



**Section I**

**Debt**

## Debt

The County Debt Service Fund provides for the payment of principal, interest, and trustee administrative fees on long-term debt of the County. These payments of principal and interest, known as “debt service”, are usually made over a period of years before the bonds are fully repaid.

The County began paying all School debt service in FY2007. The Debt Service Fund was created to track all County and School Debt payments and to better track the set-aside funds that are to pay future debt service costs.

Debt service obligations are paid for from multiple sources. Those sources consist of 50% of the Vinton OTB revenues, Proffers, 50% of the Meals Tax, a transfer from the Airport operating account to pay for the Airport debt service for hangars, and a transfer from the General Fund operating account. In addition to the sources listed, the remainder is funded through debt service fund balance made available by previous years Contingency Debt Reserve transfers from the General Fund.

Debt Service Fund Balance – Money has previously been set aside to “level out” the tax rate needed to fund debt service. This practice was put in place in anticipation of the debt service for the new High School and the upgrades to the Primary and Elementary schools. In FY2005, the Board of Supervisors voted to set aside six-cents on the tax rate for debt service. The six-cent set aside amount has continued to be budgeted to buffer the increase in debt service. FY10 will be the last year of an increase in debt service. Over the period FY2009 through FY2014 most of what exists now as a fund balance is projected to be used.

### Revenue Summary:

Source	FY 09 Adopted Budget	FY 10 Adopted Budget	Dollar Change	% Change
Estimated Fund Balance	400,527	580,641	180,114	45.0%
Transfer from General Fund	4,312,448	4,932,176	619,728	14.4%
Transfer – 50% Vinton	20,000	18,000	(2,000)	-10.0%
Transfer from Capital - Proffer	232,500	232,500	0	0.0%
Transfer from Meals Tax	242,500	250,000	7,500	3.1%
Transfer from Airport	17,919	19,466	1,547	8.6%
Total	5,225,894	6,032,783	806,889	15.4%

### Budget Comments:

The budget for debt service expenditures is \$6,032,783 which is an increase of \$806,889 from last fiscal year.

## Debt

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### Outstanding Debt

As of June 30, 2008, the County (including school debt) owed \$72,259,512: an amount equal to approximately 3 percent of the County's land book value. This indebtedness will be reduced by budgeting the payments of funds on an annual basis through the annual budget adoption process.

## DEBT SERVICE FUND

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
BEGINNING FUND BALANCE	\$ 2,784,806	\$ 2,384,279	\$ 1,803,638	\$ 1,402,145	\$ 1,042,645	\$ 882,616
REVENUES						
<b>COUNTY</b>						
General Fund - County	\$ 737,954	\$ 392,951	\$ 392,692	\$ 392,692	\$ 392,931	\$ 392,891
RENT From Tenents of the Human Services Building		\$ 213,040	\$ 213,040	\$ 213,040	\$ 213,040	\$ 213,040
Airport	\$ 17,919	\$ 19,466	\$ 19,466	\$ 19,466	\$ 19,466	\$ 19,466
<b>TOTAL COUNTY</b>	\$ 755,873	\$ 625,457	\$ 625,197	\$ 625,197	\$ 625,437	\$ 625,397
<b>SCHOOLS</b>						
General Fund - Schools	\$ 3,627,811	\$ 4,344,175	\$ 4,710,143	\$ 4,713,823	\$ 4,877,141	\$ 4,877,181
Capital Proffers	\$ 232,500	\$ 232,500	\$ -	\$ -	\$ -	\$ -
Meals Tax	\$ 242,500	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Fund Balance	\$ 400,527	\$ 580,641	\$ 401,493	\$ 359,500	\$ 160,029	\$ 121,316
<b>TOTAL SCHOOL</b>	\$ 4,503,338	\$ 5,407,316	\$ 5,361,636	\$ 5,323,323	\$ 5,287,170	\$ 5,248,497
Total Revenues and Fund Balance	\$ 5,259,211	\$ 6,032,773	\$ 5,986,833	\$ 5,948,520	\$ 5,912,607	\$ 5,873,894
<b>SCHOOL EXPENDITURES</b>						
VPSA (1993) High School Bonds	\$ 104,300	\$ -	\$ -	\$ -	\$ -	\$ -
VPSA (1995) Primary School Bonds	\$ 124,280	\$ 121,160	\$ 118,040	\$ 114,920	\$ 111,800	\$ 108,680
VPSA (1997) School Bonds	\$ 727,726	\$ 652,500	\$ 637,500	\$ 622,500	\$ 607,500	\$ 592,500
Literary Loan (1990) High School	\$ 103,000	\$ -	\$ -	\$ -	\$ -	\$ -
GO Bond (1999) VRS Refunding	\$ 46,440	\$ 46,440	\$ 46,440	\$ 46,440	\$ 46,440	\$ 46,440
Revenue Note (2005) School Bus Garage	\$ 214,303	\$ 214,303	\$ 214,303	\$ 214,303	\$ 214,303	\$ 214,303
VPSA (2007) Elementary School	\$ 652,500	\$ 637,501	\$ 622,500	\$ 607,500	\$ 592,500	\$ 577,501
VPSA (2005) Primary School	\$ 220,704	\$ 215,511	\$ 210,318	\$ 205,125	\$ 199,932	\$ 194,738
Lease Revenue (2006) High School	\$ 1,945,825	\$ 3,247,440	\$ 3,245,277	\$ 3,245,277	\$ 3,247,273	\$ 3,246,941
Lease Revenue (2006) Elementary School	\$ 160,244	\$ 267,436	\$ 267,258	\$ 267,258	\$ 267,423	\$ 267,395
EDA Bonds (2008) School Roof Projects	\$ 123,637					
EDA Bonds (2008) Refunding School	\$ 80,380					
Administrative Fee	\$ 5,026	\$ 5,026	\$ 5,026	\$ 5,026	\$ 5,026	\$ 5,026
Sub-Total	\$ 4,503,338	\$ 5,407,316	\$ 5,361,636	\$ 5,323,323	\$ 5,287,170	\$ 5,248,497
Percentage of Debt	86%	90%	90%	89%	89%	89%
<b>NON-SCHOOL EXPENDITURES</b>						
Lease Revenue (2007) Human Services Building	\$ 214,998	\$ 214,998	\$ 214,999	\$ 214,998	\$ 214,999	\$ 214,998
EDA Lease Revenue (2006) Sheriff's Annex	\$ 151,088	\$ 252,154	\$ 251,986	\$ 251,986	\$ 252,141	\$ 252,115
EDA Lease Revenue (2006) Courthouse Renovation	\$ 82,411	\$ 137,539	\$ 137,447	\$ 137,447	\$ 137,532	\$ 137,517
EDA Bonds (2008) Refunding County	\$ 296,266					
VRA Loan (2008) Airport Hangars	\$ 9,810	\$ 19,466	\$ 19,466	\$ 19,466	\$ 19,466	\$ 19,466
Administrative Fee	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300
Sub-Total	\$ 755,873	\$ 625,457	\$ 625,197	\$ 625,197	\$ 625,437	\$ 625,397
Percentage of Debt	14%	10%	10%	11%	11%	11%
Total Expenditures	\$ 5,259,211	\$ 6,032,773	\$ 5,986,833	\$ 5,948,520	\$ 5,912,607	\$ 5,873,894
ENDING FUND BALANCE	\$ 2,384,279	\$ 1,803,638	\$ 1,402,145	\$ 1,042,645	\$ 882,616	\$ 761,300

May differ slightly from the Debt Service Net Increase Analysis due to rounding