	\$823
Net Debt/Assessed Property Value		<10%	3.3%
Debt as a % of Personal Income		<15%	2.6%

3/12/2015



NET DEBT/PER CAPITA

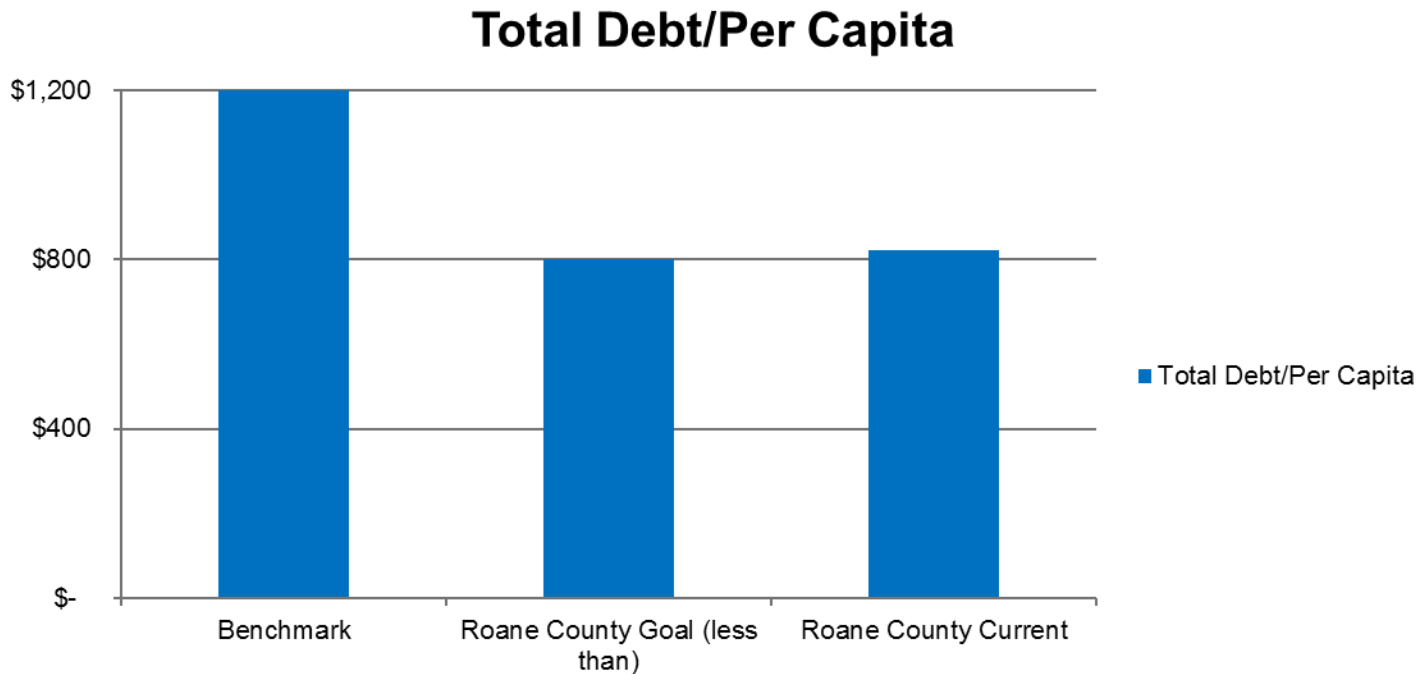
Net Debt/Per Capita



Net debt divided by the County's population gives us the dollar value of the outstanding debt in relation to each citizen of the County. Simply, if every citizen of Roane County handed over to the County an additional \$749, it would pay off all of the outstanding debt principal.



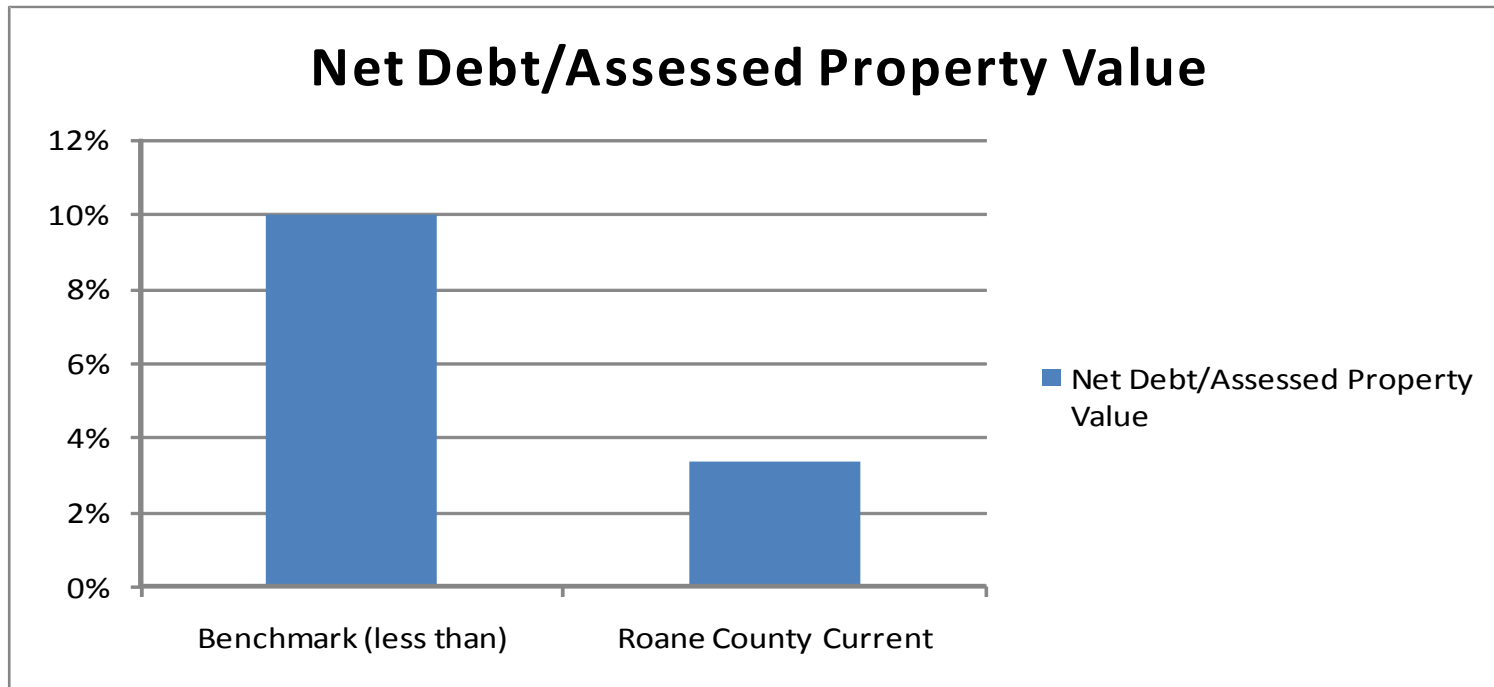
TOTAL DEBT/PER CAPITA



Total Debt Per Capita shows how much outstanding principal in debt the County owes in relation to the total population of the County. It is the goal of Roane County to have less than \$800 principal indebtedness per citizen. Total debt is currently \$823 per capita.

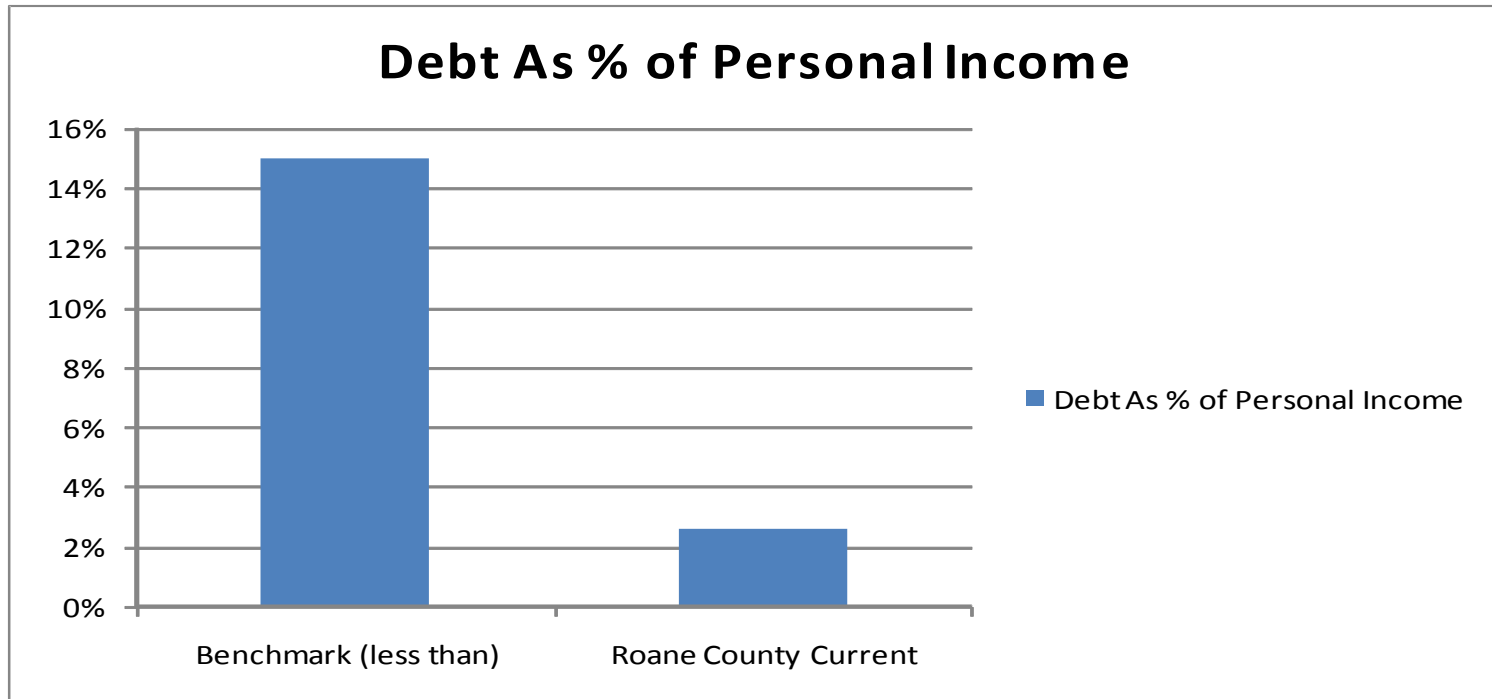


NET DEBT/ASSESSED PROPERTY VALUE



Net Debt divided by the Assessed Property Value gives a measurement of how much debt exists in relation to the ultimate tax base that must support that debt. The larger the percentage, the higher the tax rate associated with debt must be. It is the intent of Roane County to be well below the benchmark of 10%.

DEBT AS % OF PERSONAL INCOME



Debt as % of personal income is used as an estimate to see how the county's debt load can be spread out among the residents in relation to some known benchmark. This figure is the per capita income of a Roane County citizen divided by the debt load of the county per citizen.



Total Debt Expenditures as a Percentage of Total Operational Expenditures

The 2016 Budget not available estimate used:

Debt Expenditures: 5,107,728

Operational Expenditures: 95,803,410

% of Operational Costs Related to Debt: 5.33%



OTHER RATIOS

Total Debt Expenditures as a Percentage of Total Operational Expenditures

3/12/2015

Total Debt Expenditures	\$5,107,728
Total Operational Expenditures	\$95,803,410
% of Operational Costs Related to Debt	5.33%



GENERAL DEBT SERVICE FUND-151

The purpose of this fund is to pay the general debt obligation of Roane County which may also include school debt.

A multi-year budget has been prepared which includes current debt payments to be paid from Fund 151, as well as a series of graphs.

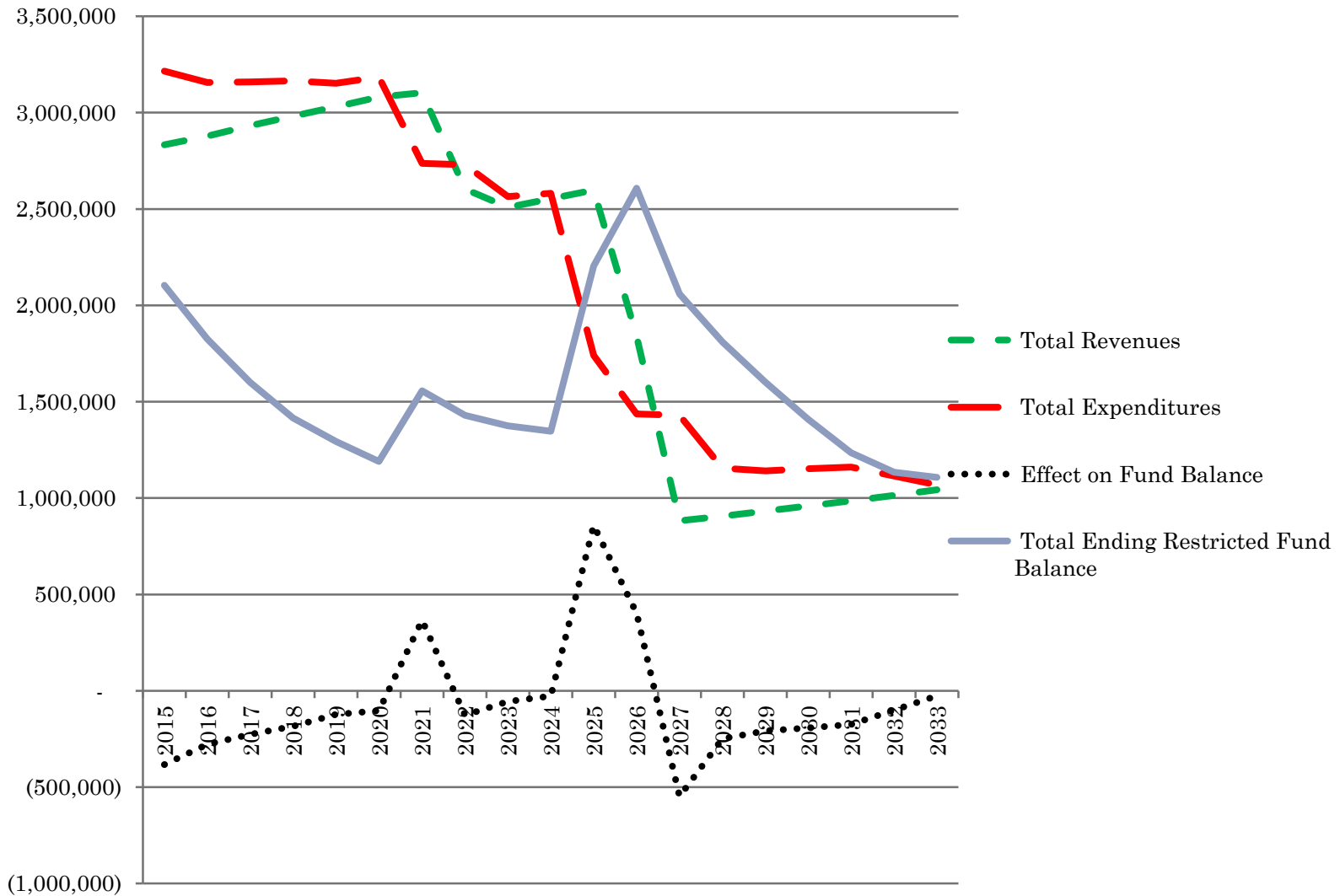
Revenues are estimated and based on anticipated growth in property tax along with adjustments in the number of property tax pennies needed to support the budget and comply with the County's Fund Balance Policy.

This fund is supported by a countywide tax that all residents of Roane County pay.



MULTI-YEAR DEBT BUDGET-151

Multi Year Debt Budget for 151 General Debt



RURAL DEBT SERVICE FUND-152

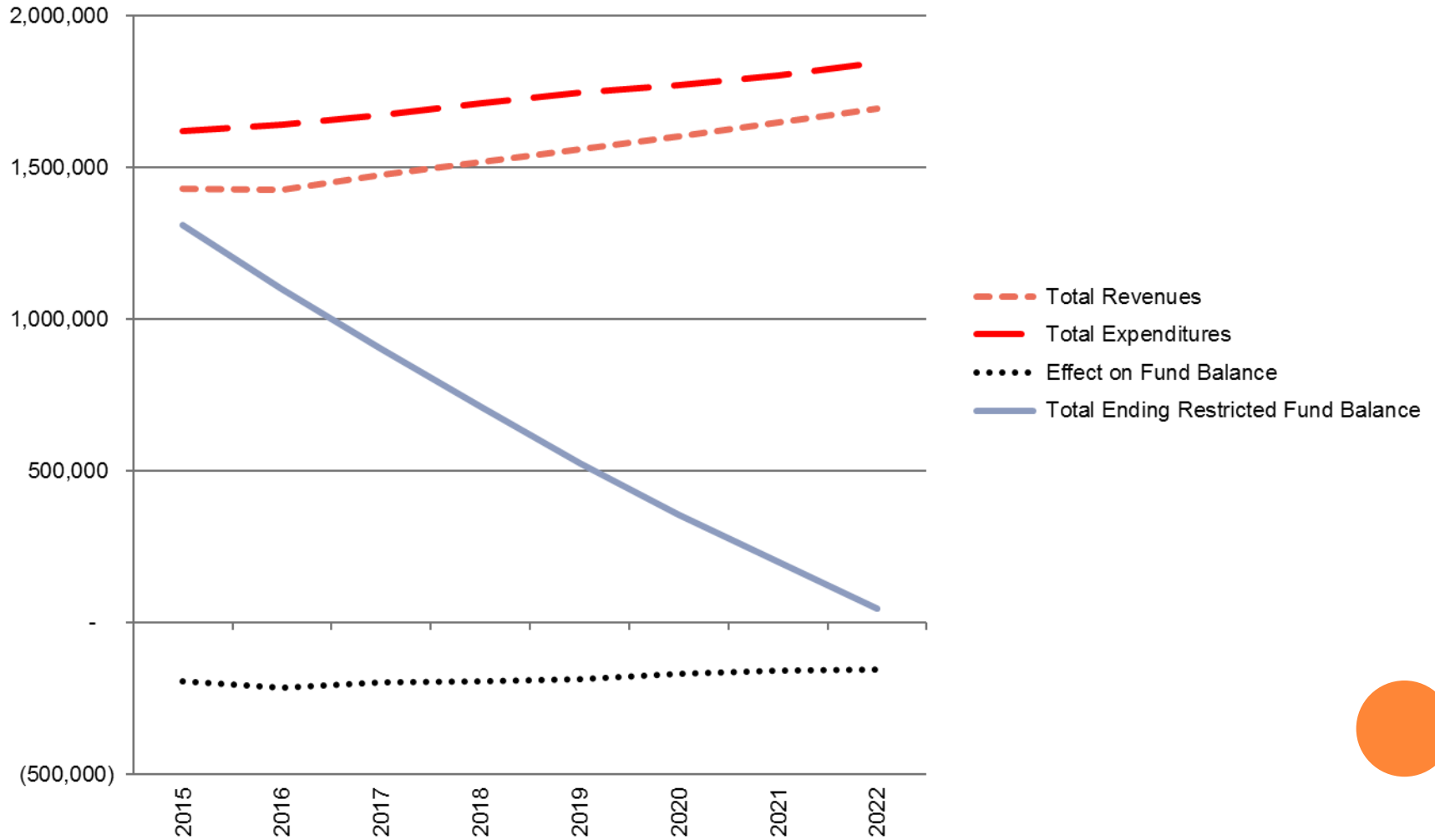
This fund was established to pay school debt issued outside the cities of Harriman and Oak Ridge, therefore, only residents outside of Harriman and Oak Ridge pay property tax that supports this fund. Since the Harriman City School System merged with Roane County, only debt prior to the school merger exists in this fund. No future debt will be issued by Roane County and paid out of this fund.

As with the General Debt Service Fund, a multi-year budget has been prepared which includes all current debt payments to be paid from the Rural Debt Service Fund.

Revenues are estimated and calculated based on a projected growth property tax, along with adjustments in the number of property tax pennies needed to support the budget and comply with the County's Fund Balance Policy.



MULTI-YEAR DEBT BUDGET-152



EDUCATION DEBT SERVICE FUND-156

The purpose of this fund is to pay for Education Debt where the proceeds of the debt have not been shared with the city of Oak Ridge. No residents in the Roane County portion of Oak Ridge City are being taxed to pay for the indebtedness.

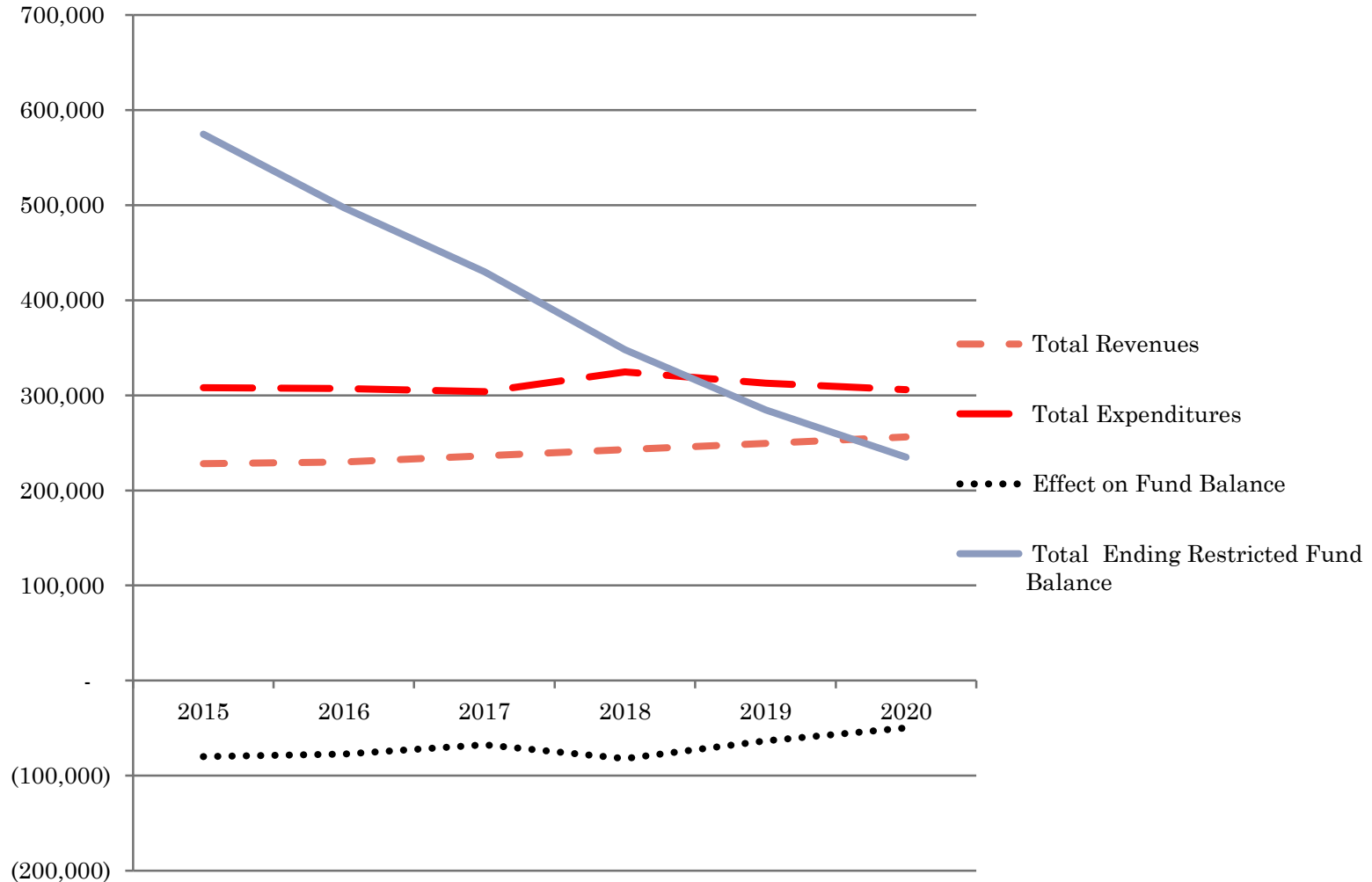
As with both the General Debt Service Fund and Rural Debt Service Fund, a multi-year budget has been created which includes all current debt payments to be paid from the Education Debt Service Fund.

Revenues are estimated and calculated based on a projected growth in property tax along with adjustments in the number of property tax pennies needed to support the budget and comply with the County's Fund Balance Policy.



MULTI-YEAR DEBT BUDGET-156

Multi Year Debt Budget for 156 Education Debt



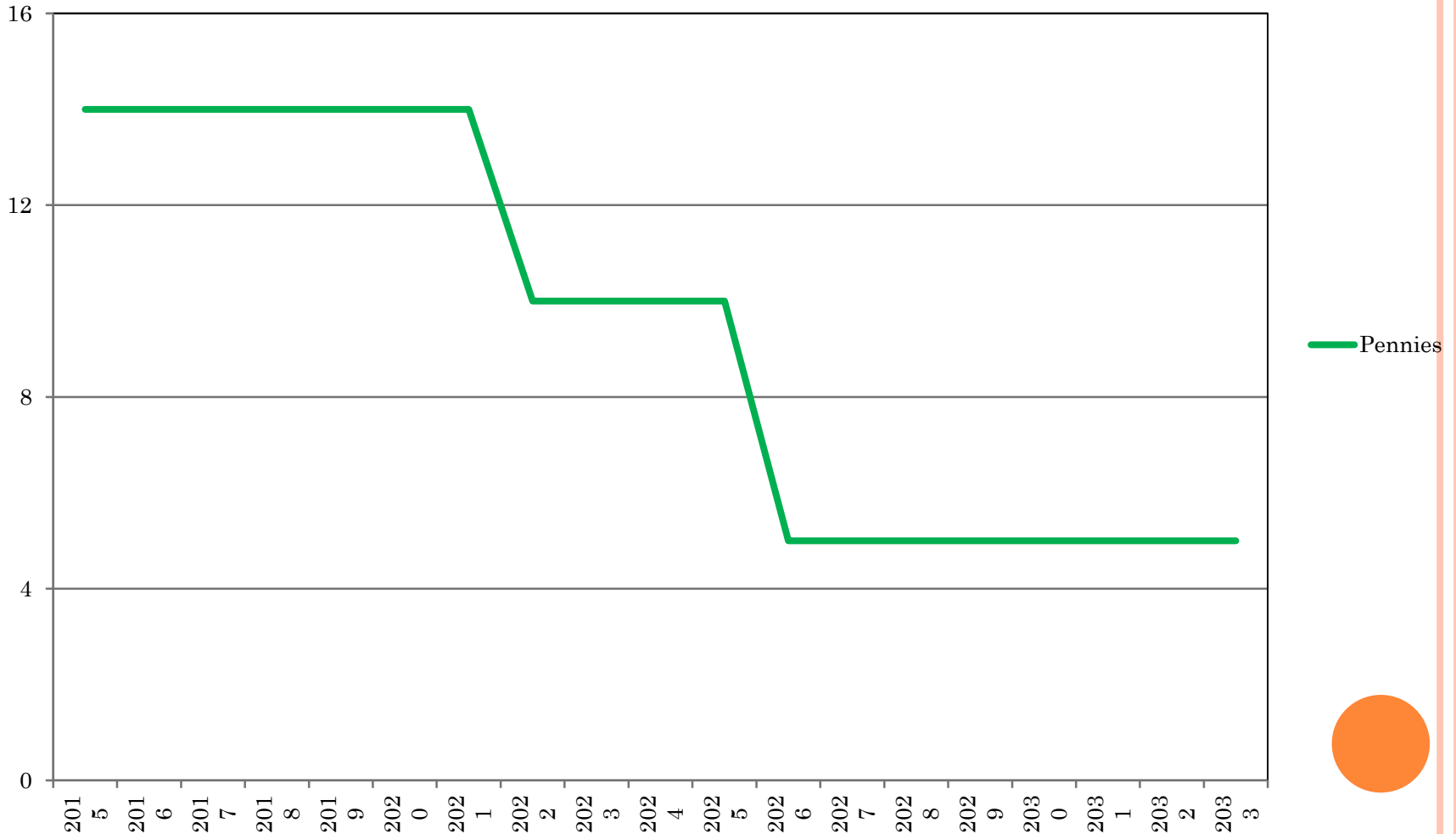
PENNY GRAPHS

The penny graphs detail the number of property tax pennies needed to support the annual multi-year budget of each Debt Service Fund. The final graph reflects the total number of property tax pennies needed to support all of Roane County's current debt obligations.



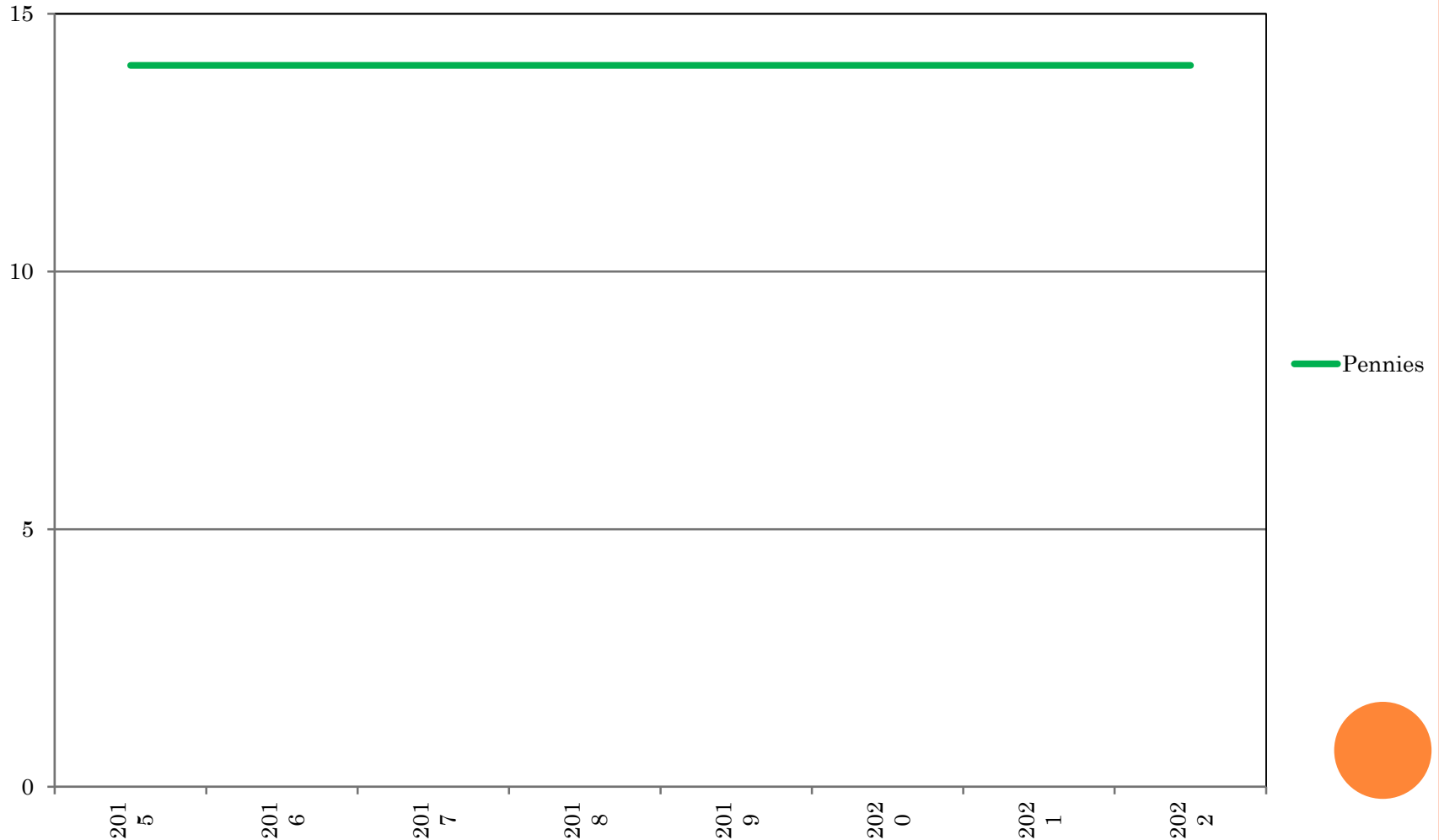
PENNY GRAPHS

151 General Debt Service Fund Property Tax Pennies Needed to Support Annual Multi-Year Budget



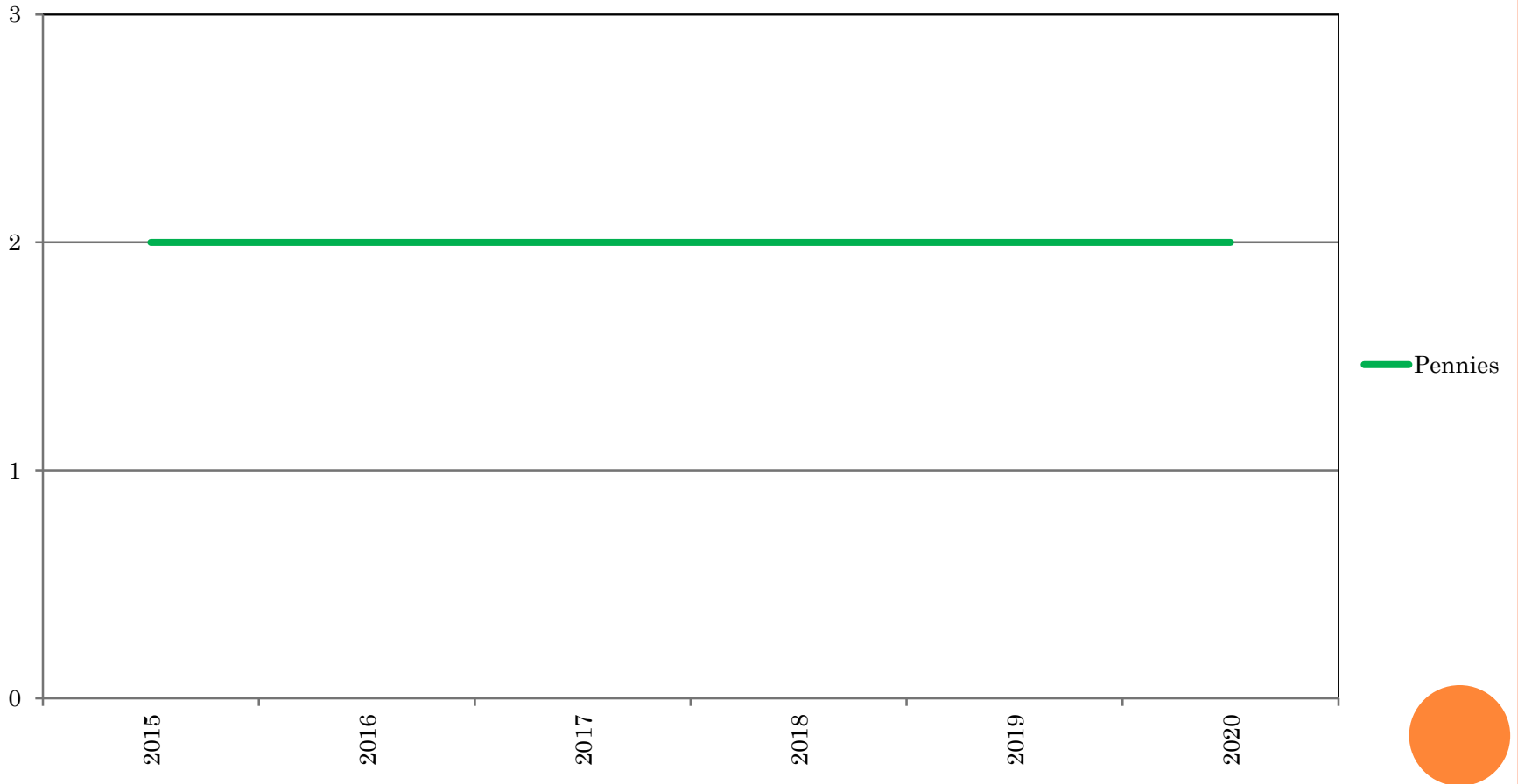
PENNY GRAPHS (CONT.)

152 Rural Debt Service Fund Property Tax Pennies Needed to Support Annual Multi-Year Budget



PENNY GRAPHS (CONT.)

156 Education Debt Service Fund Property Tax Pennies Needed to Support Annual Multi-Year Budget



PENNY GRAPHS (CONT.)

Combined Debt Service Funds Property Tax Pennies Needed to Support Annual Multi-Year Budget

