

Section 8

Benchmark Comparisons

**Debt as a Percentage of
Total Assessed Property Value**

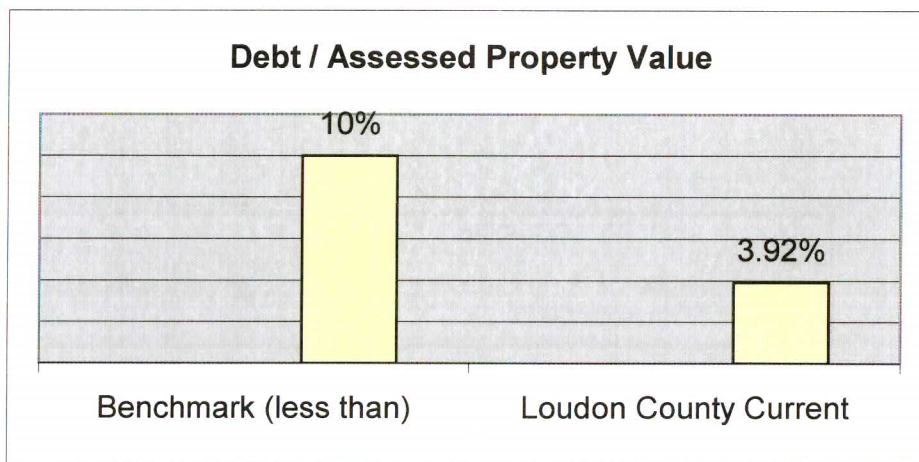
Debt Per Capita

Debt Per Capita Income

Debt as a Percentage of Total Assessed Property Values

Calculation Method:	
Debt (Principal)	67,603,959
Divided by Assessed Property Value *	1,725,301,694
	3.92%

Benchmark (less than)	10%
Loudon County Current	3.92%



Net Debt is described as netting the value of debt with cash or assets. (Debt - cash = net debt)
 Net Debt divided by the Assessed Property Value gives a measurement of how much debt exists in relation to the supporting tax base. The national benchmark in this regard estimates that overall net debt should not exceed 10% of assessed value. Loudon County's **total principal debt** falls below that at 3.64%

The Net Debt of Loudon County could be estimated by subtracting beginning fund balances ("cash") from the total principal. The following table shows a slight reduction in the percentage when Net Debt is used.

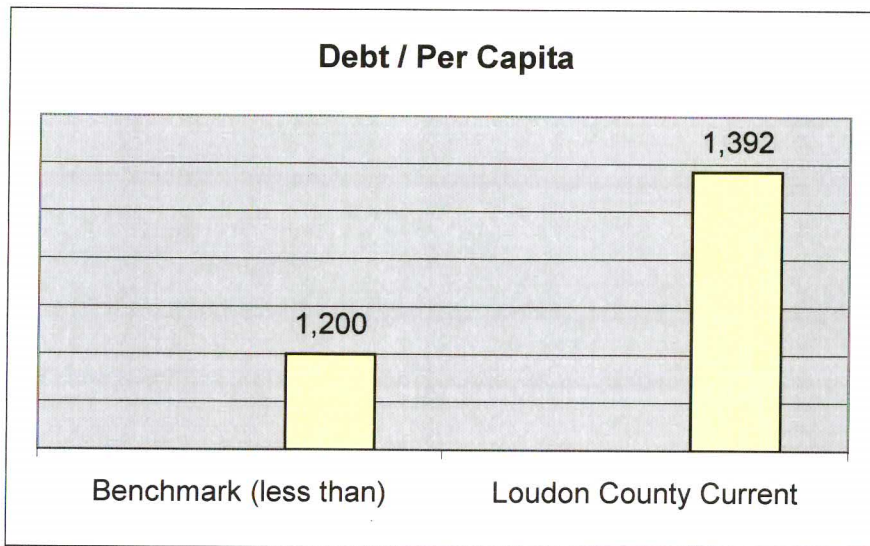
Total Principal	67,603,959
Fund 151 FY 12 Beginning FB	(2,528,418)
Fund 156 FY 12 Beginning FB	(4,934,718)
Net Debt	60,140,823
Divided by Assessed Property	1,725,301,694
	3.49%

* Source: Loudon County Assessor of Property, May 1, 2012

Debt / Per Capita

Calculation Method:		
	Debt (Principal)	67,603,959
	Polulation*	48,556
		1,392

Benchmark (less than)	1,200
Loudon County Current	1,392



Net Debt is described as netting the value of debt with cash or assets. (Debt - cash = net debt)
 Net Debt divided by the County's population gives the dollar value of the outstanding debt in relation to each citizen. The national benchmark in this regard estimates the overall debt per capita should not exceed \$1,200 . Loudon County's **total principal debt per capita**, \$1,392, exceeds this benchmark.

The Net Debt of Loudon County could be estimated by subtracting beginning fund balances ("cash") from the total principal. The following table shows a reduction when Net Debt is used, although it still exceeds the benchmark.

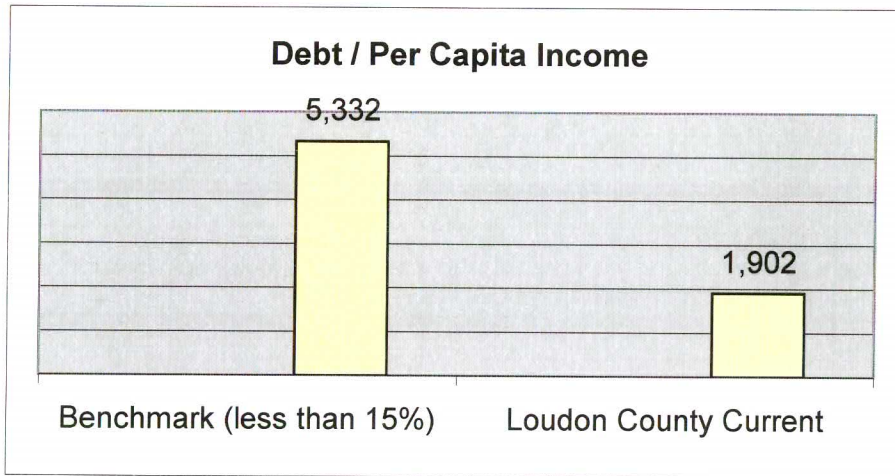
Total Principal	67,603,959
Fund 151 FY 12 Beginning FB	(2,528,418)
Fund 156 FY 12 Beginning FB	(4,934,718)
Net Debt	60,140,823
Divided by Population	48,556
	1,239

* Source: 2010 U. S. Census

Debt / Per Capita Income

Calculation Method:		
Debt (Principal)		67,603,959
Per Capita Income*	35,546	1,902

Benchmark (less than 15%)	5,332
Loudon County Current	1,902



Net Debt is described as netting the value of debt with cash or assets. (Debt - cash = net debt)
 Net Debt divided by the County's per capita income gives the dollar value of the outstanding debt in relation to each citizen's per capita income. According to the national benchmark, this should not exceed 15% of per capita income. Loudon County's debt per capita as a percentage of income per capita is approximately 5.35% or 1,902, compared to 15% or 5,332 utilizing **total principal debt**.

The Net Debt of Loudon County could be estimated by subtracting beginning fund balances ("cash") from the total principal. The following table shows a reduction when Net Debt is used.

Total Principal	67,603,959
Fund 151 FY 12 Beginning FB	(2,528,418)
Fund 156 FY 12 Beginning FB	(4,934,718)
Net Debt	60,140,823
Divided by Per Capita Income	35,546
	1,692

* Source: Loudon County EDA