

CARROLL COUNTY VIRGINIA Debt Policy:

The debt service fund is used to accumulate financial resources for the payment of interest and principal on all general obligation debt of the County. To ensure that the county does not exceed its ability to service current and future debt requirements a long-term Debt affordability analysis will be performed and utilized as a forecasting tool when confronted with the question of potential debt issues. All debt which is secured by the general obligation of a county must be approved at a public referendum prior to issuance. Projects funded by debt will have a useful life meeting or exceeding the life of the debt.

The process of issuing general obligation debt in the county begins with the departments' presentation of capital expenditure needs to the County administrator.

The county will establish the following debt affordability guidelines- debt service as a percentage of general fund expenditures, 7.75%; debt service as percentage of total assessed real estate value, 2.50%; and debt per capita not to exceed \$1,650. All three requirements must not be exceeded.