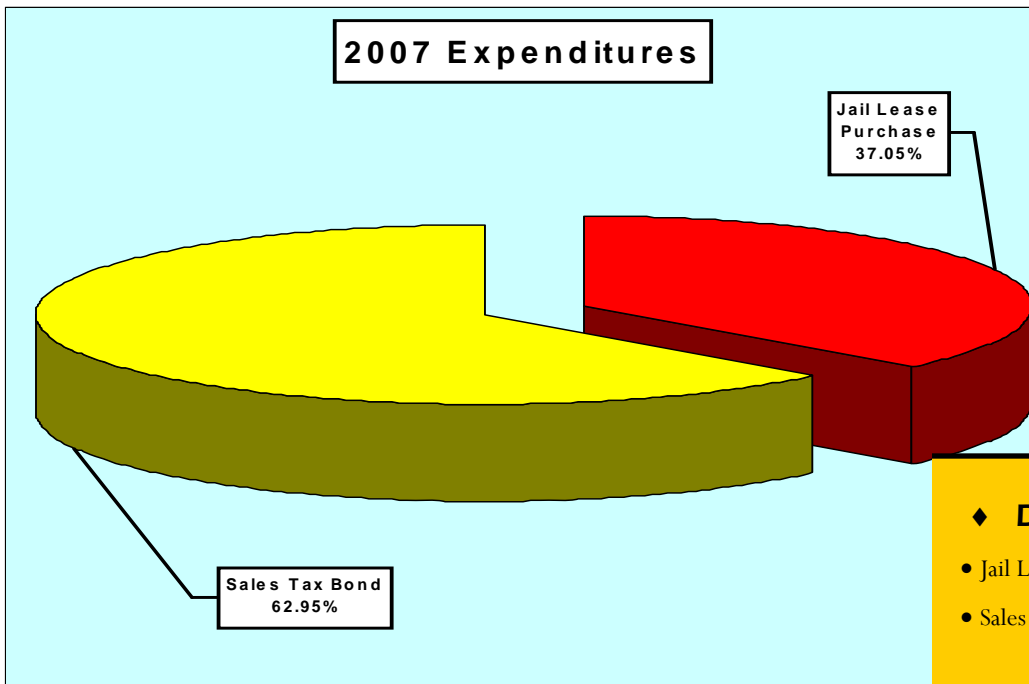


# DEBT SERVICES



- ◆ Debt Services
- Jail Lease Purchase
- Sales Tax Bond

## Debt Services Expenditures

	← 2003	Actual Audited 2004	2005 →	Projected 2006	Budget 2007
Jail Lease Purchase	\$1,860,069	\$1,858,332	\$1,854,776	\$1,860,501	\$1,865,750
Sales Tax Bond	3,537,745	23,841,364	3,168,788	3,169,638	\$3,170,000
<b>Total</b>	<b>\$5,397,814</b>	<b>\$25,699,696</b>	<b>\$5,023,563</b>	<b>\$5,030,138</b>	<b>\$5,035,750</b>

## DEBT SERVICES

**Revenues**

Department Generated  
General Support Required \*

**Total Revenues**

\* Taxes, Transfers or Fund Balance

**Expenditures**

Personnel  
Operating  
Capital Outlay

**Total Expenditures**

	← 2003	Actual Audited 2004	2005 →	Projected 2006	Budget 2007
Department Generated	\$25,793	\$20,346,660	\$75,226	\$89,550	\$0
General Support Required *	5,372,021	5,353,036	4,948,337	4,940,588	5,035,750
<b>Total Revenues</b>	<b>\$5,397,814</b>	<b>\$25,699,696</b>	<b>\$5,023,563</b>	<b>\$5,030,138</b>	<b>\$5,035,750</b>
Personnel	\$0	\$0	\$0	\$0	\$0
Operating	5,397,814	25,699,696	5,023,563	5,030,138	5,035,750
Capital Outlay	0	0	0	0	0
<b>Total Expenditures</b>	<b>\$5,397,814</b>	<b>\$25,699,696</b>	<b>\$5,023,563</b>	<b>\$5,030,138</b>	<b>\$5,035,750</b>

## COMPUTATION OF LEGAL DEBT MARGIN

Mesa County has had no general obligation bonded debt in the last ten years. Therefore, the historical table "Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Expenditure is not included.

***Computation of legal debt limit:***

2006 taxable assessed valuation	\$1,329,285,810
Plus exempt property	<u>172,559,630</u>
Total Assessed Value	1,501,845,440
Legal debt limit percentage	<u>1.50%</u>
<b>Legal Debt Limit</b>	<b><u><u>\$22,527,682</u></u></b>

<b>Total Long-Term Borrowing</b>	<b>\$17,335,000</b>
Less: Sales tax revenue bonds	14,075,000
Jail Lease Purchase Certificates	<u>3,260,000</u>
Net borrowing applicable to the debt limit	0
<b>Legal Debt Margin</b>	<b><u><u>\$22,527,682</u></u></b>

Source: Colorado Revised Statutes 30-26-301

## DEBT SERVICES OVERVIEW

The program area of Debt Service includes the departments of Jail Lease and Sales Tax Bond.

The Finance Office manages both programs of Debt Service.

### Real Property Lease-Purchase Agreements:

#### Jail Lease Purchase Certificates

The Grand Valley Master Lease Corporation was incorporated in July 1990, as a Colorado nonprofit corporation, to facilitate financing of a detention center and sheriff facility. The detention center and facility site is leased from the County to the Corporation under a ground lease agreement dated August 31, 1990. Pursuant to an annually terminable master lease purchase agreement, the Corporation issued \$19,035,000 certificates of participation, dated September 1, 1990. The 1990 certificates were partially advance refunded in December 1995. Debt service for the certificates of participation is accounted for in the Jail Lease Purchase fund. The County has agreed to pay base rentals from annually appropriated funds and certain investment earnings. The county is responsible for maintenance of the jail facility and for insurance during the course of the lease. The lease agreements are in accordance with Colorado law as to being subject to annual appropriations by the County. The County intends to annually appropriate for the lease payments.

### 1995 Refunding Certificates of Participation

A schedule, by years, of future minimum lease payments under the lease agreement together with the present value of the net minimum lease payments as of December 31, 2006 is as follows:

Year	Base Principal	Base Interest	Total
2007	\$1,700,000	\$163,000	\$1,863,000
2008	<u>\$1,560,000</u>	<u>\$78,000</u>	<u>\$1,638,000</u>
<b>Total</b>	<u>\$3,260,000</u>	<u>\$241,000</u>	<u>\$3,501,000</u>

Interest rates range from 4.875% to 5.00% payable semiannually on April and October 15.

## DEBT SERVICES OVERVIEW (CONT'D)

On November 3, 1981, Mesa County electors approved a 2% County-wide sales and use tax effective January 1, 1982. In April 1982, the County issued \$35,650,000 of Sales Tax Revenue Bonds. The proceeds were used for capital improvements. The 1982 bonds were advanced refunded in 1983. The 1983 refunding were, in turn, advance refunded in 1985. The 1985 refunding bonds were partially refunded in 1988 and replaced with the 1988 Sales Tax Revenue Refunding Bonds and Subordinate Lien Sales Tax Revenue Refunding Bonds. On April 16, 1998, the County issued \$31,545,000 of Taxable Sales Tax Revenue Refunding Bonds, series 1998; with an average coupon rate of 5.3% to advance refund the \$37,940,000 outstanding 1988 Sales Tax Revenue Refunding Bonds with an average coupon rate of 7.7%. The net proceeds of \$31,032,756 (after payment of fees and other issuance costs of \$457,763) together with existing reserves of \$8,513,946 were used to purchase U.S. Government securities. These securities were deposited in an irrevocable trust with an escrow agent to provide for debt service payments and redemption of the outstanding 1988 Bonds on December 1, 1998. As a result, the 1988 Sales Tax Bonds are considered to be defeased. On August 20, 2004, the County issued \$18,965,000 Non-Taxable Sales Tax Revenue Refunding Bonds, series 2004; with an average coupon rate of 4.5% to advance refunding the \$20,830,000 outstanding 1998 Sales Tax Revenue Refunding Bonds. The County anticipates saving \$2.2 million over the next seven years by the 2004 refinancing of the bonds.

The 2004 bonds are limited obligations of the pledged sales taxes and investment earnings of the reserve funds. Debt service for the bonds is accounted for in the Sales Tax Bonds Fund and meets reserve requirements.

The 2004 Sales Tax Revenue Refunding Bonds are current interest term bonds with interest rates ranging from 3.00% to 6.00%. Interest is payable semiannually on June 1 and December 1 each year. The Bonds are not subject to redemption prior to maturity and are not subject to mandatory sinking fund redemption. A schedule future debt service requirements is as follows:

### Sales Tax Revenue Refunding Bonds

<u>Maturity</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2007	\$2,575,000	\$590,094	\$3,165,094
2008	\$2,675,000	\$494,750	\$3,169,750
2009	\$2,795,000	\$371,375	\$3,166,375
2010	\$2,940,000	\$228,000	\$3,168,000
2011	\$3,090,000	\$77,250	\$3,167,250
<b>Total</b>	<b><u>\$14,075,000</u></b>	<b><u>\$1,761,469</u></b>	<b><u>\$15,836,469</u></b>

## JAIL LEASE PURCHASE

**Revenues**

Department Generated  
General Support Required \*

**Total Revenues**

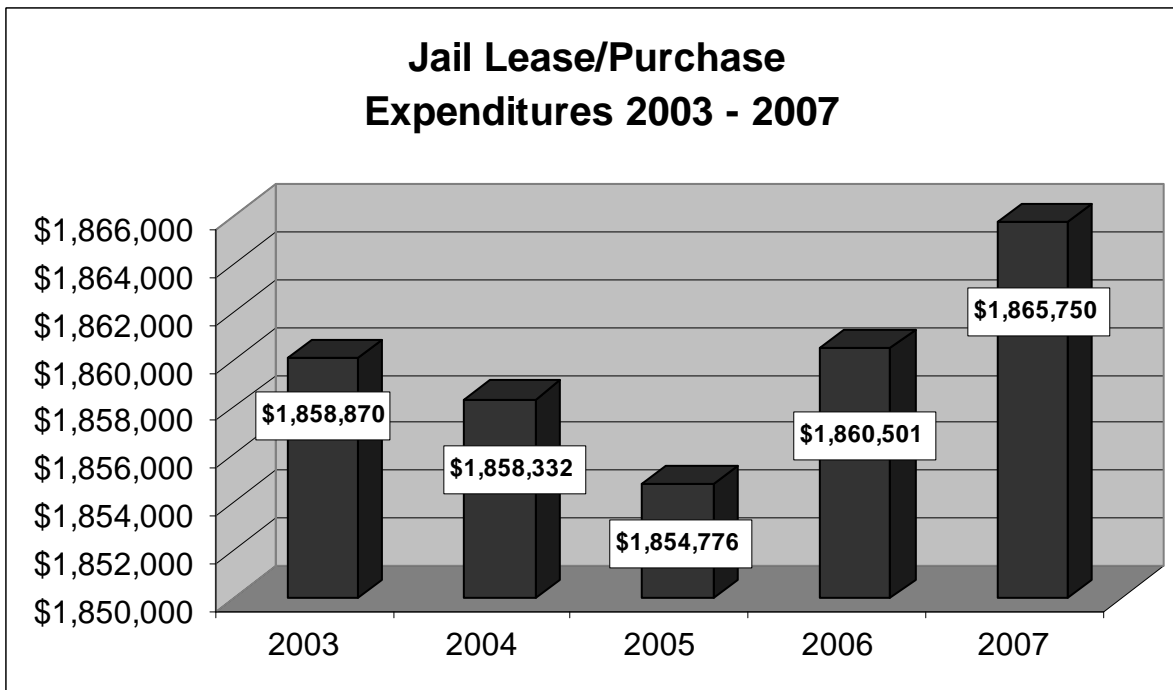
\* Taxes, Transfers or Fund Balance

**Expenditures**

Personnel  
Operating  
Capital Outlay

**Total Expenditures**

	← Actual Audited	→	Projected	Budget	
	2003	2004	2005	2006	2007
Department Generated	\$993	\$1,780	\$5,374	\$7,807	\$0
General Support Required *	1,859,076	1,856,552	1,878,568	1,789,917	1,848,715
<b>Total Revenues</b>	<b>\$1,860,069</b>	<b>\$1,858,332</b>	<b>\$1,883,942</b>	<b>\$1,797,724</b>	<b>\$1,848,715</b>
Personnel	\$0	\$0	\$0	\$0	\$0
Operating	1,860,069	1,858,332	1,854,776	1,860,501	1,865,750
Capital Outlay	0	0	0	0	0
<b>Total Expenditures</b>	<b>\$1,860,069</b>	<b>\$1,858,332</b>	<b>\$1,854,776</b>	<b>\$1,860,501</b>	<b>\$1,865,750</b>



## SALES TAX BOND

**Revenues**

Department Generated  
General Support Required \*

**Total Revenues**

\* Taxes, Transfers or Fund Balance

**Expenditures**

Personnel  
Operating  
Capital Outlay

**Total Expenditures**

	← 2003	Actual Audited 2004	2005 →	Projected 2006	Budget 2007
Department Generated	\$24,800	\$20,344,880	\$69,852	\$81,744	\$0
General Support Required *	3,512,945	3,496,484	3,170,000	2,970,000	3,170,000
<b>Total Revenues</b>	<b>\$3,537,745</b>	<b>\$23,841,364</b>	<b>\$3,239,852</b>	<b>\$3,051,744</b>	<b>\$3,170,000</b>
Personnel	\$0	\$0	\$0	\$0	\$0
Operating	3,537,745	23,841,364	3,168,788	3,169,638	3,170,000
Capital Outlay	0	0	0	0	0
<b>Total Expenditures</b>	<b>\$3,537,745</b>	<b>\$23,841,364</b>	<b>\$3,168,788</b>	<b>\$3,169,638</b>	<b>\$3,170,000</b>

