

DEBT SERVICE FUNDS



**DEBT SERVICE FUND TYPE
OPERATING BUDGET COMPARISON
WITH FY 2003 ACTUALS**

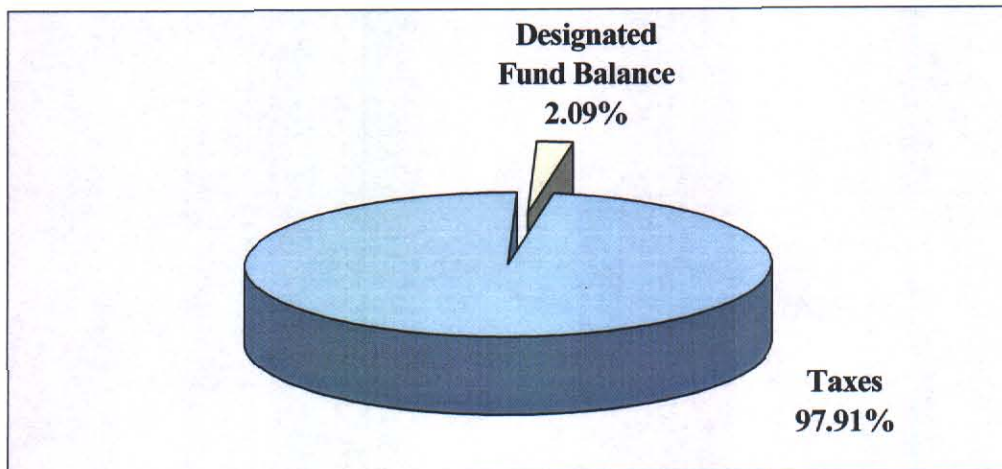
CHANGES IN OPERATING BUDGETS BETWEEN FISCAL YEARS

TAXES

Under the Debt Service Fund Type, the reason for the increase in the amount budgeted for Taxes is due to debt payment requirement changes, as shown in the amortization schedules. The increase in total budget from the adoption of the budget at the beginning of the fiscal year 2004 is due to additional proceeds received from property sales, specifically for the Landmark and Rodeo land.

	FY 2003 ACTUALS	OPERATING BUDGETS			CHANGES	
		Adopted Budget FY 2004	Total Budget FY 2004	Total Budget FY 2005	AMOUNT	%
Revenues (Sources):						
Taxes	\$15,487,610	\$15,235,207	\$15,235,207	\$15,904,848	\$669,641	4.40%
Interest	48,273					
Miscellaneous			201,000		(201,000)	-100.00%
Other Financing Sources	10,615,429					
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Total Revenues and Other Financing Sources	26,151,312	15,235,207	15,436,207	15,904,848	468,641	3.04%
Beginning Fund Balances	869,695	903,662	903,662	873,149	(30,513)	-3.38%
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Total Available Resources	\$27,021,007	\$16,138,869	\$16,339,869	\$16,777,997	\$438,128	2.68%

**Fiscal Year 2005 Budget
Revenue (Sources) – Debt Service Fund Type - \$15,904,848**



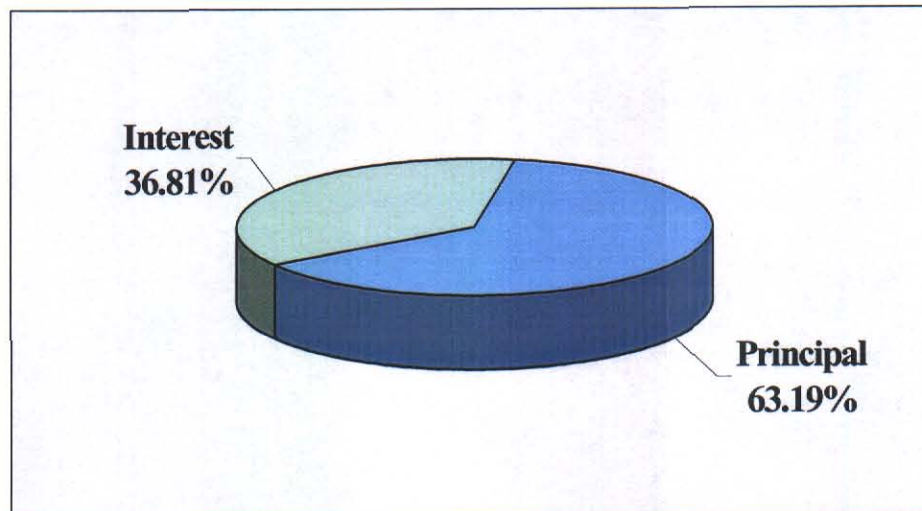
**DEBT SERVICE FUND TYPE
OPERATING BUDGET COMPARISON
WITH FY 2003 ACTUALS**

**CHANGES IN OPERATING BUDGETS BETWEEN FISCAL YEARS
PRINCIPAL, INTEREST AND OTHER DEBT RELATED COSTS**

Under the Debt Service Fund Type, there was a change in the amortization schedules from the amount of interest and principal that must be paid, which is evident in the table below.

	OPERATING BUDGETS			CHANGES		
	FY 2003 Actuals	Adopted Budget FY 2004	Total Budget FY 2004	Total Budget FY 2005	AMOUNT	%
Appropriations/Expenditures (Uses):						
Principal	\$8,690,000	\$9,545,000	\$9,545,000	\$10,265,000	\$720,000	7.54%
Interest	6,908,888	6,454,516	6,454,516	5,979,029	(475,487)	-7.37%
Other Debt Related Costs	204,648	38,056	38,056		(38,056)	-100.00%
Other Financing Sources	10,313,809					
Total Appropriations/Expenditures and Other Financing Uses	26,117,345	16,037,572	16,037,572	16,244,029	206,457	1.29%
Ending Fund Balances	903,662	302,297	302,297	533,968	231,671	76.64%
Total Appropriations, Expenditures, Other Financing Uses and Fund Balances	\$27,021,007	\$16,339,869	\$16,339,869	\$16,777,997	\$438,128	2.68%

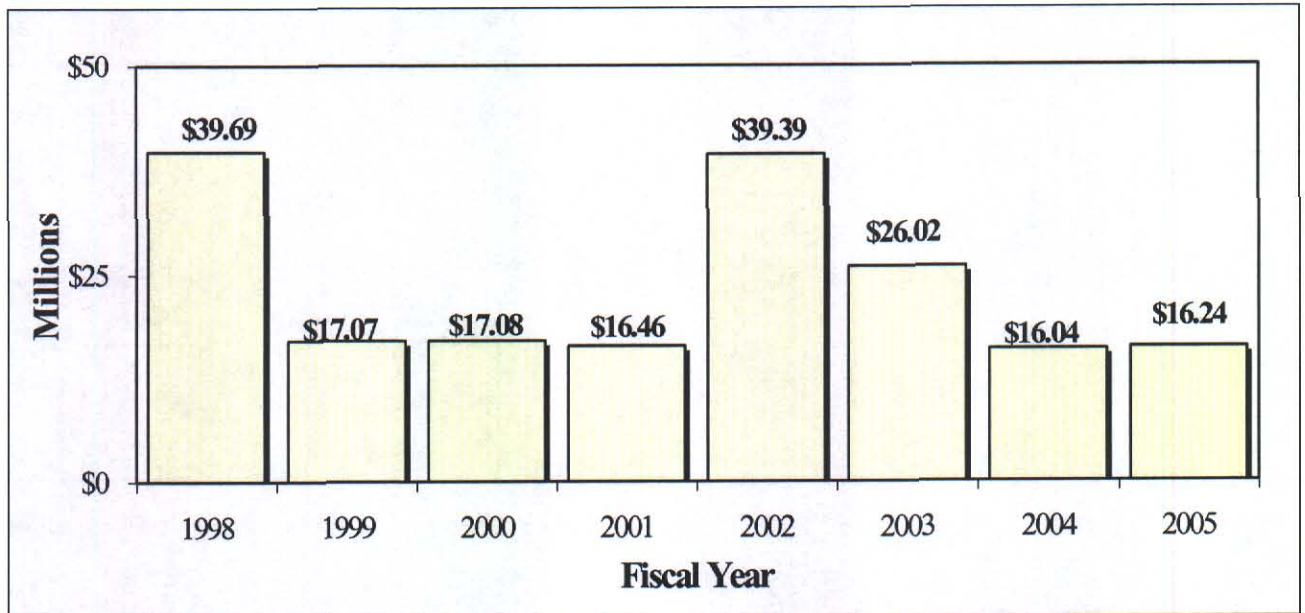
**Fiscal Year 2005 Budget
Appropriations (Uses) – Debt Service Fund Type - \$16,244,029**



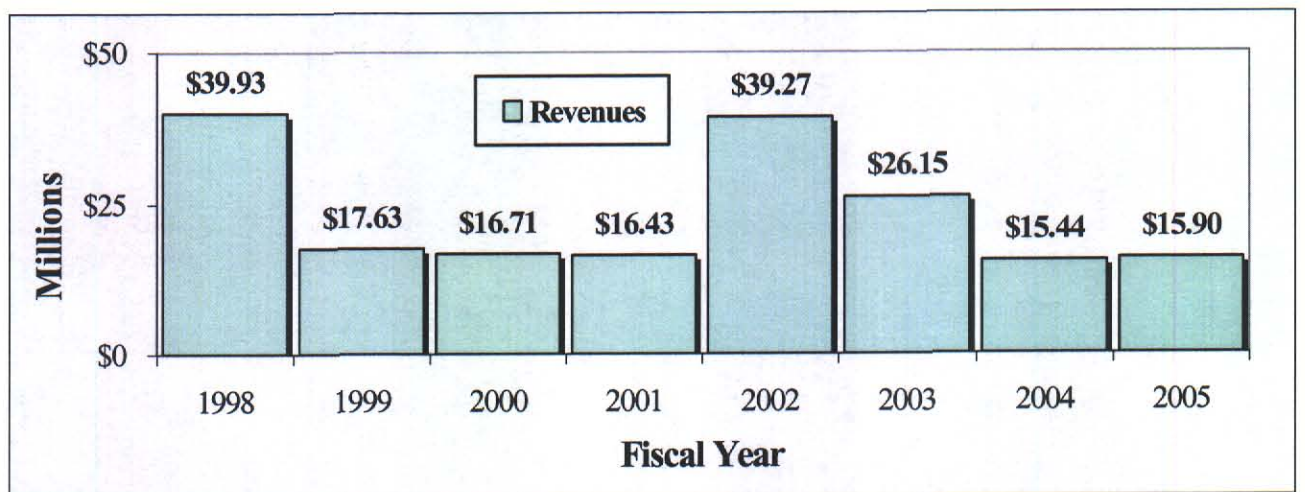
DEBT SERVICE FUND TYPE OPERATING BUDGET COMPARISON WITH FY 2003 ACTUALS

The following tables provide information regarding the Debt Service Fund Type overall budget, and actuals for revenues/expenditures since 1998. **Details can be found in the revenue and expenditure sections of this document.**

Debt Service Fund Type –Budget Trends



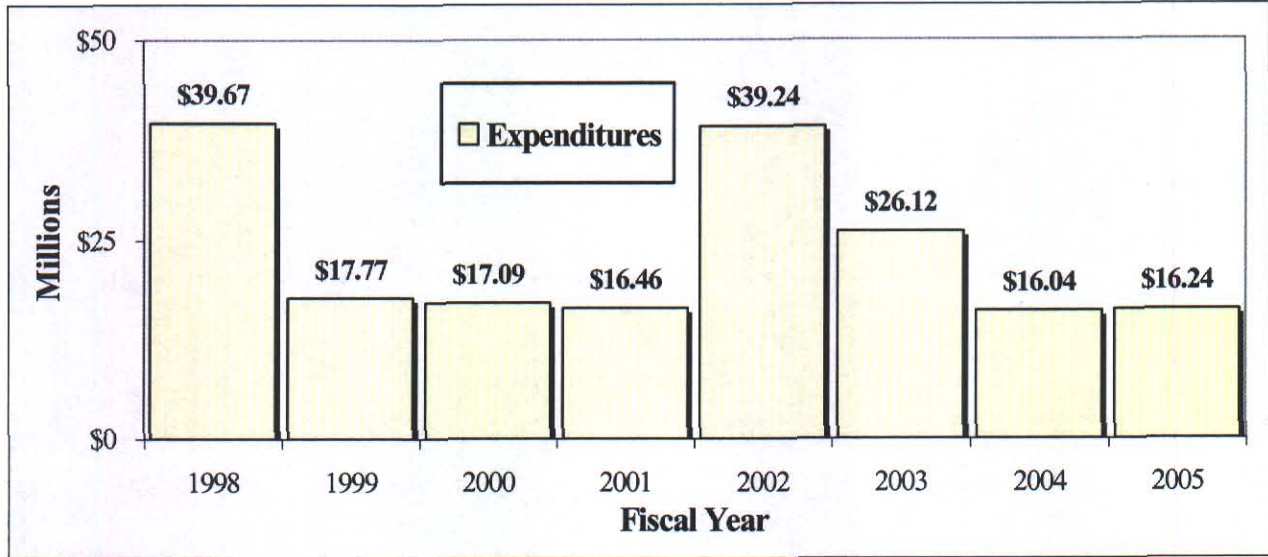
Revenues (Sources): Debt Service Fund Type-Revenue Trends



* FY 2004 and 2005 are Budgets, 1998-2003 are Actuals

DEBT SERVICE FUND TYPE OPERATING BUDGET COMPARISON WITH FY 2003 ACTUALS

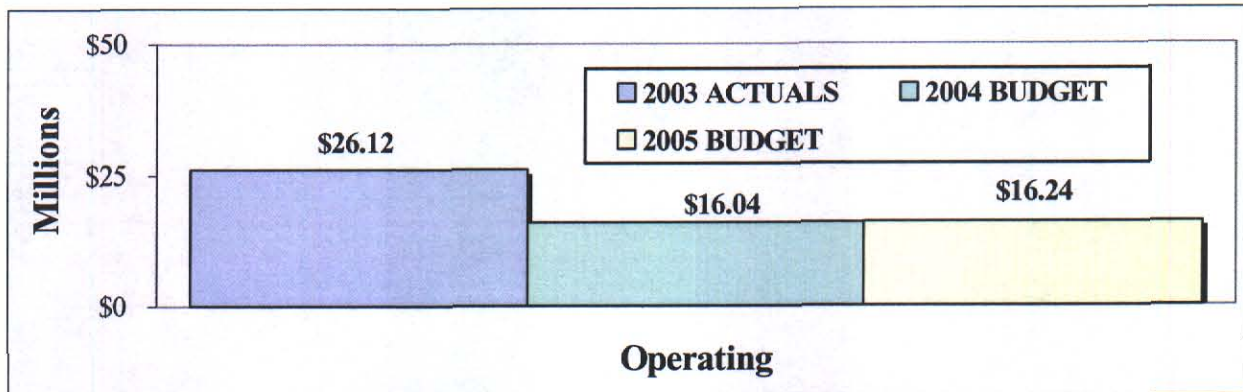
Expenditures (Uses): Debt Service Fund Type – Expenditure Trends



* FY 2004 and 2005 are Budgets, 1998-2003 are Actuals

SUMMARY FOR FISCAL YEAR 2005 BY CHARACTER

Character	FY 2003 Actuals	OPERATING BUDGETS		Changes	
		FY 2004	FY 2005	Amount	%
Operating	\$26,117,345	\$16,037,572	\$16,244,029	\$206,457	1.29%
Total Budgets and Actuals	\$26,117,345	\$16,037,572	\$16,244,029	\$206,457	1.29%



DEBT SERVICE FUNDS

DEPARTMENT DESCRIPTION AND RESPONSIBILITIES

The Debt Service Fund is used for payment of principal and interest on General Obligation Bonds, Certificates of Obligation Bonds and any other related issuance costs.

FINANCIAL TRENDS

	2003	2004	2005	Percentage Change in
Character	Actuals	Budget	Budget	Budget
Personnel				
Operating	\$26,117,345	\$16,037,572	\$16,244,029	1.29%
Capital				
	\$26,117,345	\$16,037,572	\$16,244,029	1.29%

WORK PROGRAM TRENDS

	2003	2004	2005
Department Activity	Actuals	Actuals	Projected
Not Applicable		Not Applicable	

STAFFING TRENDS

	2003	Fiscal Year 2004	2005
Authorized Positions			
Full-time employees		Not Applicable	
Part-time employees			
Totals			

AUTHORIZED POSITION DETAIL

Not Applicable

SCHEDULE OF OUTSTANDING BONDED INDEBTEDNESS AS OF OCTOBER 1, 2004

Limited Tax Bonds

<u>General Obligation Bonds:</u>	<u>Interest Rate:</u>	<u>Outstanding Debt:</u>
General Obligation Series 1993A	4.85-7.50%	\$1,805,000
General Obligation Refunding Series 1998	3.75-5.00%	24,430,000
General Obligation Refunding Series 2001	4.00-5.00%	14,775,000
General Obligation Refunding Series 2002	3.00-5.25%	1,330,000
General Obligation Refunding Series 2002A	3.00-4.50%	8,805,000
		<u>\$51,145,000</u>
 <u>Certificates of Obligation:</u>		
Certificate of Obligation Series 1994A	5.90-8.80%	\$365,000
Certificate of Obligation Series 1997	4.75-7.75%	7,300,000
Certificate of Obligation Series 1998	4.20-5.25%	11,185,000
Certificate of Obligation Series 2001	4.00-5.50%	32,275,000
Certificate of Obligation Series 2002	3.50-4.00%	29,495,000
		<u>\$80,620,000</u>
 Total Limited Tax Bonds		<u>\$131,765,000</u>

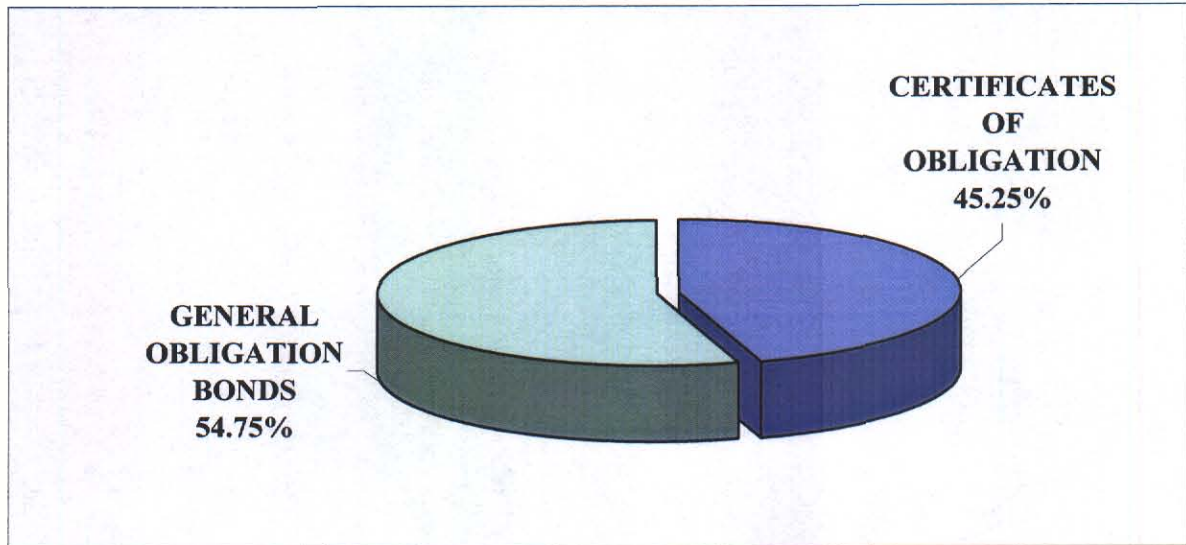
The County issues general and certificate of obligation bonds to provide the resources for the acquisition and construction of capital assets. At October 1, 2004, the County had \$131,765,000 in principal outstanding debt issues, as shown above.

The general and certificate of obligation bonds are direct obligations of the County, payable from the levy and collection of a direct and continuing ad valorem tax, within the limits prescribed by law, on all taxable property within the County in an amount sufficient to provide payment of principal and interest. All general and certificate of obligation bonds have principal maturities on February 15th, with interest payable semi-annually on February and Augusts 15th.

Both Moody's Investors Service and Standards & Poors reaffirmed bond ratings as a stable outlook in El Paso on the bonds mentioned above with ratings of A1 and AA- respectively. Overall, both ratings reflect the County's current stable credit position that depends upon adequate operating margins and fund balance reserves. With regards to the County's bond ratings, ratings may be changed, suspended or withdrawn as a result of changes in, or unavailability of information.

DEBT SERVICE REQUIREMENTS FOR FISCAL YEAR 2005

General Obligation Bonds	Fiscal Year 2005 Budget
General Obligation Jail Bond 1993A	\$1,852,833
General Obligation Refunding Series 1998	1,574,892
General Obligation Refunding Series 2001	4,028,994
General Obligation Refunding Series 2002	49,963
General Obligation Refunding Series 2002A	1,386,413
	\$8,893,095
Certificates of Obligation	
Certificate of Obligation Series 1994	\$375,950
Certificate of Obligation Series 1997	752,700
Certificate of Obligation Series 1998	2,052,878
Certificate of Obligation Series 2001	2,744,214
Certificate of Obligation Series 2002	1,425,192
	\$7,350,934
TOTAL DEBT SERVICE REQUIREMENTS	\$16,244,029

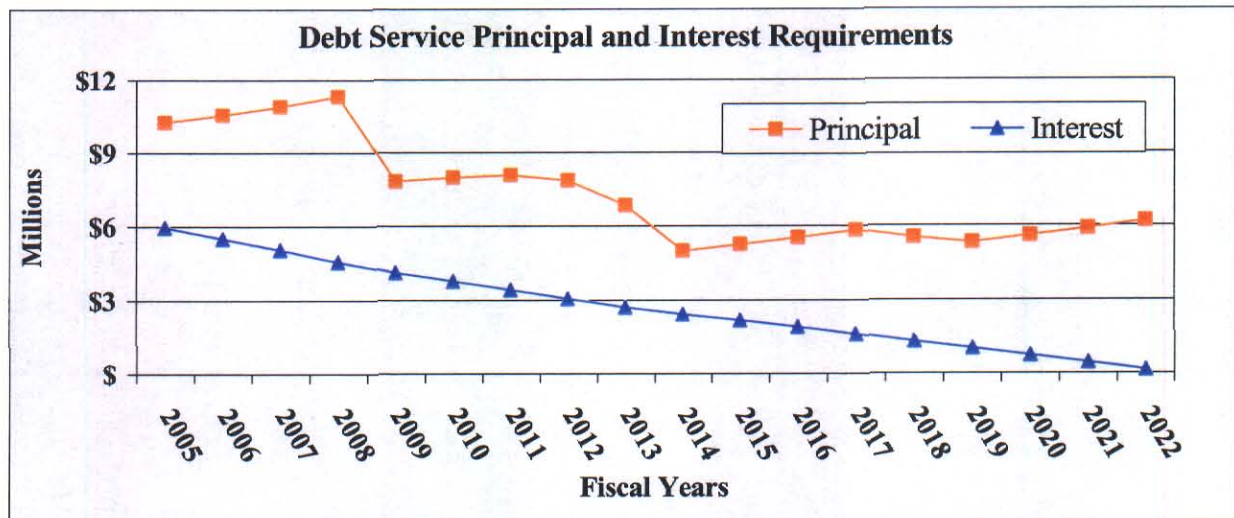


The Debt Service requirements for fiscal year 2005 total \$16,244,029. Of this amount, \$10,265,000 represents principal and \$5,979,029 interest. The debt to be repaid in 2005 is for payments to refund portions of the original bonds issued for park improvement, to construct the Jail Annex, for courthouse expansion and parking, Fabens Port of Entry and the purchase of election equipment. **For fiscal year 2005, the County Commissioners have not expressed their intent to issue debt to finance any new construction or equipment.** As a matter of information, the County made payments of \$9,545,000 in principal and \$6,454,516 in interest payments for fiscal year 2004, not including \$38,056 in other debt related costs.

DEBT SERVICE PRINCIPAL AND INTEREST REQUIREMENTS FOR FISCAL YEARS 2005-2022

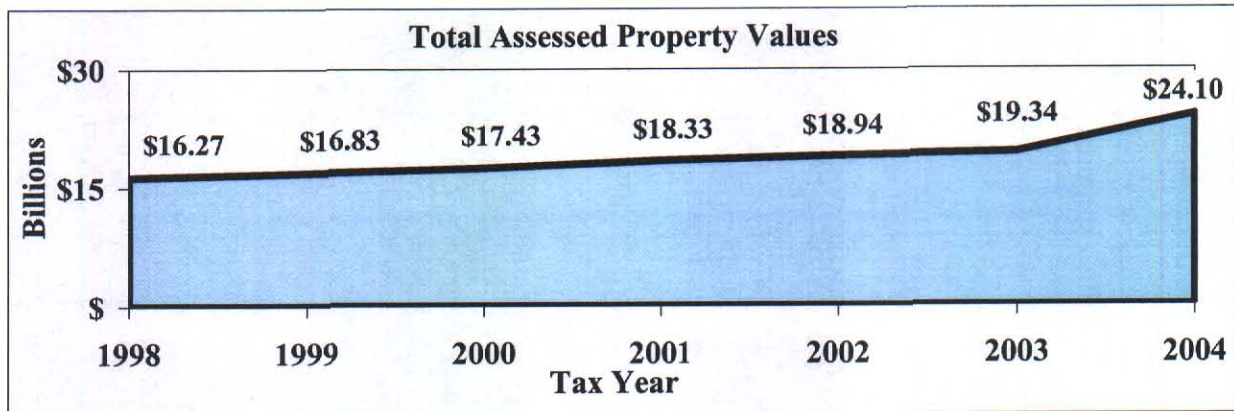
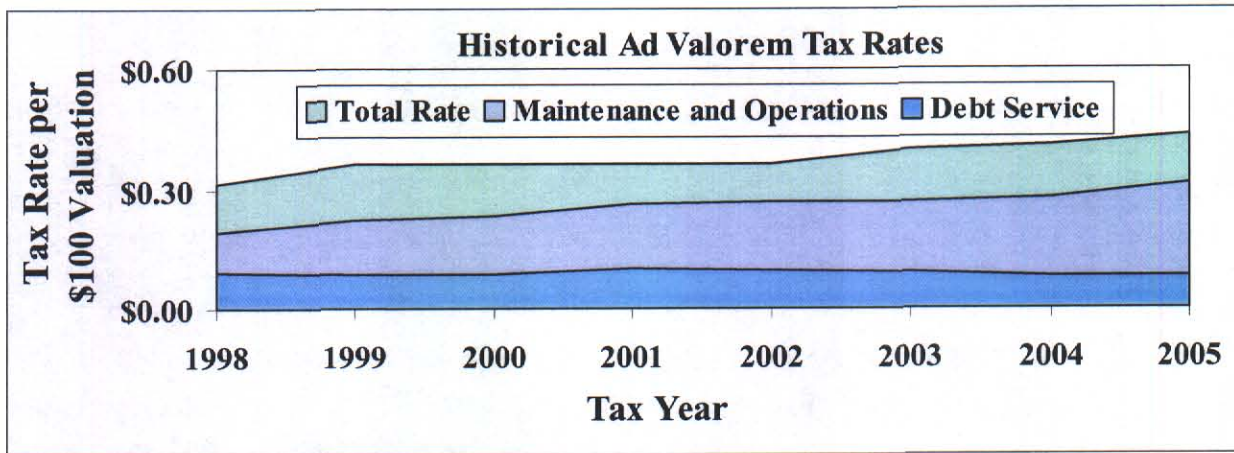
The following table and chart show the debt service outstanding as of 2004 to be paid beginning in fiscal year 2005 through fiscal year 2022. **As a matter of information, the 2004 debt requirements were as follows: \$9,545,000 for principal and \$6,454,516 for interest.**

FISCAL YEAR	TOTAL BONDS		TOTAL
	PRINCIPAL	INTEREST	
2005	10,265,000	5,979,029	16,244,029
2006	10,570,000	5,522,878	16,092,878
2007	10,920,000	5,064,034	15,984,034
2008	11,335,000	4,572,746	15,907,746
2009	7,830,000	4,144,980	11,974,980
2010	7,985,000	3,796,655	11,781,655
2011	8,080,000	3,435,315	11,515,315
2012	7,855,000	3,070,584	10,925,584
2013	6,845,000	2,722,405	9,567,405
2014	4,995,000	2,433,369	7,428,369
2015	5,245,000	2,184,584	7,429,584
2016	5,525,000	1,911,513	7,436,513
2017	5,825,000	1,615,048	7,440,048
2018	5,525,000	1,316,563	6,841,563
2019	5,310,000	1,031,651	6,341,651
2020	5,590,000	748,476	6,338,476
2021	5,880,000	456,250	6,336,250
2022	6,185,000	154,625	6,339,625
TOTALS	\$131,765,000	\$50,160,705	\$181,925,705



SCHEDULE OF TOTAL ASSESSED PROPERTY VALUES AND PROPERTY TAX RATES EXPRESSED IN THOUSANDS

Tax Year	Total Assessed Property Values in Thousands	Tax Rates per \$100/Valuation		
		Maintenance and Operations	Debt Service	Total Rate
1998	\$16,274,988	\$0.230603	\$0.084397	\$0.315000
1999	\$16,834,100	\$0.260211	\$0.101223	\$0.361434
2000	\$17,426,643	\$0.265855	\$0.095579	\$0.361434
2001	\$18,332,711	\$0.268593	\$0.092841	\$0.361434
2002	\$18,937,117	\$0.278269	\$0.083165	\$0.361434
2003	\$19,344,634	\$0.314349	\$0.082261	\$0.396610
2004	\$24,095,883	\$0.335034	\$0.075783	\$0.410817
2005	Not Available	\$0.356476	\$0.075783	\$0.432259

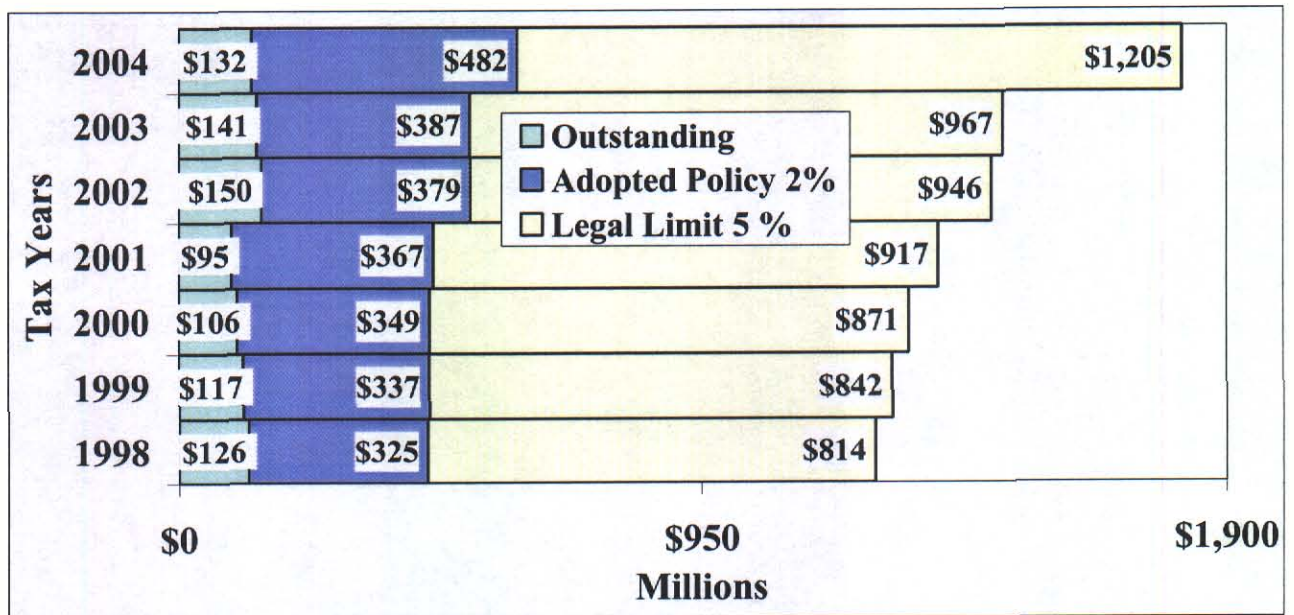


Since fiscal year 1998, the County's total assessed property values have increased by over \$7.82 billion dollars, or 48%. Unfortunately, property value growth alone has not been able to sustain the growth in services and expenditures over the years. Accordingly, property tax increases were necessary. The growth in property tax rates has increased by a little over 11 cents, or by 37%.

**SCHEDULE OF DEBT LIMITS AND BUDGETS
EXPRESSED IN THOUSANDS**

Tax Year	Total Assessed Property Values in Thousands	Debt Limits Based on Net Property Values		Actual Gross Bonded Debt as of 9/30
		Legal- 5%	Adopted Policy 2%	
1998	\$16,274,988	\$813,749	\$325,500	\$125,974
1999	\$16,834,100	\$841,705	\$336,682	\$117,043
2000	\$17,426,643	\$871,332	\$348,533	\$105,858
2001	\$18,332,711	\$916,636	\$366,654	\$94,693
2002	\$18,937,117	\$946,856	\$378,742	\$150,085
2003	\$19,344,634	\$967,232	\$386,893	\$141,310
2004	\$24,095,883	\$1,204,794	\$481,918	\$131,765
2005	Not Available			

DEBT LIMITS BASED ON ASSESSED PROPERTY VALUES

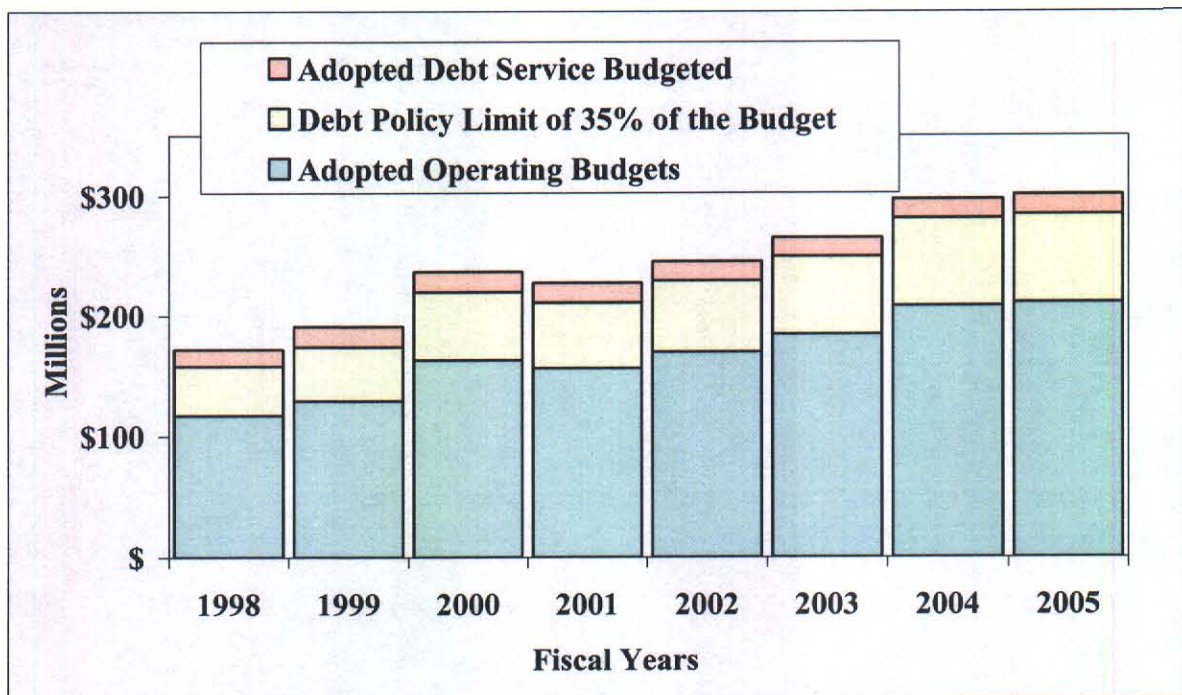


As of September 30 2004, the County had **net bonded debt** amounting to \$130,801,000, an assessed value ratio of .54 percent and a debt per capita ratio of \$183.19. Under current State statute, County total general bond obligation issuances are subject to a limitation of five percent of the total assessed value of real and personal property. As of September 30, 2004, the County's net general obligation bonded debt of \$130,801,000 was well below the legal limit of \$1,204,794,000.

SCHEDULE OF DEBT LIMITS AND BUDGETS EXPRESSED IN THOUSANDS

Fiscal Years	Adopted Operating Budgets	Debt Policy Limit of 35% of the Budget	Adopted Debt Service Budgeted	Debt Service as a % of the Budget
1998	\$116,874	\$40,906	\$14,200	12.15%
1999	\$128,868	\$45,104	\$17,068	13.24%
2000	\$162,816	\$56,986	\$17,081	10.49%
2001	\$156,264	\$54,692	\$16,463	10.54%
2002	\$169,923	\$59,473	\$15,881	9.35%
2003	\$184,798	\$64,679	\$15,857	8.58%
2004	\$208,411	\$72,944	\$16,037	7.69%
2005	\$210,926	\$73,824	\$16,244	7.70%

COMPARISON OF BUDGETED DEBT TO POLICY LIMITS



As can be seen in the graph and chart above, the County has consistently met its financial debt limit policy to “not exceed 35 percent of the total budget, in any fiscal year pursuant to Article VIII, Section 9, of the Texas Constitution.” In fact, Debt Service as a percentage of the budget has been decreasing since 1998.

Description of Indebtness

October 1, 2004

Certificates of Obligation, Series 1994A

This fund is used for the payment of principal and interest on bonds issued to pay contractual obligations incurred for the construction of public works, the purchase of materials, supplies, equipment, machinery, buildings, land, rights of way for authorized needs and purposes, constructing, renovating and improving county owned buildings.

Certificates of Obligation, Series 1997

This fund is used for the payment of principal and interest on bonds issued to pay contractual obligations incurred for the construction and equipping of the addition to the County's Jail Annex, juvenile administration building, public works, an automatic sprinkler system for Ascarate Park, improvements to the County's parks and the purchase of materials, supplies, equipment and machinery relating to the park system.

Certificates of Obligation, Series 1998

This fund is used for the payment of principal and interest on bonds issued to pay contractual obligations to be incurred for additions, renovations and equipment for the County Courthouse and other County facilities, for additions and improvements to the County's computer and data processing system, for improvements and furnishings for the County's computer center.

Certificates of Obligation, Series 2001

This fund is used for the payment of principal and interest on bonds issued to pay contractual obligations to be incurred for courthouse expansion, courthouse parking, park improvements, courthouse capital needs, an eastside regional park, rural parks, animal shelter, Fabens Port of Entry, coliseum, purchase of land and election equipment, and other County facility renovations.

Certificates of Obligation, Series 2002

This fund is used for the payment of principal and interest on bonds issued to pay contractual obligations to be incurred for courthouse expansion and courthouse parking, courthouse capital needs and improvements of the County's water infrastructure.

General Obligation, Series 1993A

This fund is used for the payment of principal and interest on bonds issued to construct a Jail Annex Facility to house prisoners and to alleviate overcrowding of the main County Sheriff Detention Facility in Downtown El Paso.

Description of Indebtness

October 1, 2004

General Obligation Refunding Bonds, Series 1993B

This fund is used for the payment of principal and interest on bonds issued to advance refund portions of the General Obligation Bonds, Series 1986A, 1986B, 1988, and Certificates of Obligation, Series 1990. The Parking Facilities Revenue Certificates of Obligation, Series 1989 were fully refunded.

General Obligation Refunding Bonds, Series 1993C

This fund is used for the payment of principal and interest on bonds issued to advance refund portions of the General Obligation Bonds, Series 1986-A and Certificates of Obligation, Series 1990.

General Obligation Refunding Bonds, Series 1998

This fund is used for the payment of principal and interest on bonds issued to advance refund portions of Certificates of Obligation, series 1990, Series 1992-A, Series 1994 and General Obligation Jail Bonds, Series 1993-A.

General Obligation Refunding Bonds, Series 2001

This fund is used for the payment of principal and interest on bonds issued to refund portions of General Obligation Refunding Bonds Series 1992, Certificate of Obligation Series 1992-A, and General Obligation Refunding Bonds Series 1992-B.

General Obligation Refunding Bonds, Series 2002

This fund is used for the payment of principal and interest on bonds issued to refund portions of Certificates of Obligation, series 1998.

General Obligation Refunding Bonds, Series 2002A

This fund is used for the payment of principal and interest on bonds issued to refund portions of General Obligation Refunding 1993B And 1993C .

