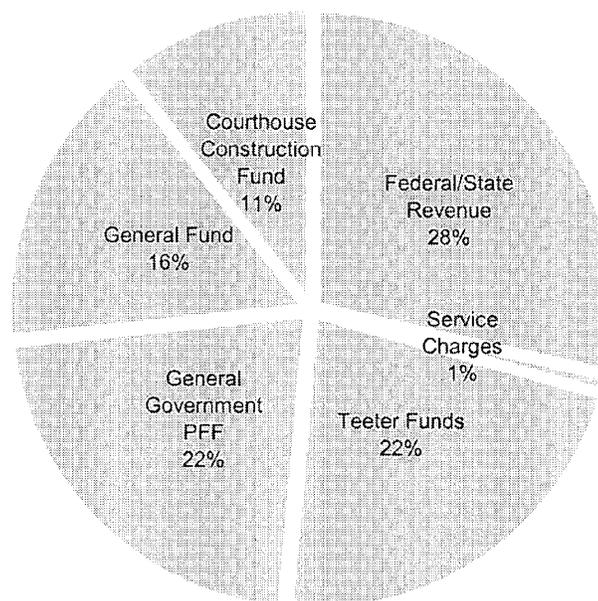


PURPOSE

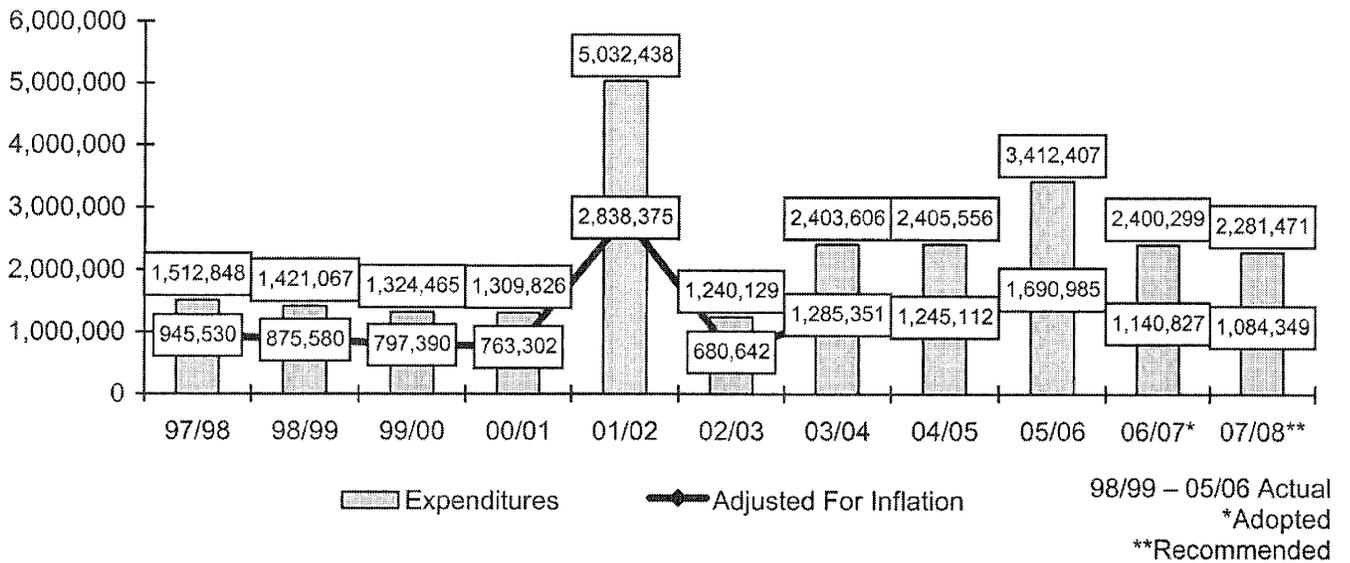
To provide for the payment of interest and principal associated with the County's long term debt based upon Board of Supervisor budget policies. Recommendations for debt financing of major projects will include a cost benefit analysis of available options and funding alternatives. Every attempt will be made to provide for debt service through dedicated revenues that can be maintained over the life of any debt, before the General Fund is accessed for such a purpose.

	2005-06	2006-07	2007-08	2007-08	2007-08
<u>Financial Summary</u>	<u>Actual</u>	<u>Actual</u>	<u>Requested</u>	<u>Recommended</u>	<u>Adopted</u>
Revenues	\$ 3,502,407	\$ 2,425,144	\$ 2,038,410	\$ 2,281,471	\$ 2,191,471
Fund Balance Available	\$ 0	\$ 0	\$ 0	\$ 0	\$ 90,000
Cancelled Reserves	0	0	0	0	0
Total Financing Sources	\$ 3,502,407	\$ 2,425,144	\$ 2,038,410	\$ 2,281,471	\$ 2,281,471
Salary and Benefits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Services and Supplies	0	0	0	0	0
Other Charges	3,412,407	2,145,089	2,038,410	2,281,471	2,281,471
Fixed Assets	0	0	0	0	0
Gross Expenditures	\$ 3,412,407	\$ 2,145,089	\$ 2,038,410	\$ 2,281,471	\$ 2,281,471
Contingencies	0	0	0	0	0
New Reserves	0	0	0	0	0
Total Financing Requirements	\$ 3,412,407	\$ 2,145,089	\$ 2,038,410	\$ 2,281,471	\$ 2,281,471

Source of Funds



10 Year Expenditures Adjusted For Inflation



COUNTY ADMINISTRATOR’S COMMENTS AND RECOMMENDATIONS

Debt financing for capital improvement projects is recommended based upon adherence to Board budget policies and review by the County’s Debt Advisory Committee. In FY 1991-1992, the Board of Supervisors established a formal Debt Advisory Committee and received an “AAA” rating from Fitch Rating Services, which is the highest rating granted by the agency.

During FY 2006-2007, the portion of the 1994 Certificate of Participation (COP) for the men’s jail facilities was paid off. As such, the remaining debt payments are as follows:

- \$653,047 for the 1994 COP for the Department of Social Services building on lower Higuera Street. This debt is paid with state and federal funding received by the Department of Social Services
- \$16,993 for the 1994 COP for improvements at the Morro Bay Golf Course. This debt is paid with golf course revenues.
- \$1,368,370 for the 2002 COP for the New County Government Center. This debt is paid with a combination of Teeter Funds (\$500,000), General Government Public Facility Fees (\$500,000), and \$368,370 from the General Fund.
- \$243,062 for the 2007 COP for the Paso Robles Courthouse. This debt is paid with Courthouse Construction Funds.

BOARD ADOPTED CHANGES

None.