

## 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. 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 2004-2005 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 2003-2004 Actual Expenditure + Encumbrance: | 14,672,840 |
| Total Final FY 2004-2005 Budget:                     | 17,102,523 |
| 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 and History:

| Sources and Uses   | FY 2002-2003<br>Actual Exp/Rev | FY 2003-2004<br>Budget<br>As of 6/30/04 | FY 2003-2004<br>Actual Exp/Rev <sup>(1)</sup><br>At 6/30/04 | FY 2004-2005<br>Final Budget | Change from FY 2003-2004<br>Actual |         |
|--------------------|--------------------------------|---|---|------------------------------|------------------------------------|---------|
|                    |                                |   |   |                              | Amount                             | Percent |
| Total Revenues     | 190,025,576                    | 172,999,088                             | 173,025,126   | 17,102,523                   | (155,922,603)                      | -90.12  |
| Total Requirements | 26,066,488                     | 172,999,088                             | 165,065,075   | 17,102,523                   | (147,962,552)                      | -89.64  |
| FBA                | 163,959,088                    | 0                                       | 7,960,051   | 0                            | (7,960,051)                        | -100.00 |

(1) Amounts include prior year expenditures and exclude current year encumbrances. Therefore, the totals listed above may not match Total FY 2003-04 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 582.

## 15J - PENSION OBLIGATION BONDS DEBT SERVICE

### Summary of Final Budget by Revenue and Expense Category:

| Revenues/Appropriations                | FY 2002-2003<br>Actual Exp/Rev | FY 2003-2004<br>Budget<br>As of 6/30/04 | FY 2003-2004<br>Actual Exp/Rev <sup>(1)</sup><br>At 6/30/04 | FY 2004-2005<br>Final Budget | Change from FY 2003-2004<br>Actual |                 |
|--|--------------------------------|---|---|------------------------------|------------------------------------|-----------------|
|  |                                |   |   |                              | Amount                             | Percent         |
| Revenue From Use Of Money And Property | \$ 9,665,823                   | \$ 1,500,000                            | \$ 1,963,177  | \$ 2,000,000                 | \$ 36,823                          | 1.88%           |
| Miscellaneous Revenues                 | 0                              | 0                                       | 15  | 0                            | (15)                               | -100.00         |
| Other Financing Sources                | 7,311,603                      | 7,540,000                               | 7,102,846   | 6,940,000                    | (162,846)                          | -2.29           |
| Total FBA                              | 173,048,150                    | 163,959,088                             | 163,959,088   | 8,162,523                    | (155,796,565)                      | -95.02          |
| <b>Total Revenues</b>                  | <b>190,025,576</b>             | <b>172,999,088</b>                      | <b>173,025,126</b>  | <b>17,102,523</b>            | <b>(155,922,603)</b>               | <b>-90.12</b>   |
| Services & Supplies                    | 46,880                         | 7,563,743                               | 55,856  | 100,650                      | 44,794                             | 80.20           |
| Other Charges                          | 18,017,178                     | 7,543,110                               | 7,543,110   | 8,173,660                    | 630,551                            | 8.36            |
| Other Financing Uses                   | 8,002,430                      | 7,500,000                               | 7,073,874   | 7,100,000                    | 26,126                             | 0.37            |
| Reserves                               | 0                              | 150,392,235                             | 150,392,235   | 1,728,213                    | (148,664,022)                      | -98.85          |
| <b>Total Requirements</b>              | <b>26,066,488</b>              | <b>172,999,088</b>                      | <b>165,065,075</b>  | <b>17,102,523</b>            | <b>(147,962,552)</b>               | <b>-89.64</b>   |
| <b>Balance</b>                         | <b>\$ 163,959,088</b>          | <b>\$ 0</b>                             | <b>\$ 7,960,051</b>   | <b>\$ 0</b>                  | <b>\$ (7,960,051)</b>              | <b>-100.00%</b> |

(1) Amounts include prior year expenditures and exclude current year encumbrances. Therefore, the totals listed above may not match Total FY 2003-04 Actual Expenditure + Encumbrance included in the "At a Glance" section.