

# Hamblen County Government



## Annual Debt Report

For the Year Ending June 30, 2016

**Bill Brittain**

County Mayor

**Michelle Woods**

Finance Director

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Hamblen County, Tennessee  
Annual Debt Report for the Fiscal Year Ending June 30, 2016  
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TENNESSEE  
**Hamblen County**  
SERVICE • COMMUNITY • INDUSTRY  
OFFICE OF THE MAYOR

To: Herbert Harville  
Finance Committee Chair

From: Bill Brittain, County Mayor *BB*  
Michelle Woods, Finance Director *MW*

Date: April 2, 2016

Re: Annual Debt Report

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In compliance with Section II.B of Hamblen County's Debt Management Policy, Michelle Woods, Finance Director, and I present the Annual Debt Report (Report) for the fiscal year ending June 30, 2016, for your approval. Michelle and I agree that the timing of this report is advantageous. This report provides invaluable information to the Finance Committee, Budget Committee, and County Commission that will allow us to adopt an adequately funded debt budget. The information contained herein will allow us to evaluate our current financial position, future funding requirements, and our ability to issue debt in the future based on capacity.

Hamblen County's ratings of Aa3 from Moody's Investors Service and AA- from Standard and Poor's are a positive reflection of Hamblen County's solid financial position, strengthening of reserves, conservative budgetary practices, and manageable debt profile. These ratings allow Hamblen County to obtain financing at lower interest rates, which in return means a lesser burden on its citizens.

Additionally, I feel that this report allows us to demonstrate strong financial management practices to the citizens of Hamblen County, investors, and credit agencies. This transparency strengthens the accountability for all of us. We must, and will, ensure that taxpayers' dollars are properly expended.

We look forward to working together, so that we can, and will, prepare a debt budget that meets the needs of the citizens. Again, we are pleased to present the Annual Report as we begin to consider the 2016-2017 General Debt Service Fund Budget.

**Bill Brittain**, *County Mayor*

511 West Second North Street • Morristown, TN 37814 • *office.* 423.586.1931 • *fax.* 423.586.4699

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T E N N E S S E E  
**Hamblen County**  
SERVICE • COMMUNITY • INDUSTRY  
OFFICE OF THE MAYOR

To: Hamblen County Citizens and All Interested Parties

From: Bill Brittain, County Mayor *BB*  
Michelle Woods, Finance Director *mw*

Date: April 4, 2016

Re: Annual Debt Report

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We are pleased to present to you our Annual Debt Report (Report) in compliance with Section II.B of Hamblen County's Debt Management Policy for the fiscal year ending June 30, 2016. It is our goal to demonstrate strong financial management practices to the citizens of Hamblen County, investors, and credit agencies. This transparency strengthens the accountability for all of us. We must, and will, ensure that taxpayers' dollars are properly expended.

Hamblen County received a rating of Aa3 from Moody's Investors Service, and an AA- from Standard and Poor's during its most recent ratings. These ratings are a positive reflection of Hamblen County's solid financial position, strengthening of reserves, conservative budgetary practices, and manageable debt profile. These ratings allow Hamblen County to obtain financing at lower interest rates, which in return means a lesser burden on its citizens.

The most recent ratings are further supported by examining certain ratios to national benchmarks. Based on the principal that will be outstanding as of June 30, 2016, Hamblen County's net debt to assessed property value is 2.02 percent compared to the national benchmark of no more than 10 percent. Additionally, Hamblen County's net debt-per-capita ratio of \$453 is more than favorable compared to the benchmark of \$1,200. Finally, the fact that Hamblen County's net debt as a percentage of personal income is 1.40 percent compared to the benchmark of 15 percent or less reinforces the strong financial management practices that are being utilized.

As we begin the 2016-2017 budget discussions, we will work with County Commission and exercise strong financial management practices to ensure the continued financial success of Hamblen County.

**Bill Brittain**, *County Mayor*

511 West Second North Street • Morristown, TN 37814 • *office.* 423.586.1931 • *fax.* 423.586.4699

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Hamblen County, Tennessee  
Annual Debt Report  
Schedule of Changes in Long-term Other Loans and Bonds  
For Year Ending June 30, 2016

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7/1/2015	Issued During Period	Paid and/or Matured During Period	Outstanding 6/30/2016
<b><u>OTHER LOANS PAYABLE</u></b>								
<b><u>Payable through General Debt Service Fund</u></b>								
Local Government Public Improvement Bonds, Series E-4-A - Refunding	\$ 10,100,000	Variable (1) %	8-13-08	6-1-25	\$ 10,100,000	\$ 0	\$ 0	\$ 10,100,000
Local Government Public Improvement Bonds, Series VII-C-2 - Refunding	20,200,000	Variable (1)	11-24-08	6-1-17	3,335,000	0	2,975,000	360,000
Qualified School Construction Bonds	11,280,000	1.515	12-17-09	7-1-26	7,878,038	0	703,854	7,174,184
Total Payable through General Debt Service Fund					<u>\$ 21,313,038</u>	<u>\$ 0</u>	<u>\$ 3,678,854</u>	<u>\$ 17,634,184</u>
Total Other Loans Payable					<u>\$ 21,313,038</u>	<u>\$ 0</u>	<u>\$ 3,678,854</u>	<u>\$ 17,634,184</u>
<b><u>BONDS PAYABLE</u></b>								
<b><u>Payable through General Debt Service Fund</u></b>								
General Obligation Refunding Bonds, Series 2009	10,860,000	3 to 5	9-23-09	6-1-19	\$ 10,235,000	\$ 0	\$ 110,000	\$ 10,125,000
General Obligation Bonds, Series 2010	2,375,000	2	8-11-10	6-1-16	270,000	0	270,000	0
General Obligation Bonds, Series 2014	5,200,000	1.15 to 2	3-28-14	6-1-23	4,615,000	0	595,000	4,020,000
Total Payable through General Debt Service Fund					<u>\$ 15,120,000</u>	<u>\$ 0</u>	<u>\$ 975,000</u>	<u>\$ 14,145,000</u>
Total Bonds Payable					<u>\$ 15,120,000</u>	<u>\$ 0</u>	<u>\$ 975,000</u>	<u>\$ 14,145,000</u>
TOTAL DEBT					<u>\$ 36,433,038</u>	<u>\$ 0</u>	<u>\$ 4,653,854</u>	<u>\$ 31,779,184</u>

(1) These issues were swapped to a synthetic fixed rate by execution of swap agreements in prior years.

Hamblen County, Tennessee

Annual Debt Report

Percentage of Debt - Hamblen County Government to Hamblen County School Department

Description of Indebtedness	Percentage of Outstanding Balance Related to Hamblen County General Government	Percentage of Outstanding Balance Related to Hamblen County School Department	Amount of Outstanding Balance Related to Hamblen County General Government	Amount of Outstanding Balance Related to Hamblen County School Department	Total
<b><u>OTHER LOANS PAYABLE</u></b>					
<b><u>Payable through General Debt Service Fund</u></b>					
Local Government Public Improvement Bonds, Series E-4-A - Refunding	24.76 %	75.24 %	\$ 2,500,760	\$ 7,599,240	\$ 10,100,000
Local Government Public Improvement Bonds, Series VII-C-2 - Refunding	13.60	86.40	48,960	311,040	360,000
Qualified School Construction Bonds	0.00	100.00	0	7,174,184	7,174,184
Total Payable through General Debt Service Fund			<u>\$ 2,549,720</u>	<u>\$ 15,084,464</u>	<u>\$ 17,634,184</u>
Total Other Loans Payable			<u>\$ 2,549,720</u>	<u>\$ 15,084,464</u>	<u>\$ 17,634,184</u>
<b><u>BONDS PAYABLE</u></b>					
<b><u>Payable through General Debt Service Fund</u></b>					
General Obligation Refunding Bonds, Series 2009	2.00	98.00	\$ 202,500	\$ 9,922,500	\$ 10,125,000
General Obligation Bonds, Series 2010	0.00	100.00	0	0	0
General Obligation Bonds, Series 2014	51.92	48.08	2,087,184	1,932,816	4,020,000
Total Payable through General Debt Service Fund			<u>\$ 2,289,684</u>	<u>\$ 11,855,316</u>	<u>\$ 14,145,000</u>
Total Bonds Payable			<u>\$ 2,289,684</u>	<u>\$ 11,855,316</u>	<u>\$ 14,145,000</u>
TOTAL DEBT	15.23	84.77	<u>\$ 4,839,404</u>	<u>\$ 26,939,780</u>	<u>\$ 31,779,184</u>

Hamblen County, Tennessee  
Annual Debt Report  
Schedule of Budgeted Debt Payments  
Fiscal Year 2016

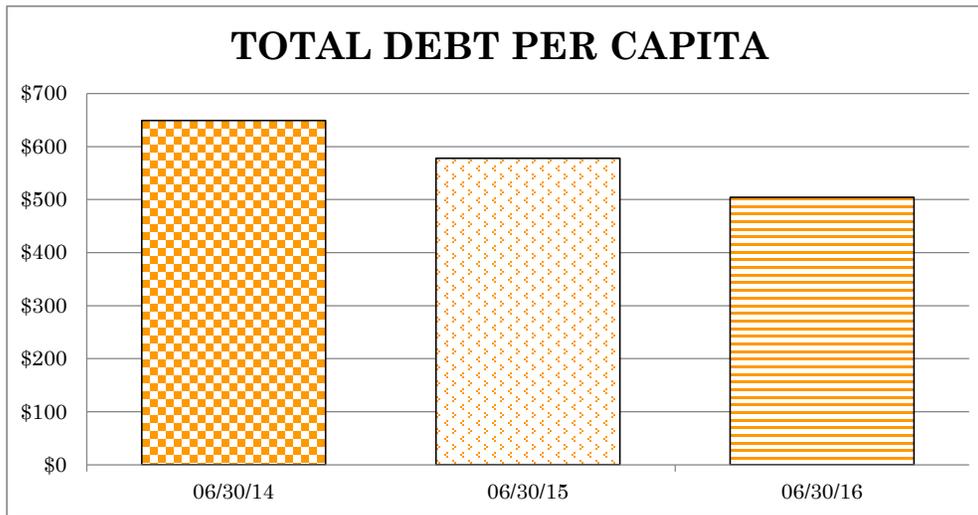
	<b>PRINCIPAL</b>	<b>INTEREST</b>
<b>Other Loans:</b>		
Local Government Public Improvement Bonds Refunding, Series E-4-A	\$ -	\$ 505,000
Local Government Public Improvement Bonds Refunding, Series VII-C-2	2,975,000	166,750
Qualified School Construction Bonds	<u>703,854</u>	<u>182,172</u>
<b>Total Other Loans</b>	<b><u>\$ 3,678,854</u></b>	<b><u>\$ 853,922</u></b>
 <b>Bonds:</b>		
General Obligation Refunding Bonds, Series 2009	\$ 110,000	\$ 444,900
General Obligation Bonds, Series 2010	270,000	5,400
General Obligation Bonds, Series 2014	<u>595,000</u>	<u>79,630</u>
<b>Total Bonds</b>	<b><u>\$ 975,000</u></b>	<b><u>\$ 529,930</u></b>
 <b>TOTAL BUDGETED DEBT PAYMENTS</b>	 <b><u>\$ 4,653,854</u></b>	 <b><u>\$ 1,383,852</u></b>

Hamblen County, Tennessee  
Annual Debt Report  
Debt Per Capita

Calculation Method:

$$\text{Debt Per Capita} = \frac{\text{Total Debt of the County}^1}{\text{County's Population}^2}$$

	06/30/14	06/30/15	06/30/16
Total Debt	40,931,892 \$	36,433,038 \$	31,779,184
Population	63,074	63,074	63,036
Debt Per Capita	649 \$	578 \$	504



**Debt Per Capita** - This ratio is used in evaluating the county's ability to pay off its debt by taking the total principal on outstanding debt divided by the total citizens in the county.

<sup>1</sup> Only the principal amount is utilized.

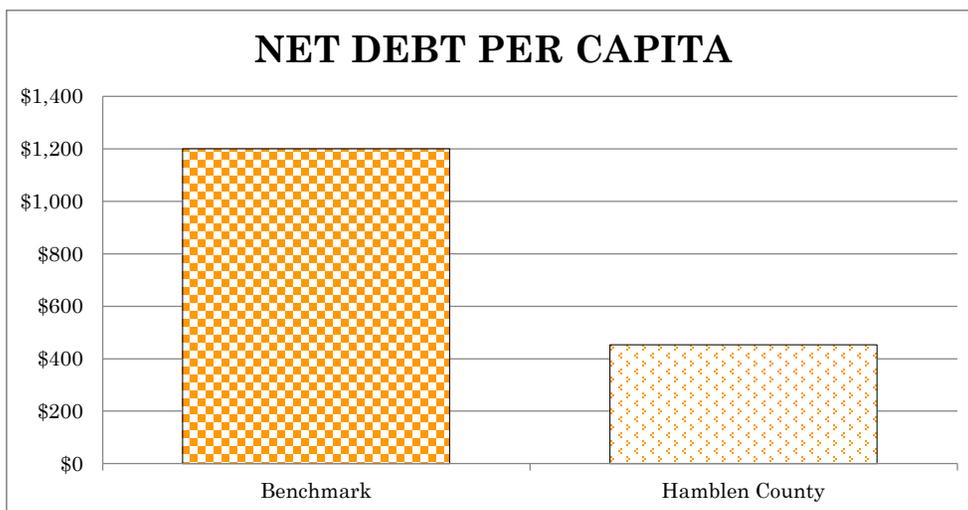
<sup>2</sup> U.S. Census, <http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=bkmk>.

Hamblen County, Tennessee  
Annual Debt Report  
Net Debt and Net Debt Per Capita

Calculation Method:

$$\text{Net Debt Per Capita} = \frac{\text{Net Debt of the County}^1}{\text{County's Population}^2}$$

	Benchmark <sup>3</sup>	Hamblen County
Total Debt		\$ 31,779,184
Less: Projected Year-end Fund Balances		(3,213,224)
Net Debt		<u>\$ 28,565,960</u>
Population		<u>63,036</u>
<b>Net Debt Per Capita</b>	<b>\$ 1,200</b>	<b>\$ 453</b>



**Net Debt** - Net debt is the outstanding principal less the funds that are currently available in fund balance. This allows Hamblen County to determine the amount that will be required to be collected in the future to retire the outstanding principal. This ratio is used in evaluating Hamblen County's ability to pay off its debt by taking the total principal on outstanding debt divided by the citizens in the county.

**Net Debt Per Capita** - This is calculated by taking the net debt divided by the total citizens of Hamblen County. This is the additional amount that Hamblen County would need to collect from every citizen in order to retire the outstanding principal balance. Simply stated, if every citizen remitted an additional \$575 at June 30, Hamblen County would be able to retire all of its debt excluding the interest component. The national benchmark is \$1,200 in principal indebtedness per citizen. However, this benchmark on the citizens of Hamblen County would not be a sustainable level, and would impact Hamblen County's ability to borrow additional debt in the future and higher interest rates.

<sup>1</sup> Only the principal amount less projected year-end fund balance is utilized.

<sup>2</sup> U.S. Census, <http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=bkmk>.

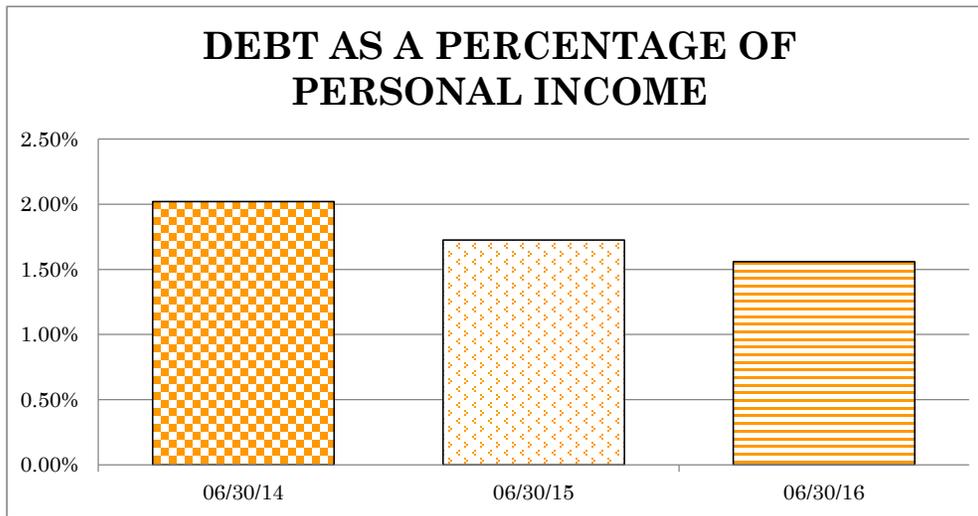
<sup>3</sup> "Municipal Benchmarks: Assessing Local Performance and Establishing Community Service Standards", David N. Ammons. - 2001, p. 119.

Hamblen County, Tennessee  
Annual Debt Report  
Debt as a Percentage of Personal Income

Calculation Method:

$$\text{Debt as Percentage of Personal Income} = \frac{\text{Total Debt of the County}^1 / \text{County's Population}^2}{\text{Total Personal Income}^3}$$

	06/30/14	06/30/15	06/30/16
Total Debt	\$ 40,931,892	\$ 36,433,038	\$ 31,779,184
Population	63,074	63,074	63,036
Personal Income	32,117	33,483	32,328
Debt Per Capita	2.02%	1.73%	1.56%



**Debt as a Percentage of Personal Income** - This ratio incorporates an ability to pay concept into the assessment of debt burden. It uses the total personal income (including wages, dividends, interest, rent, and government payments) divided by total population.

<sup>1</sup> Only the principal amount is utilized.

<sup>2</sup> U.S. Census, <http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=bkmk>.

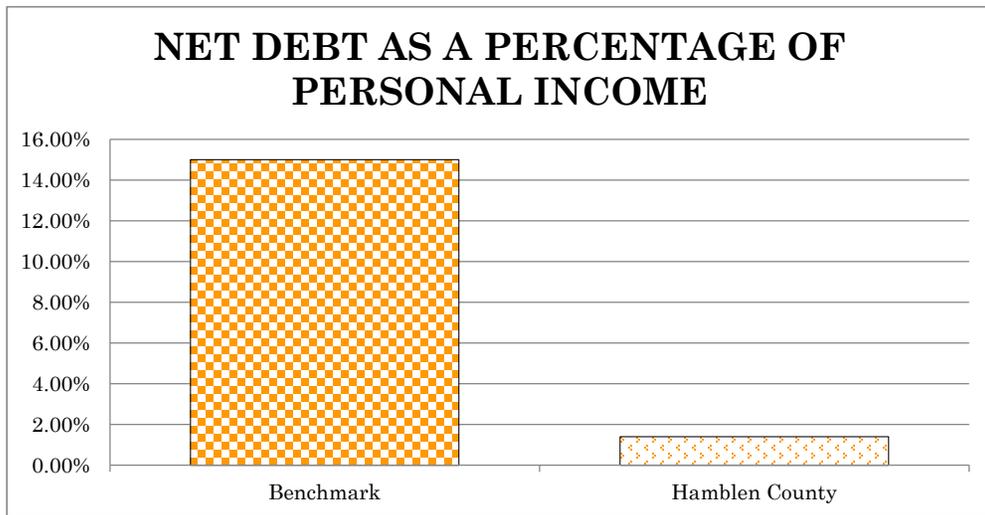
<sup>3</sup> Bureau of Economic Analysis, [www.bea.gov/iTable/print.cfm](http://www.bea.gov/iTable/print.cfm).

Hamblen County, Tennessee  
Annual Debt Report  
Net Debt as a Percentage of Personal Income

Calculation Method:

$$\text{Net Debt as Percentage of Personal Income} = \frac{\text{Net Debt of the County}^1 / \text{County's Population}^2}{\text{Total Personal Income}^3}$$

	Benchmark <sup>4</sup>	Hamblen County
Total Debt		\$ 31,779,184
Less: Beginning of the Year Fund Balances		(3,213,224)
Net Debt		<u>\$ 28,565,960</u>
Personal Income		<u>\$ 32,328</u>
Population		<u>63,036</u>
<b>Net Debt Per Capita</b>	<u><b>15%</b></u>	<u><b>1.40%</b></u>



**Net Debt as a Percentage of Personal Income** - This ratio incorporates an ability to pay concept into the assessment of debt burden. It uses the total personal income (including wages, dividends, interest, rent, and government payments) divided by total population. The importance of this ratio is that it can be utilized to determine how Hamblen County's debt load can be spread to its citizens on their ability to pay compared to a benchmark. The current benchmark is that net debt as a percentage of personal income is 15% or less. Hamblen County's current net debt as a percentage of personal income is 1.79%.

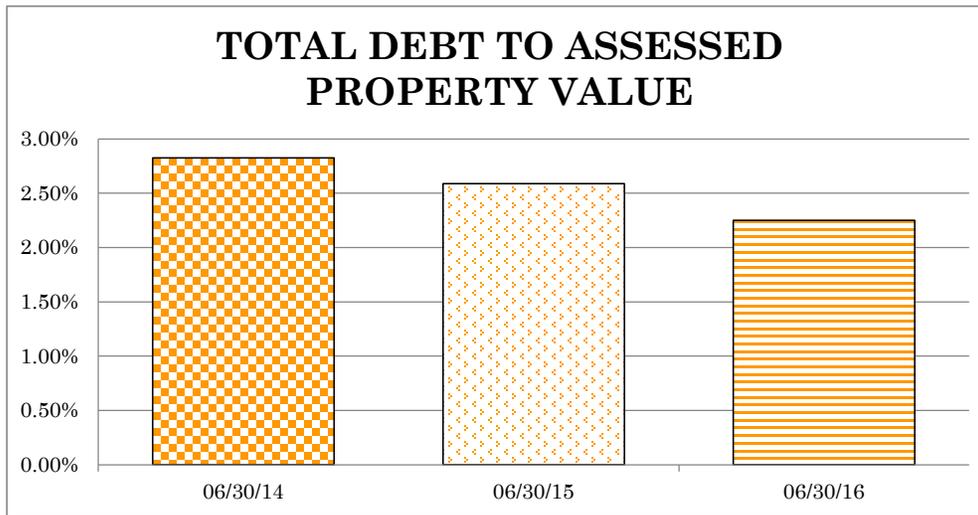
<sup>1</sup> Only the principal amount less projected year-end fund balance is utilized.  
<sup>2</sup> U.S. Census, <http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=bkmk>.  
<sup>3</sup> Bureau of Economic Analysis, [www.bea.gov/iTable/print.cfm](http://www.bea.gov/iTable/print.cfm).  
<sup>4</sup> "Municipal Benchmarks: Assessing Local Performance and Establishing Community Service Standards", David N. Ammons. - 2001, p. 119.

Hamblen County, Tennessee  
Annual Debt Report  
Debt to Assessed Property Value

Calculation Method:

$$\text{Debt to Assessed Property Value} = \frac{\text{Total Debt of the County}^1}{\text{Assessed Property Value}^2}$$

	06/30/14	06/30/15	06/30/16
Total Debt	40,931,892 \$	36,433,038 \$	31,779,184
Assessed Property Value	1,449,506,267	1,407,856,687	1,412,927,316
Debt to Assessed Property Value	2.82%	2.59%	2.25%



**Debt to Assessed Property Value** - This ratio examines Hamblen County's current indebtedness to the assessed property value. It shows the wealth available to support present indebtedness so the County can include any planned debt to calculate anticipated ratio, thus helping determine whether the County has capacity to meet present and future obligations.

<sup>1</sup> Only the principal amount is utilized.

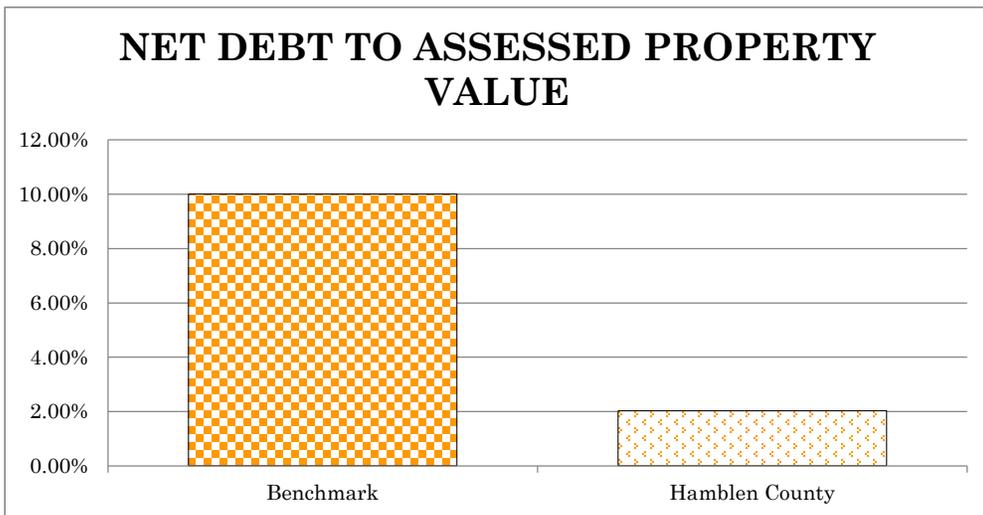
<sup>2</sup> This is based on final assessments as received from the State of Tennessee, and excludes any changes made during the year.

Hamblen County, Tennessee  
Annual Debt Report  
Net Debt to Assessed Property Value

Calculation Method:

$$\text{Net Debt to Assessed Property Value} = \frac{\text{Net Debt of the County}^1}{\text{Assessed Property Value}^2}$$

	Benchmark <sup>3</sup>	Hamblen County
Total Debt		\$ 31,779,184
Less: Beginning of the Year Fund Balance		(3,213,224)
Net Debt		<u>\$ 28,565,960</u>
Assessed Property Value		<u>\$ 1,412,927,316</u>
Net Debt to Assessed Property Value	<u>10%</u>	<u>2.02%</u>



**Net Debt to Assessed Property Value** - This ratio examines Hamblen County's net indebtedness to the assessed property value. It shows the wealth available to support present indebtedness so the County can include any planned debt to calculate anticipated ratio, thus helping determine whether the County has capacity to meet present and future obligations. The higher the percentage, the higher that the tax rate must be in order to meet Hamblen County's obligation. The current benchmark being utilized is 10%. Hamblen County's current net debt to assessed property value of 2.50% is well below the benchmark.

<sup>1</sup> Only the principal amount less projected year-end fund balance is utilized.

<sup>2</sup> This is based on final assessments as received from the State of Tennessee, and excludes any changes made during the year.

<sup>3</sup> "Municipal Benchmarks: Assessing Local Performance and Establishing Community Service Standards", David N. Ammons. - 2001, p. 119.

Hamblen County, Tennessee  
Annual Debt Report  
Schedule of Long-term Debt Requirements by Year - Total  
General Debt Service Fund

Year Ending June 30	Principal	Interest	Other Fees	Total
2016	4,653,854	1,279,448	104,404	6,037,706
2017	4,548,854	1,119,682	94,820	5,763,356
2018	4,883,854	975,342	93,660	5,952,856
2019	4,973,854	820,242	93,660	5,887,756
2020	2,788,854	630,227	93,660	3,512,741
2021	2,883,854	560,414	81,670	3,525,938
2022	2,978,854	485,477	69,028	3,533,359
2023	2,743,854	405,339	55,733	3,204,926
2024	2,518,854	326,968	41,704	2,887,526
2025	2,618,854	251,022	26,900	2,896,776
2026	773,140	170,892	11,280	955,312
2027	66,358	14,241	2,820	83,419
Total	\$ 36,433,038	\$ 7,039,294	\$ 769,339	\$ 44,241,671

Hamblen County, Tennessee  
Annual Debt Report  
Schedule of Long-term Debt Requirements by Year - By Debt Type  
General Debt Service Fund

Year Ending June 30	Other Loans			Total
	Principal	Interest	Other Fees	
2016	3,678,854	749,518	104,404	4,532,776
2017	1,063,854	610,352	94,820	1,769,026
2018	703,854	593,512	93,660	1,391,026
2019	703,854	593,512	93,660	1,391,026
2020	2,173,854	593,512	93,660	2,861,026
2021	2,253,854	532,002	81,670	2,867,526
2022	2,333,854	467,144	69,028	2,870,026
2023	2,423,854	398,939	55,733	2,878,526
2024	2,518,854	326,968	41,704	2,887,526
2025	2,618,854	251,022	26,900	2,896,776
2026	773,140	170,892	11,280	955,312
2027	66,358	14,241	2,820	83,419
Total	\$ 21,313,038	\$ 5,301,614	\$ 769,339	\$ 27,383,991

Year Ending June 30	Bonds		Total
	Principal	Interest	
2016	975,000	529,930	1,504,930
2017	3,485,000	509,330	3,994,330
2018	4,180,000	381,830	4,561,830
2019	4,270,000	226,730	4,496,730
2020	615,000	36,715	651,715
2021	630,000	28,412	658,412
2022	645,000	18,333	663,333
2023	320,000	6,400	326,400
Total	\$ 15,120,000	\$ 1,737,680	\$ 16,857,680

Hamblen County, Tennessee  
Annual Debt Report  
Schedule of Long-term Debt Requirements by Year  
Local Government Public Improvement Bonds - Series E-4-A, Refunding

Year Ending June 30	Principal	Interest	Other Fees	Total
2016	0	422,620	82,380	505,000
2017	0	422,620	82,380	505,000
2018	0	422,620	82,380	505,000
2019	0	422,620	82,380	505,000
2020	1,470,000	422,620	82,380	1,975,000
2021	1,550,000	361,110	70,390	1,981,500
2022	1,630,000	296,252	57,748	1,984,000
2023	1,720,000	228,047	44,453	1,992,500
2024	1,815,000	156,076	30,424	2,001,500
2025	1,915,000	80,130	15,620	2,010,750
Total	\$ 10,100,000	\$ 3,234,715	\$ 630,535	\$ 13,965,250

**NOTE:**

Local Government Public Improvement Bonds, Series E-4-A, Refunding were issued through the Blount County Public Building Authority on August 13, 2008, in the amount of \$10,100,000. This other loan was issued at a cost of \$100,000 to refund the \$10,000,000 outstanding for the Local Government Public Improvement Bonds, Series A-2-B. Series A-2-B was originally issued on June 1, 2001, for capital projects related to the school department and the courthouse annex. Series A-2-B has a synthetic fixed rate through the execution of swap agreement (a derivative). As of March 31, 2015, the swap agreement has a \$1,104,333 termination value should Hamblen County desire to terminate the swap. The termination value is constantly changing based on financial market conditions. Currently, interest and other fees are budgeted at a rate of 5%.

Hamblen County, Tennessee  
Annual Debt Report  
Schedule of Long-term Debt Requirements by Year  
Local Government Public Improvement Bonds - Series VII-C-2, Refunding

Year Ending June 30	Principal	Interest	Other Fees	Total
2016	2,975,000	156,006	10,744	3,141,750
2017	360,000	16,840	1,160	378,000
Total	\$ 3,335,000	\$ 172,846	\$ 11,904	\$ 3,519,750

**NOTE:**

Local Government Public Improvement Bonds, Series VII-C-2, Refunding were issued through the Sevier County Public Building Authority on November 24, 2008, in the amount of \$20,200,000. This other loan was issued at a cost of \$200,000 to refund the \$10,000,000 outstanding for the Local Government Public Improvement Bonds, Series III-D-2, and the \$10,000,000 outstanding for the Local Government Public Improvement Bonds, Series IV-B-3. Series III-D-2 was originally issued on January 1, 1999, for capital projects related to the school department and the courthouse annex. Series III-D-2 has a synthetic fixed rate through the execution of swap agreement (a derivative). As of March 31, 2015, the swap agreement had a \$200,759 termination value should Hamblen County desire to terminate the swap. The termination value is constantly changing based on financial market conditions. Series IV-B-3 was originally issued on January 1, 2000, for capital projects related to the school department and the courthouse annex. Currently, interest and other fees are budgeted at a rate of 5%.

Hamblen County, Tennessee  
Annual Debt Report  
Schedule of Long-term Debt Requirements by Year  
Qualified School Construction Bond

Year Ending June 30	Principal	Interest	Other Fees	Total
2016	703,854	170,892	11,280	886,026
2017	703,854	170,892	11,280	886,026
2018	703,854	170,892	11,280	886,026
2019	703,854	170,892	11,280	886,026
2020	703,854	170,892	11,280	886,026
2021	703,854	170,892	11,280	886,026
2022	703,854	170,892	11,280	886,026
2023	703,854	170,892	11,280	886,026
2024	703,854	170,892	11,280	886,026
2025	703,854	170,892	11,280	886,026
2026	773,140	170,892	11,280	955,312
2027	66,358	14,241	2,820	83,419
Total	\$ 7,878,038	\$ 1,894,053	\$ 126,900	\$ 9,898,991

**NOTE:**

The Qualified School Construction Bonds were issued through the Tennessee State School Bond Authority and loaned to Hamblen County on December 17, 2009, in the amount of \$11,280,000. This other loan was issued at a cost of \$124,936 for capital projects related to the school department. It is important to note that the Tennessee State School Bond Authority issued the bonds and loaned the proceeds to Hamblen County and various other governments across Tennessee. Hamblen County pays interest of 1.515 percent on its share of the bonds and also pays a monthly administrative fee to the State of Tennessee. Hamblen County and the other borrowers of the bond proceeds are required to comply with federal regulations established for the Qualified School Construction Bond program. Failure to comply with those requirements may result in the loss of the tax credit status of the bonds. This would result in further charges to the borrowers (Hamblen County) including the requirements to pay the tax-credit rate (5.86 percent) in addition to the 1.515 percent for a total rate of 7.375 percent. Currently, the budget is based on the 1.515 percent and the related monthly administrative fee.

Hamblen County, Tennessee  
Annual Debt Report  
Schedule of Long-term Debt Requirements by Year  
General Obligation Refunding Bonds, Series 2009

Year Ending June 30	Principal	Interest	Total
2016	110,000	444,900	554,900
2017	2,890,000	441,600	3,331,600
2018	3,575,000	326,000	3,901,000
2019	3,660,000	183,000	3,843,000
Total	<u>\$ 10,235,000</u>	<u>\$ 1,395,500</u>	<u>\$ 11,630,500</u>

**NOTE:**

General Obligation Refunding Bonds, Series 2009 were issued on September 23, 2009 in the amount of \$10,860,000. These bonds were sold at premium totaling \$911,416 and issued at a cost of \$234,113. The bonds refunded the \$10,000,000 outstanding on the Local Government Public Improvement Bonds, Series III-A-3, and the associated swap agreement (a derivative) totaling \$1,497,000. The Series III-A-3 was originally issued on March 19, 1998, for capital projects related to the school department. The fixed interest rates on the Series 2009 bonds range from 3% percent to 5%.

Hamblen County, Tennessee  
Annual Debt Report  
Schedule of Long-term Debt Requirements by Year  
General Obligation Bonds, Series 2010

Year Ending June 30	Principal	Interest	Total
2016	<u>270,000</u>	<u>5,400</u>	<u>275,400</u>
Total	<u>\$ 270,000</u>	<u>\$ 5,400</u>	<u>\$ 275,400</u>

**NOTE:**

General Obligation Bonds, Series 2010 were issued on August 11, 2010, in the amount of \$2,375,000. These bonds were sold at a premium totaling \$52,081 and issued at a cost of \$48,946. The bonds were issued for capital projects related to the school department. The interest rate on the Series 2010 bonds is fixed at 2%.

Hamblen County, Tennessee  
Annual Debt Report  
Schedule of Long-term Debt Requirements by Year  
General Obligation Bonds, Series 2014

Year Ending June 30	Principal	Interest	Total
2016	595,000	79,630	674,630
2017	595,000	67,730	662,730
2018	605,000	55,830	660,830
2019	610,000	43,730	653,730
2020	615,000	36,715	651,715
2021	630,000	28,412	658,412
2022	645,000	18,333	663,333
2023	320,000	6,400	326,400
Total	<u>\$ 4,615,000</u>	<u>\$ 336,780</u>	<u>\$ 4,951,780</u>

**NOTE:**

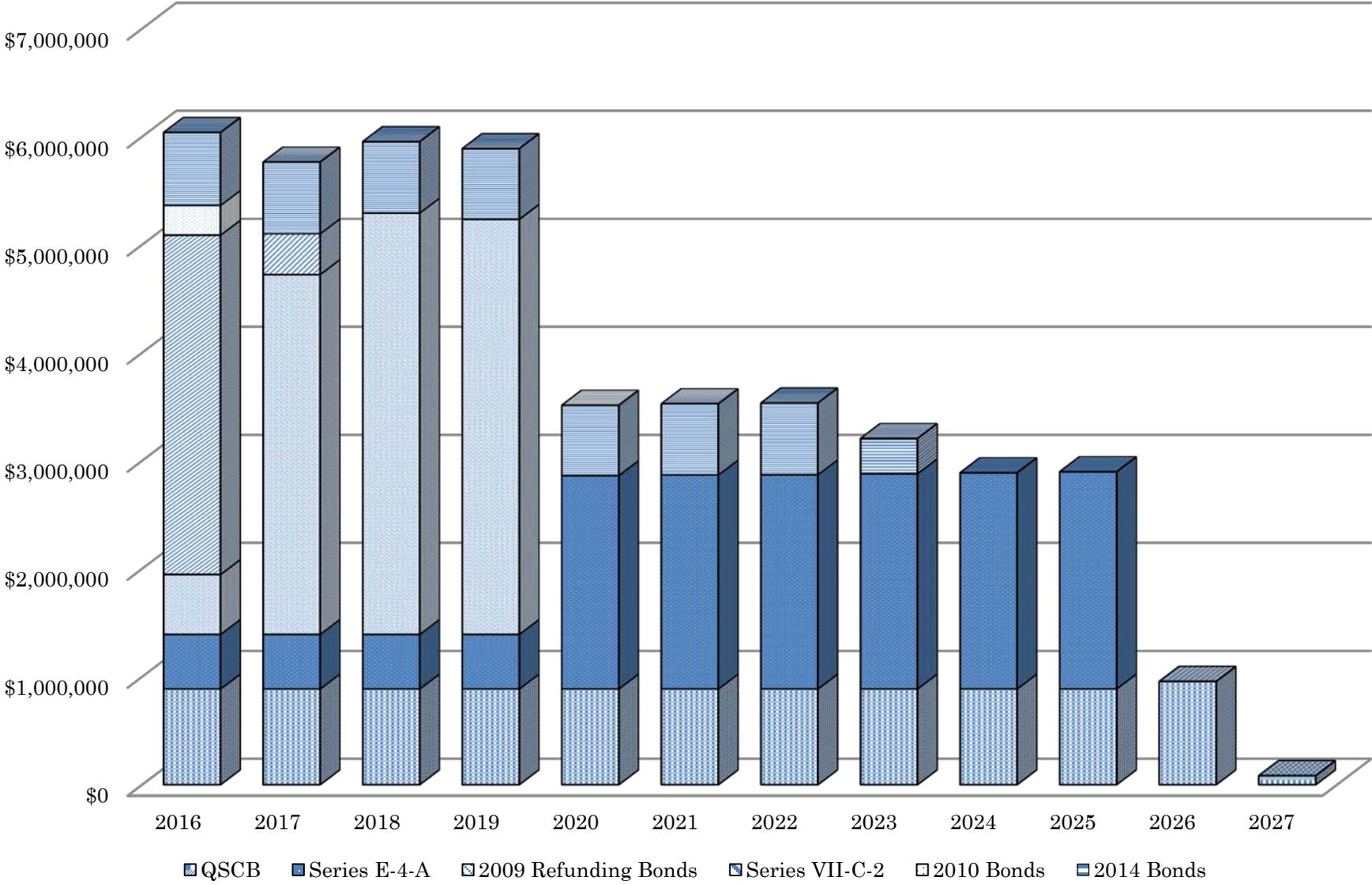
General Obligation Bonds, Series 2014 were issued on March 28, 2014, in the amount of \$5,200,000. These bonds were sold at a premium totaling \$77,475 and issued at a cost of \$73,224. Of the \$5,200,000 issued, \$2,700,000 was for paving project in the county and \$2,500,000 was for capital improvements projects at one of the county high schools. The fixed interest rates on the Series 2014 bonds range from 1.15% to 2%.

Hamblen County, Tennessee  
Annual Debt Report  
Multiple Year Debt Budget

ACCOUNT NUMBER	DESCRIPTION	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
<b>ESTIMATED REVENUES</b>													
40000	Local Taxes												
40100	County Property Taxes												
40110	Current Property Tax	\$ 3,993,000	\$ 3,993,000	\$ 3,993,000	\$ 3,993,000	\$ 3,993,000	\$ 3,993,000	\$ 3,993,000	\$ 3,993,000	\$ 3,993,000	\$ 3,993,000	\$ 3,993,000	\$ 3,993,000
40120	Trustee's Collections - Prior Year	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000
40130	Circuit/Clerk and Mater Collections - Prior Years	47,250	47,250	47,250	47,250	47,250	47,250	47,250	47,250	47,250	47,250	47,250	47,250
40140	Interest and Penalty	47,250	47,250	47,250	47,250	47,250	47,250	47,250	47,250	47,250	47,250	47,250	47,250
40161	Payments in-Lieu of Taxes - T.V.A.	409	409	409	409	409	409	409	409	409	409	409	409
40162	Payments in-Lieu of Taxes - Local Utilities	62,310	62,310	62,310	62,310	62,310	62,310	62,310	62,310	62,310	62,310	62,310	62,310
40163	Payments in Lieu of Taxes - Other	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
40200	County Local Option Taxes	0	0	0	0	0	0	0	0	0	0	0	0
40210	Local Option Sales Tax	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
40266	Litigation Taxes - Jail, Workhouse or Courthouse	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
40300	Statutory Local Taxes	0	0	0	0	0	0	0	0	0	0	0	0
40320	Bank Excise Tax	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	Total Local Taxes	\$ 4,631,219	\$ 4,631,219	\$ 4,631,219	\$ 4,631,219	\$ 4,631,219	\$ 4,631,219	\$ 4,631,219	\$ 4,631,219	\$ 4,631,219	\$ 4,631,219	\$ 4,631,219	\$ 4,331,219
42000	Fines, Forfeitures, and Penalties												
42100	Circuit Court												
42150	Jail Fees	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
42300	General Sessions Court												
42350	Jail Fees	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000
	Total Fines, Forfeitures, and Penalties	\$ 47,500	\$ 47,500	\$ 47,500	\$ 47,500	\$ 47,500	\$ 47,500	\$ 47,500	\$ 47,500	\$ 47,500	\$ 47,500	\$ 47,500	\$ 47,500
44000	Other Local Revenues												
44100	Recurring Items												
44110	Investment Income	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000
44990	Other Local Revenues												
44990	Other Local Revenues	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	0	0
	Total Other Local Revenues	\$ 725,000	\$ 725,000	\$ 725,000	\$ 725,000	\$ 725,000	\$ 725,000	\$ 725,000	\$ 725,000	\$ 725,000	\$ 725,000	\$ 225,000	\$ 225,000
	Total Estimated Revenues and Other Sources	\$ 5,403,719	\$ 5,403,719	\$ 5,403,719	\$ 5,403,719	\$ 5,403,719	\$ 5,403,719	\$ 5,403,719	\$ 5,403,719	\$ 5,403,719	\$ 5,403,719	\$ 4,903,719	\$ 4,603,719
<b>ESTIMATED EXPENDITURES</b>													
82100	Principal on Debt												
82110	General Government												
601	Principal on Bonds	\$ 2,200	\$ 57,800	\$ 71,500	\$ 73,200	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
612	Principal on Other Loans	404,600	48,960	0	0	363,972	383,780	403,588	425,872	449,394	474,154	0	0
	Total Principal - General Government	\$ 406,800	\$ 106,760	\$ 71,500	\$ 73,200	\$ 363,972	\$ 383,780	\$ 403,588	\$ 425,872	\$ 449,394	\$ 474,154	\$ 0	\$ 0
82120	Highways and Streets												
601	Principal on Bonds	\$ 290,000	\$ 290,000	\$ 295,000	\$ 300,000	\$ 300,000	\$ 305,000	\$ 315,000	\$ 320,000	\$ 0	\$ 0	\$ 0	\$ 0
	Total Principal - Highways and Streets	\$ 290,000	\$ 290,000	\$ 295,000	\$ 300,000	\$ 300,000	\$ 305,000	\$ 315,000	\$ 320,000	\$ 0	\$ 0	\$ 0	\$ 0
82130	Education												
601	Principal on Bonds	\$ 682,800	\$ 3,137,200	\$ 3,813,500	\$ 3,896,800	\$ 315,000	\$ 325,000	\$ 330,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
612	Principal on Other Loans	3,274,254	1,014,894	703,854	703,854	1,809,882	1,870,074	1,930,266	1,997,982	2,069,460	2,144,700	773,140	63,358
	Total Principal - Education	\$ 3,957,054	\$ 4,152,094	\$ 4,517,354	\$ 4,600,654	\$ 2,124,882	\$ 2,195,074	\$ 2,260,266	\$ 1,997,982	\$ 2,069,460	\$ 2,144,700	\$ 773,140	\$ 63,358
82200	Interest on Debt												
82210	General Government												
603	Interest on Bonds	\$ 8,898	\$ 8,832	\$ 6,520	\$ 3,660	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
613	Interest on Other Loans	147,716	127,486	125,038	125,038	125,038	106,839	87,650	67,471	46,177	23,708	0	0
	Total Interest - General Government	\$ 156,614	\$ 136,318	\$ 131,558	\$ 128,698	\$ 125,038	\$ 106,839	\$ 87,650	\$ 67,471	\$ 46,177	\$ 23,708	\$ 0	\$ 0
82220	Highways and Streets												
603	Interest on Bonds	\$ 42,108	\$ 36,307	\$ 30,507	\$ 24,608	\$ 21,157	\$ 17,107	\$ 12,228	\$ 6,400	\$ 0	\$ 0	\$ 0	\$ 0
	Total Interest - Highways and Streets	\$ 42,108	\$ 36,307	\$ 30,507	\$ 24,608	\$ 21,157	\$ 17,107	\$ 12,228	\$ 6,400	\$ 0	\$ 0	\$ 0	\$ 0
82230	Education												
603	Interest on Bonds	\$ 478,924	\$ 464,191	\$ 344,803	\$ 198,462	\$ 15,558	\$ 11,305	\$ 6,105	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
604	Interest on Notes	0	0	0	0	0	0	0	0	0	0	0	0
613	Interest on Other Loans	694,926	566,406	550,854	550,854	550,854	495,553	437,242	375,921	311,215	242,934	170,892	14,241
	Total Interest - Education	\$ 1,173,850	\$ 1,030,597	\$ 895,657	\$ 749,316	\$ 566,412	\$ 506,858	\$ 443,347	\$ 375,921	\$ 311,215	\$ 242,934	\$ 170,892	\$ 14,241
82300	Other Debt Service												
82310	General Government												
510	Trustee's Commission	\$ 91,815	\$ 93,652	\$ 95,525	\$ 97,435	\$ 99,384	\$ 101,372	\$ 103,399	\$ 105,467	\$ 107,576	\$ 109,728	\$ 111,922	\$ 114,161
	Total Other Debt Service - General Government	\$ 91,815	\$ 93,652	\$ 95,525	\$ 97,435	\$ 99,384	\$ 101,372	\$ 103,399	\$ 105,467	\$ 107,576	\$ 109,728	\$ 111,922	\$ 114,161
82330	Education												
699	Other Debt Service	\$ 11,280	\$ 11,280	\$ 11,280	\$ 11,280	\$ 11,280	\$ 11,280	\$ 11,280	\$ 11,280	\$ 11,280	\$ 11,280	\$ 11,280	\$ 2,820
	Total Other Debt Service - Education	\$ 11,280	\$ 11,280	\$ 11,280	\$ 11,280	\$ 11,280	\$ 11,280	\$ 11,280	\$ 11,280	\$ 11,280	\$ 11,280	\$ 11,280	\$ 2,820
	Total Estimated Expenditures and Other Uses	\$ 6,129,521	\$ 5,857,008	\$ 6,048,381	\$ 5,985,191	\$ 3,612,125	\$ 3,627,310	\$ 3,636,758	\$ 3,310,393	\$ 2,995,102	\$ 3,006,504	\$ 1,067,234	\$ 194,580
	Excess of Estimated Revenue Over (Under) Estimated Expenditures	\$ (725,802)	\$ (453,289)	\$ (644,662)	\$ (581,472)	\$ 1,791,594	\$ 1,776,409	\$ 1,766,961	\$ 2,093,326	\$ 2,408,617	\$ 2,397,215	\$ 3,836,485	\$ 4,409,139
	Estimated Beginning Fund Balance & Reserves - July 1	3,939,026	3,213,224	2,759,935	2,115,273	1,533,801	3,325,395	5,101,805	6,868,766	8,962,092	11,370,709	13,767,924	17,604,409
	Estimated Ending Fund Balance & Reserves - June 30	\$ 3,213,224	\$ 2,759,935	\$ 2,115,273	\$ 1,533,801	\$ 3,325,395	\$ 5,101,805	\$ 6,868,766	\$ 8,962,092	\$ 11,370,709	\$ 13,767,924	\$ 17,604,409	\$ 22,013,548

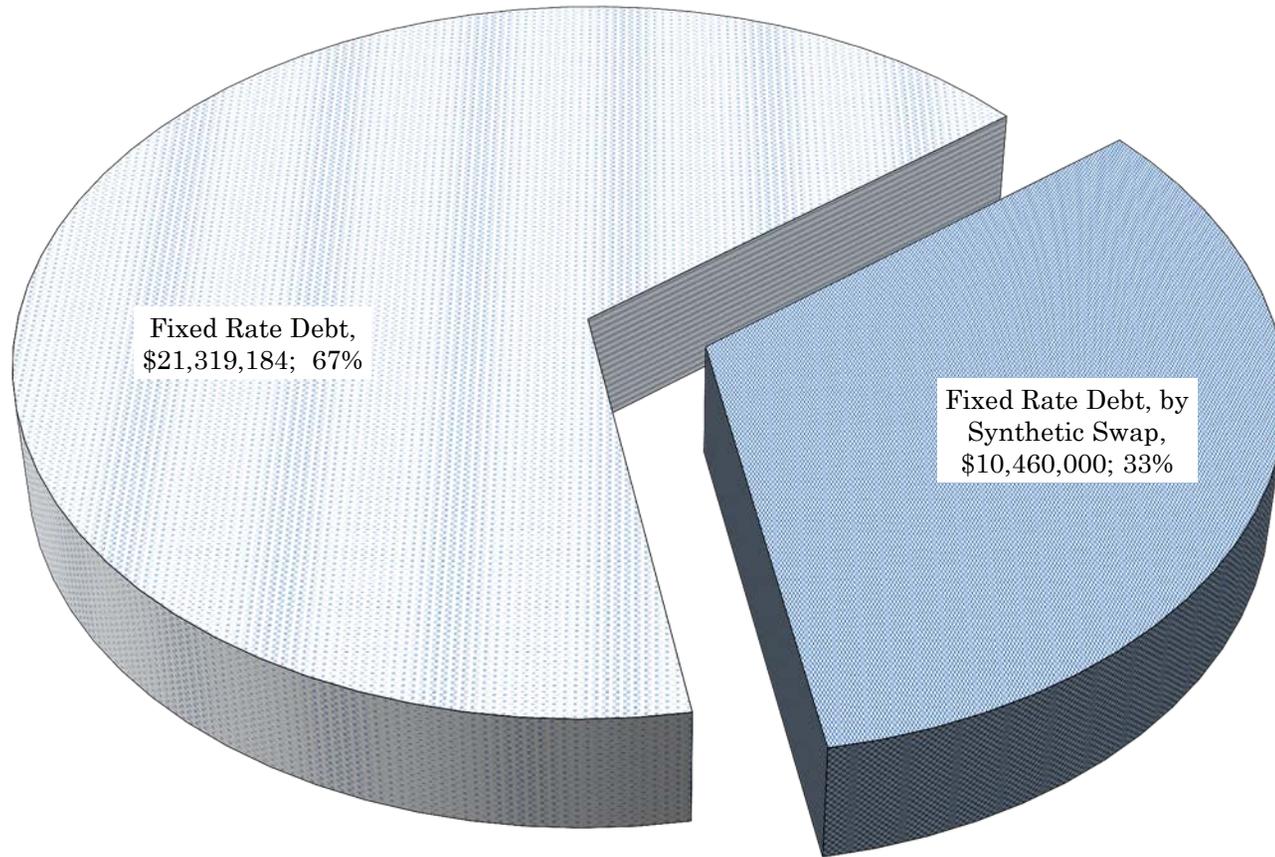
NOTE: Based on current economic conditions, the revenues are budgeted constant with no growth.

# HAMBLLEN COUNTY, TENNESSEE SCHEDULE OF TOTAL PAYMENTS





**Hamblen County, Tennessee  
Debt Portfolio Ratios  
Total Outstanding Debt - \$31,779,184**



# Hamblen County, Tennessee General Government to Schools Percentage

Total Outstanding Debt - \$31,779,184

