15J - Pension Obligation Bonds Debt Service

Operational Summary

Description:

This fund is used to record the debt service payments on the County's Pension Obligation Bonds: Series 1994A, Refunding Series 1996A and Refunding Series 1997A. The 1994 Bonds were paid off in 2004, only the 1996 and 1997 obligations remain. These bonds are a General Fund obligation.

On October 20, 1999 the Board of Supervisors directed the CEO to proceed with actions necessary to eliminate this debt obligation. On March 31, 2000 and June 11, 2000, the County purchased through a tender offer 45% of the outstanding bonds, about $288.3 million, and then cancelled them. The cost of the purchase was about $179.0 million.

The remaining Pension Obligation Bonds with a par value of $350,823,000, were successfully prepaid through an economic defeasance on June 22, 2000. Available funds, including the FY 1999-00 Tobacco Settlement Revenue allocation to the County, were irrevocably pledged for payment, in full, of the bonds and invested in AAA rated debt securities issued by the Federal Home Loan Bank, Federal National Mortgage Association (FNMA). The FNMA securities, along with cash on hand, will be sufficient to pay principal and interest on the bonds when due and payable.

The FY 2007-2008 budget for this fund contains appropriations to record the debt service payments made by the bond trustee from the defeasance escrow fund. There is no "out-of-pocket" payment required from the County.

At a Glance:

Total FY 2006-2007 Actual Expenditure + Encumbrance:	14,887,622
Total Final FY 2007-2008	21,583,377
Percent of County General Fund:	N/A
Total Employees:	0.00

Strategic Goals:

- To record debt service payments made by the trustee on the defeased Pension Obligation Bonds.

Budget Summary

Final Budget History:

Sources and Uses	FY 2005-2006 Actual Exp/Rev	FY 2006-2007 Budget As of 6/30/07	FY 2006-2007 Actual Exp/Rev(1) As of 6/30/07	FY 2007-2008 Final Budget	Change from FY 2006-2007 Actual Amount	Change from FY 2006-2007 Actual Percent
Total Revenues	21,963,200	15,331,274	15,195,635	21,583,377	6,387,742	42.04
Total Requirements	22,708,859	15,331,274	14,887,623	21,583,377	6,695,754	44.98
Balance	(745,659)	0	308,012	0	(308,012)	-100.00

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2006-07 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Pension Obligation Bonds Debt Service in the Appendix on page A181

15J - Pension Obligation Bonds Debt Service

Summary of Final Budget by Revenue and Expense Category:

Revenues/Appropriations	FY 2005-2006 Actual Exp/Rev	FY 2006-2007 Budget As of 6/30/07	FY 2006-2007 Actual Exp/Rev(1) As of 6/30/07	FY 2007-2008 Final Budget	Change from FY 2006-2007 Actual Amount	Change from FY 2006-2007 Actual Percent
Revenue from Use of Money and Property	$ 9,456,433	$ 8,205,523	$ 8,069,884	$ 8,205,123	$ 135,239	1.68%
Other Financing Sources	3,418,341	0	0	0	0	0.00
Total FBA	114,315	(745,659)	(745,659)	462,289	1,207,948	-162.00
Reserves	8,974,111	7,871,410	7,871,410	12,915,965	5,044,555	64.09
Total Revenues	21,963,200	15,331,274	15,195,635	21,583,377	6,387,742	42.04
Services & Supplies	42,711	60,000	22,350	60,000	37,650	168.46
Other Charges	17,325,446	14,865,274	14,865,273	21,523,377	6,658,104	44.79
Other Financing Uses	5,340,702	406,000	0	0	0	0.00
Total Requirements	22,708,859	15,331,274	14,887,623	21,583,377	6,695,754	44.98
Balance	$ (745,659)	$ 0	$ 308,012	$ 0	$ (308,012)	-100.00%

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2006-07 Actual Expenditure + Encumbrance included in the "At a Glance" section.