



MEMORANDUM

Date: November 13, 2009

To: The Honorable Chairman and Members
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator

A handwritten signature in black ink, appearing to read "CH Huckelberry", is written over the printed name of the County Administrator.

Re: **County Bonded Indebtedness and Debt Management**

I. Introduction.

In a previous Board meeting, a request was made for information regarding the County's bonded indebtedness for general obligation bonds, highway user revenue fund (HURF) bonds, sewer revenue bonds, sewer loans with the Water Infrastructure & Finance Authority (WIFA), and Certificates of Participation. This memorandum provides the requested information; a qualitative discussion of the County's bonded indebtedness and our debt management principles and practices; and independent evaluation commentary on our debt and debt management.

II. County Bonded Indebtedness Continuously Disclosed in our Financial Management Documents.

The County's bonded indebtedness is disclosed annually in our Adopted Budget, as well as in the Comprehensive Annual Financial Report (CAFR).

Each year our long-term debt obligations are disclosed as of that fiscal year. This information is shown in Attachment 1 and also within the Adopted Budget, beginning on Page 16-49 and continuing to Page 16-56 in the Fiscal Year 2010 Adopted Budget. This information covers the County's long-term debt from a variety of sources and is a snapshot of the County's debt position at the time of budget adoption. These numbers will change during the course of the fiscal year as debt is retired and new debt may be issued to support ongoing voter-authorized bond programs. The annual budget also contains a detailed description of the County's debt policies and practices. This information is Attachment 2 and begins on Page 16-38 of the Adopted Budget and continues through Page 16-41.

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Our debt is also reported in our CAFR (Attachment 3). The information for Fiscal Year 2008 is shown in Note 7 of the Notes to Financial Statements and can be found on Pages 60 through 68 of the CAFR. This information is disclosed in the form identified each year upon budget adoption and in each CAFR. County budgets and CAFRs are published online at <http://www.pima.gov/finance/HTML/Reports.html>. Budget information is posted for Fiscal Years 2004/05 through 2009/10, and CAFRs are posted for Fiscal Years 1997/98 through 2007/08.

III. Detailed Schedule of County Long-term Debt Published Annually and Updated Each Year in the Pima County Debt Manual.

The Pima County Debt Manual (Attachment 4) includes all information with regard to the County's long-term debt. The manual is to manage various bond authorizations and bond issuance sales by date and to cross-tie to the Adopted Budget. Appropriate repayment schedules of the County then must be budgeted each year in the Adopted Budget. It is essential that our debt be actively monitored and managed. This active management and monitoring occurs through Finance staff as well as County Administration. To assist the Board in reviewing the long-term debt manual, I am enclosing as Attachment 5 a memorandum from the Finance and Risk Management Director explaining the details of the debt manual. The manual is current to its last update and will be updated again with the bond sales that occurred on April 22, May 6, June 10, and October 7, 2009. These updates are included as Attachment 6. Please note that further updates to the debt manual will occur with the issuance of general obligation and HURF bonds by the sale scheduled for November 17, 2009.

IV. Opinion of County Debt and Debt Management.

At the time of issuance of any bonded indebtedness, the County is required to receive credit ratings following evaluation by national credit rating services. These rating services include Moody's, Standard & Poor's, and Fitch Ratings. The most recent ratings for County debt issuance were received from Standard & Poor's and Fitch. Our debt rating remains the same: AA-/Stable, which is the same rating the County has received for the last several years. I am including as Attachments 7a and 7b the ratings associated with the proposed debt issuance and sales scheduled for November 17, 2009. However, key statements with regard to the County's debt are instructive and important to highlight. Fitch Ratings writes, in part:

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"County overall debt ratios are moderate at about \$1,500 per capita and 1.9% of fiscal 2010 market value. Payout of GO debt is rapid with more than 80% repaid in 10 years."

Standard & Poor's states:

"Overall net debt levels are, in our view, low at \$1,282 per capita and 1.6% of market value. Amortization of the county's direct GO and COP debt is what we consider rapid, with approximately 75% of principal maturing in 10 years and all retired in 20 years."

Further, with regard to County management and budget monitoring, Fitch Ratings stated:

"Given the ongoing recessionary pressures in Arizona, Fitch believes the close monitoring and prompt action displayed by County administrators during fiscal 2009 will be critical over the next several years to preserving adequate reserves and maintaining the current rating."

They also state:

"The County recorded a string of positive general fund results from fiscal 2005 to fiscal 2008 and the unreserved fund balance nearly doubled from \$33 million to \$65 million during that period..."

Standard & Poor's states:

"In our opinion, the county has performed well financially in recent years due to its strong property tax growth and strong financial practices, including a demonstrated willingness to adjust spending midyear to reflect decreasing state revenues."

They further state:

"Pima County's management practices are considered "strong" under Standard & Poor's Financial Management Assessment (FMA). In our framework, an FMA of strong indicates that practices are strong, well embedded, and likely sustainable."

Clearly, the national credit rating firms who rate thousands of debt issuances for cities, towns and counties believe the County's debt levels are moderate, with rapid debt repayment and that active budget monitoring and management has resulted in general

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County fiscal stability, even with the current context of uncertain recessionary conditions throughout Arizona and an unbalanced State budget.

V. Why does Pima County rank first in bonded indebtedness among Arizona counties?

Several parties have commented with regard to the level of debt in Pima County among all other Arizona counties. At first glance, this might seem to be a matter of concern; however, it does not in and of itself articulate Pima County's governmental obligations philosophy of having growth proportionately pay for County capital improvements. As of June 30, 2008, the date from which comparable statewide information is available, the County's outstanding general obligation debt of \$348,335,000, our HURF revenue bond debt and sewer revenue debt of \$380,211,667, and \$29,075,000 of Certificates of Participation (total debt of \$757,621,667) has been reported by some as "alarming." This is inaccurate and unfounded. Our debt must be considered within the context of the County's governmental responsibilities, which may differ from other counties in Arizona.

Pima County is the only county in Arizona that operates a regional wastewater system serving a population of now over one million. The outstanding sewer revenue bond and other bond indebtedness of the Regional Wastewater Reclamation Department is not unusual and will grow given the once every 50 years capital obligations the department is under. The Board is fully aware and briefed on the capital expenditure implications of the Regional Optimization Management Plan (ROMP). ROMP will require significant capital financing in the next few years. It will increase the agency's debt substantially; however, that debt is related to replacing the more than 60 years old regional wastewater treatment facility and meeting environmental compliance requirements imposed by the Arizona Department of Environmental Quality. The current debt of our wastewater agency should be compared to similar wastewater agencies in the Maricopa metropolitan area, such as the City of Phoenix, which operates a regional wastewater system serving 400,000 connections, which has today an outstanding wastewater revenue debt of \$835 million. By comparison, the combined debt of wastewater (serving 260,000 connections) in Pima County was \$236 million. When comparing total County indebtedness throughout Arizona, wastewater debt clearly should not be included as a valid comparator.

Pima County is also the only county in Arizona to have issued highway revenue debt, with \$137 million currently outstanding. The issuance of this debt is well documented and incurred when the County received additional HURF funding as a result of statewide legislation to more equitably distribute these gas taxes among counties. The significantly increased revenues due Pima County, which were won through legislative reform and frankly had been due Pima County for the previous 20 years, enabled the County to issue

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bonds to catch up with much of the backlog of highway transportation capacity improvements in the unincorporated area, requiring the County, in November 1997, to go to the voters for authorization of a revenue bond issue. This authorization was originally planned for only improvements in the unincorporated area. The City of Tucson at the time threatened to oppose the bond issue unless they received County HURF bonds: something to which they were not legally entitled. The County agreed and allocated a significant portion of the \$350 million voter authorization to transportation improvements within the City of Tucson.

The issuance of these bonds in the future will be severely limited due to declines that have been well documented in HURF revenues statewide. Given the national and state recession, the issuance of new bonded indebtedness for HURF bonds will occur less frequently and in lower amounts than previously scheduled, with project implementation emphasizing the primary legal obligations of the County with regard to transportation in the unincorporated area. Given the unusually unique circumstances of Pima County being the only county in Arizona to issue HURF bonds and the fact Pima County is the only county in Arizona to allow County HURF bonds to be used for improvements inside cities and towns, the amount of bonded indebtedness is unique and, again, should not be a comparator to other counties.

The amount of general obligation bond issuance of Pima County as compared to others is a fair comparator, with one exception, that being Maricopa County. Maricopa County has historically had the fiscal capacity to finance their capital improvements through a pay-as-you-go philosophy, which is simply to utilize levied and collected primary property taxes within Maricopa County, accumulated over many years, to pay for capital improvements. The latest project to receive pay-as-you-go financing is the Superior Court Complex in Maricopa County, costing approximately \$340 million.

Pima County has philosophically chosen general obligation bonding to provide needed capital improvements and to provide some form of future user pay and benefit equity, simply meaning that long-term capital improvements constructed by the County with voter-authorized bonds will be utilized by future residents and property taxpayers in Pima County. A portion of the cost of providing these capital facilities can be transferred to these future residents by bonding the improvements over the next ten to 15 years.

Given the County's general obligation debt of \$348 million and the estimated annual principal repayment now approaching \$40 million as indicated in a memorandum to the Bond Advisory Committee dated October 8, 2009 (Attachment 8), it can be seen that the County's existing debt is relatively low and our repayment schedule surprisingly short-lived (as identified by both Standard & Poor's and Fitch Ratings, compared to other entities they

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rate). This is most appropriate given that the County will face continuing capital obligations as a result of population expansion. While the current recession has tempered growth and development, it is likely by 2011 that population expansion and development will return to the average that has been experienced over the last three decades.

VI. Pima County Debt as Compared to Other Arizona Counties

Pima County is also unique from all other Arizona counties in that a large percentage of our total county population resides in the unincorporated area – approximately 36 percent (as compared to Maricopa County, which has only six percent of its population in the unincorporated area).

If Pima County were a city, based on unincorporated population, we would be the fourth largest city in Arizona. The significant percentage of our population living in the unincorporated area places additional service and capital demands on the County, particularly in the area of public works development and public health. Based on the annual Arizona debt report prepared by the Arizona Department of Revenue for the year ending June 30, 2008, municipalities in Arizona with an even lesser population have a debt load significantly higher than that of Pima County. For example, the City of Glendale, with a population of 248,000, has a total outstanding indebtedness of \$926 million. During the same year, Pima County's indebtedness was reported at \$757 million. The City of Mesa, with a population of 460,000, has a total outstanding debt of \$1,154,000,000; the City of Tucson, with a population of 544,000, has outstanding debt of \$1,009,000,000. The City of Phoenix, whose population is 1,561,000, has outstanding indebtedness of \$6,310,000,000. The City of Scottsdale, with a population of 242,000 has outstanding debt of \$1,114,000,000. We have not examined the length of the debt periods or repayment timeframes for these municipalities; however, it is likely that their debt repayment schedule is not nearly as rapid as Pima County's. Most County general obligation debt is repaid within ten years and all within 15 years of issuance.

VII. Certificate of Participation Debt

Recently, there has been a great deal of discussion about our issuance of Certificates of Participation (COPs). This debt issuance requires discussion within this report as the County's purpose in issuing COPs has not been well understood or been misinterpreted. In the past, the County has used COPs to finance the construction of the baseball stadium, the acquisition of the Public Works Building and the Legal Services Building, the acquisition of the Bank of America Building, and the construction of the Jackson Employment Center.

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These COPs were issued for 15-year terms, and the COPs for the Public Works and Legal Services buildings were paid off in 2005. More recently, the issuance of COPs has been for debt of a shorter duration as defined as a two to four year period as bridge financing to sustain capital programs primarily in the departments of Transportation and Regional Wastewater Reclamation.

The County receives considerable revenues in the form of transportation impact fees and sewer connection fees. These revenues can be tens of millions of dollars annually, particularly in times of population expansion and growth. As these are local revenues of the County, they count against the County's constitutional expenditure limitation unless they are offset by debt issuance. Pima County has issued COPs to finance transportation and wastewater reclamation capital improvements with offsetting revenues for COP repayment directly from impact fee and sewer connection fee revenues collected by each department. There is no cost to the taxpayers for this financing methodology, as the COPs are completely repaid by non-tax revenues that exist within cash accounts of the County. These COPs are entirely retired within three years.

At its October 20, 2009 meeting, the Board authorized the issuance of COPs to finance the County's financial management, human resource, and procurement systems replacement. As much as \$20 million in COPs will be issued for this purpose. Professional proposals are being reviewed for the replacement of our systems with one system costing as much as \$19 million, and the other \$12 million. Pursuant to Board discussions regarding this matter, we will endeavor to pay off a significant portion of the cost of replacing the County's financial management system through savings created by consolidation and improved financial and business practices that will result from the new system. This repayment will occur within six to ten years.

VIII. Benefits of Bonding.

There are a number of benefits that can be achieved with regard to public bonding or debt issuance. These are classified as a) public improvements; b) countercyclical economic benefits, such as employment and economic activity; c) historic low cost of borrowing, which benefits the taxpayers; and d) debt, a method of having growth pay for itself. These benefits are explained in more detail below.

- A. Public Improvements. Bonding for capital public improvements allows the improvements to be constructed much sooner than would normally occur if the method of financing such public improvements were either pay-as-you-go or some other form. Public improvements financed with general obligation bonds

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or any other debt instrument can be constructed years earlier than other options and may, in fact, be the only viable method of delivering public benefit.

- B. Countercyclical Economic Benefits and Increased Employment. The County has a long history of bonding and has used public debt and bonding as a countercyclical tool to bolster the local and regional economy. During times of economic expansion, competition for scarce resources makes public improvements programs costly and more expensive to implement. When the economy is in a recessionary mode, the local economy benefits from public spending, and there is the added benefit of delivering public projects for public enjoyment. This countercyclical economic strategy has been used successfully by the County in prior recessions to increase employment in the local construction and related industries. Today, in the deepest economic recession since the Depression, the County has executed a thoughtful, aggressive strategy in countercyclical economic benefit. In calendar year 2009, it is likely the County will cause to be constructed or issue contracts totaling more than \$351 million in public improvements. These improvements are being constructed at costs below those expected and have resulted in increased construction employment within the local economy. Attachment 9 is a list of all projects being constructed, are contracted for construction, or will be under contract by the end of the year; the expected cost versus the engineer's or architect's estimate; and the number of local jobs created by the project.

In summary, this work is being completed at a cost of approximately \$64 million less than expected, and 2,231 jobs have been created. The counter-cyclical economic benefits of County bond programs are clear and evident.

- C. Historic Low Cost of Borrowing Benefits Taxpayers. Attachment 10 is a table indicating the historic ten-year cost of borrowing. The average net interest rate of these bond borrowings is 4.11 percent. This can be compared with bond issuances one or two decades earlier, where the typical interest rate was approximately eight percent. Given the stability of low-interest borrowing for municipal bonding, there has been no better time in the last 30 years to issue municipal bonding debt. These lower interest rates are of significant benefit to Pima County taxpayers. Given our historic issuance of between \$75 and \$100 million of general obligation debt over the last three to four years at interest rates averaging four percent, if this same debt had been issued when interest rates were averaging eight percent in the 1980s, the additional cost to County taxpayers would have been approximately \$58 million (Attachment 11).

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D. Debt Issuance as a Method of Having Growth Pay for Itself. Pima County has taken the position for years that new growth should largely pay for itself, meaning that as population expands and new infrastructure is required, the cost of this infrastructure should be paid largely by the growth increment that resulted in its need. Bonding is one method of transferring capital improvement costs to future residents, taxpayers, and users. For example, the maximum life of County bonds has been controlled at 15 years. Fifteen years ago, the population was 723,199, and the County's net assessed value was \$3.219 billion. Today's population is approximately 1,020,000, and the net assessed value is \$9.841 billion. Bonds issued 15 years ago are now retired. Over their debt retirement period, the number of people contributing toward the retirement of that debt increased by 41 percent, and the value of property contributing increased by almost 206 percent; hence growth does, in part, pay for its future cost.

IX. Summary

As can be seen, as of June 30, 2008, total outstanding County debt was \$757 million. However, the majority of this debt relates to the County's unique position as a wastewater provider and the only county in Arizona to issue HURF bonds. Our general obligation debt, which directly relates to property taxation, was \$348 million at the same time. As has been discussed, this debt is repaid in a relatively rapid time period as compared to other local governments.

As our debt principal repayment is approximately \$40 million annually, it is a relatively simple calculation to understand how short our debt period is, given issuance of general obligation bonds. Such short debt periods have been confirmed in the recent debt issuance ratings of Standard & Poor's and Fitch Ratings. In addition, our debt relative to other debt-issuing local governments is modest and moderate, particularly when considering its short-term duration.

It should also be recognized that part of our debt is related to the unique population distribution in Pima County: the desire by a large segment of the population to live in the unincorporated area.

There are also strategic advantages to the County's debt management policies. The issuance of bonds has been used to have future taxpayers who arrive in Pima County through population growth pay for a portion of the capital infrastructure they require. Further, bonding allows the County to provide economic stimulus through countercyclical

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public investment, which is now occurring and has been documented to create or sustain 2,231 construction jobs and at the same time, provides valuable public facilities at bargains for the taxpayers. It is estimated that the prices now being seen in the construction industry likely predate 2002 levels. Finally, it is also important to understand that the cost of borrowing paid by the taxpayer is, and continues to be, at historic lows. It is likely that bonds that will be issued on November 17, 2009 are expected to carry an average interest rate of approximately 3.75 percent. This low rate has not been seen in more than 30 years.

The County's debt has been confirmed by numerous independent bond rating evaluations as moderate and well managed and has yielded substantial and significant public benefits at the least cost to taxpayers.

CHH/mjk

Attachments

c: **Martin Willett, Chief Deputy County Administrator**
Tom Burke, Director, Finance and Risk Management Department

ATTACHMENT 1

LONG TERM DEBT

General Obligation Bonds

Payment Source

Payments for principal and interest on general obligation bonds are made from property tax revenues of the Debt Service Fund.

Debt Service Requirements

The debt service requirements on general obligation bonds are summarized as follows:

	PRINCIPAL	INTEREST	TOTAL
2010	\$51,580,000	\$17,762,436	\$69,342,436
2011	41,240,000	17,802,406	59,042,406
2012	35,105,000	16,018,058	51,123,058
2013	35,030,000	14,482,756	49,512,756
2014	33,400,000	12,945,406	46,345,406
2015	32,515,000	11,458,181	43,973,181
2016	33,105,000	10,033,314	43,138,314
2017	33,940,000	8,604,806	42,544,806
2018	31,160,000	7,162,606	38,322,606
2019	34,035,000	5,902,594	39,937,594
2020	31,785,000	4,544,256	36,329,256
2021	27,595,000	3,324,858	30,919,858
2022	28,500,000	2,199,506	30,699,506
2023	15,685,000	999,506	16,684,506
2024	<u>6,000,000</u>	<u>300,000</u>	<u>6,300,000</u>
TOTALS	\$470,675,000	\$133,540,689	\$604,215,689

Legal Debt Margin

Under the Arizona Constitution, general obligation debt may not exceed six percent of the value of the County's taxable property as of the latest assessment. However, with voter approval, debt may be incurred up to 15 percent of the value of taxable property. Legal debt margin projected at June 30, 2010 is as follows:

	6% Limitation	15% Limitation
Secondary Net Assessed Valuation	\$9,860,980,900	\$9,860,980,900
Debt Limit	591,658,854	1,479,147,135
General Obligation Bonds Outstanding	(470,675,000)	(470,675,000)
Assets Available for Principal	<u>10,261,823</u>	<u>10,261,823</u>
Debt Applicable to Limit	(460,413,177)	(460,413,177)
Legal Debt Margin Available	<u>\$131,245,677</u>	<u>\$1,018,733,958</u>

Legal Debt Margin Percentage:
 General Obligation Bonds Outstanding \$ 470,675,000 = 4.78%
 Secondary Net Assessed Valuation \$ 9,860,980,900

LONG TERM DEBT

Transportation Bonds

Payment Source

Payments for principal and interest on transportation bonds are made from Highway User Revenue Funds.

Debt Service Requirements

The debt service requirements on transportation bonds are summarized as follows:

	PRINCIPAL	INTEREST	TOTAL
2010	\$12,870,000	\$6,026,469	\$18,896,469
2011	14,430,000	5,840,900	20,270,900
2012	15,015,000	5,202,813	20,217,813
2013	10,970,000	4,562,288	15,532,288
2014	11,415,000	4,117,425	15,532,425
2015	11,890,000	3,654,950	15,544,950
2016	12,400,000	3,168,388	15,568,388
2017	12,945,000	2,608,987	15,553,987
2018	13,510,000	2,048,549	15,558,549
2019	10,615,000	1,472,087	12,087,087
2020	11,080,000	1,056,587	12,136,587
2021	5,950,000	627,700	6,577,700
2022	6,200,000	395,337	6,595,337
2023	1,500,000	150,000	1,650,000
2024	<u>1,500,000</u>	<u>75,000</u>	<u>1,575,000</u>
TOTALS	\$152,290,000	\$41,007,480	\$193,297,480

Legal Debt Margin

Arizona Revised Statute § 11-378 presently requires that in order for the County to issue bonds payable from Street and Highway Revenues, the County must have received Street and Highway Revenues in the year preceding the issuance of the additional bonds in an amount equal to at least one and one-half times the highest annual principal and interest requirements thereafter to come due on all such bonds to be outstanding following the issuance of the additional bonds, provided that if the Street and Highway Revenues received in the preceding year do not equal at least two times the highest annual principal and interest requirements, the proposed bonds must bear a rating at the time of issuance of "A" or better by at least one nationally recognized credit rating service, taking into account any credit enhancement facility in effect with respect to such bonds.

	<u>PRIOR FISCAL YEAR HURF REVENUE</u>	<u>HIGHEST FUTURE DEBT SERVICE PAYMENT</u>
Series 1998	\$33,445,603	\$6,151,333
Series 2002	\$49,398,596	\$11,904,825
Series 2003	\$47,074,605	\$14,608,613
Series 2005	\$52,587,700	\$16,767,639
Series 2007	\$56,936,526	\$19,330,859
Series 2008	\$58,637,523	\$18,521,469
Series 2010	\$53,906,177	\$20,270,900

LONG TERM DEBT

Certificates of Participation

Payment Source

Payments for principal and interest on certificates of participation are made from funds transferred from Facilities Renewal Fund, Fleet Services, Communications Fund, Transportation, and Regional Wastewater Reclamation Fund.

Debt Service Requirements

The debt service requirements on certificates of participation including estimated amounts for planned issues in fiscal year 2009/2010 are summarized as follows:

	PRINCIPAL	INTEREST	TOTAL
2010	\$20,000,000	\$1,865,000	\$21,865,000
2011	20,927,000	2,100,000	23,027,000
2012	5,973,350	1,153,650	7,127,000
2013	1,022,018	904,982	1,927,000
2014	1,073,118	853,882	1,927,000
2015	1,126,774	800,226	1,927,000
2016	1,183,113	743,887	1,927,000
2017	1,242,269	684,731	1,927,000
2018	1,304,382	622,618	1,927,000
2019	1,369,601	557,399	1,927,000
2020	1,438,081	488,919	1,927,000
2021	1,509,985	417,015	1,927,000
2022	1,585,485	341,515	1,927,000
2023	1,664,759	262,241	1,927,000
2024	1,747,997	179,003	1,927,000
2025	<u>1,832,068</u>	<u>91,604</u>	<u>1,923,672</u>
TOTALS	\$65,000,000	\$12,066,672	\$77,066,672

Summary of Debt Service Fund Expenditures

Long Term Debt:	
General Obligation Bonds (GOB)	\$69,342,436
Transportation Revenue Bonds	18,896,469
Certificates of Participation	<u>21,865,000</u>
Total Long Term Debt	\$110,103,905
Fiscal and Other Charges	<u>35,000</u>
Total Budgeted Debt Service Expenditures	\$110,138,905

LONG TERM DEBT

Stadium District Debt

Payment Source

Payments for principal and interest on Stadium District debt are made from stadium revenues, Transient Lodging Excise Tax proceeds, Recreational Vehicle Space Surcharge proceeds, and Rental Car Tax proceeds.

Debt Service Requirements

The debt service requirements on Stadium District debt are summarized as follows:

	PRINCIPAL	INTEREST	TOTAL
2010	\$2,025,000	\$982,335	\$3,007,335
2011	2,125,000	878,585	3,003,585
2012	2,230,000	774,385	3,004,385
2013	2,780,000	646,860	3,426,860
2014	2,482,000	510,950	2,992,950
2015	2,605,000	399,390	3,004,390
2016	2,710,000	293,090	3,003,090
2017	2,820,000	181,080	3,001,080
2018	<u>2,935,000</u>	<u>61,635</u>	<u>2,996,635</u>
TOTALS	\$22,712,000	\$4,728,310	\$27,440,310

Note:

This table does not include \$5,600 of fiscal charges budgeted each fiscal year.

LONG TERM DEBT

Special Assessment Obligations

Payment Source

Special assessment obligations are secured by pledges of revenues from improvement districts which were established in order to finance specific construction projects which benefit a limited geographical area. While there is no legal requirement for the County to further secure the special assessment obligations of the districts, the County has made a moral commitment to take steps necessary to prevent default. Payments for principal and interest on special assessment obligations are made from assessments received in the Improvement Districts Special Revenue Fund.

Debt Service Requirements

The debt service requirements on special assessment obligations are summarized below.

	PRINCIPAL	INTEREST	TOTAL
2010	\$339,537	\$61,568	\$401,105
2011	339,537	32,112	371,649
2012	<u>321,719</u>	<u>11,886</u>	<u>333,605</u>
TOTALS	\$1,000,793	\$105,566	\$1,106,359

Legal Debt Margin

There is no legal debt margin for special assessment obligations.

LONG TERM DEBT

Loans Payable

Payment Source

Payments for principal and interest on loans payable are made from user charges received in the Regional Wastewater Reclamation Enterprise Fund.

Debt Service Requirements

The debt service requirements on loans payable are summarized as follows:

	PRINCIPAL	INTEREST	TOTAL
2010	\$6,736,650	\$2,533,791	\$9,270,441
2011	8,129,514	2,331,264	10,460,778
2012	8,436,095	2,028,983	10,465,078
2013	7,501,541	1,737,541	9,239,082
2014	6,622,549	1,478,860	8,101,409
2015	6,887,401	1,231,512	8,118,913
2016	7,125,415	974,823	8,100,238
2017	7,412,808	708,671	8,121,479
2018	1,838,367	540,342	2,378,709
2019	1,901,378	474,102	2,375,480
2020	1,970,647	405,583	2,376,230
2021	2,041,216	334,542	2,375,758
2022	2,113,128	260,937	2,374,065
2023	2,191,427	184,722	2,376,149
2024	2,266,159	105,648	2,371,807
2025	<u>1,442,372</u>	<u>23,871</u>	<u>1,466,243</u>
TOTALS	\$74,616,667	\$15,355,192	\$89,971,859

Legal Debt Margin

There is no legal debt margin for loans payable.

LONG TERM DEBT

Sewer Revenue Bonds

Payment Source

Payments for principal and interest on sewer revenue bonds are made from user charges received in the Regional Wastewater Reclamation Enterprise Fund.

Debt Service Requirements

The debt service requirements on sewer revenue bonds are summarized as follows:

	PRINCIPAL	INTEREST	TOTAL
2010	\$8,900,000	\$7,947,113	\$16,847,113
2011	8,425,000	7,386,008	15,811,008
2012	8,795,000	7,014,645	15,809,645
2013	10,405,000	6,618,188	17,023,188
2014	12,030,000	6,144,738	18,174,738
2015	12,590,000	5,594,631	18,184,631
2016	10,720,000	5,002,869	15,722,869
2017	11,250,000	4,542,094	15,792,094
2018	11,810,000	4,058,557	15,868,557
2019	12,405,000	3,569,750	15,974,750
2020	13,025,000	3,049,488	16,074,488
2021	13,685,000	2,411,800	16,096,800
2022	14,375,000	1,830,256	16,205,256
2023	15,105,000	1,199,288	16,304,288
2024	5,210,000	536,100	5,746,100
2025	3,550,000	291,200	3,841,200
2026	<u>3,730,000</u>	<u>149,200</u>	<u>3,879,200</u>
TOTALS	\$176,010,000	\$67,345,925	\$243,355,925

Legal Debt Margin

There is no legal debt margin for sewer revenue bonds.

LONG TERM DEBT

Certificates of Participation

Payment Source

Payments for principal and interest on certificates of participation are made from the General Fund.

Debt Service Requirements

The debt service requirements on certificates of participation are summarized as follows:

	PRINCIPAL	INTEREST	TOTAL
2010	\$1,610,000	\$1,298,500	\$2,908,500
2011	1,675,000	1,234,100	2,909,100
2012	1,740,000	1,167,100	2,907,100
2013	1,810,000	1,097,500	2,907,500
2014	1,890,000	1,020,575	2,910,575
2015	1,970,000	940,250	2,910,250
2016	2,065,000	841,750	2,906,750
2017	2,170,000	738,500	2,908,500
2018	2,280,000	630,000	2,910,000
2019	2,395,000	516,000	2,911,000
2020	2,515,000	396,250	2,911,250
2021	2,640,000	270,500	2,910,500
2022	<u>2,770,000</u>	<u>138,500</u>	<u>2,908,500</u>
TOTALS	\$27,530,000	\$10,289,525	\$37,819,525

Regional Wastewater Reclamation Certificates of Participation

Certificates of Participation in the amount of \$75,000,000 are planned for issuance in fiscal year 2009/2010. Accordingly, interest has been budgeted in the amount of \$1,875,000. As the terms of these certificates including interest rates or principal repayment schedule have not yet been determined, no debt service requirements table is presented here. Payments for principal and interest will be made from the Regional Wastewater Reclamation Enterprise Fund.

Legal Debt Margin

There is no legal debt margin for certificates of participation.

ATTACHMENT 2

PIMA COUNTY DEBT POLICIES AND PRACTICES

This section presents the types of debt, uses, restrictions, legal requirements, and other considerations related to the issuance of debt by Pima County. Individual long-term debt schedules are included in the following *Supplemental Information* section - *Long Term Debt Schedules*. All of the following items except Line of Credit are considered long term debt.

Line of Credit. The County maintains a revolving line of credit with its servicing bank, currently the Bank of America National Association, to address short term borrowing needs for cash flow purposes. There is a maximum line of credit of \$50,000,000, and as of June 30, 2009, this entire amount was available. Advances on the line of credit are payable on demand. The County's general taxing authority secures the credit line.

General Obligation Bonds. General Obligation Bonds are considered to be a general debt of the County. According to the Arizona State Constitution, general obligation debt may not exceed 6 percent of the value of the County's taxable property, as of the latest assessment. However, with voter approval, debt may be incurred up to 15 percent of the value. The legal debt margin projected as of June 30, 2010 is specified in the *Supplemental Information* section - *Long Term Debt Service Schedules*. Chapter 3.06 of the Pima County Code, *Bonding Disclosure, Accountability and Implementation* (the last seven pages of this section), sets forth requirements for presenting general obligation and revenue bond packages to the electorate for approval and for monitoring utilization of the proceeds from authorized bonds. General obligation bonding is to be used to make local infrastructure investments and capital improvements and is not to be used to fund operating activities. Neither is general obligation debt to be used for enterprise improvements. General obligation bond debt authorized by the voters is retired through an annual levy of a secondary property tax assessed against the value of all property in Pima County.

In 1997, voters approved \$257,000,000 of general obligation bonds. Per Pima County Board of Supervisors Ordinance No. 1997-35 (*Bond Improvement Plan*, as amended), the term of this debt is to be not longer than 15 years, and the secondary property tax rate required to pay off the debt is to be maintained at or below \$1.00 per \$100 of assessed valuation. For fiscal year 2008/09, the secondary tax rate was \$0.6050 per \$100 of assessed valuation, and will be increased to \$0.7100 for fiscal year 2009/10.

A special bond election was held on May 18, 2004 approving additional general obligation bonds in the amount of \$582,250,000. Per Pima County Board of Supervisors Ordinance No. 2004-18 (*Bond Implementation Plan*, as amended), the term of the general obligation bond debt is to be not longer than 15 years, and the secondary property tax rate required to pay off the debt is to be maintained at no higher than the rate in effect at the time, \$0.8150 per \$100 of assessed valuation, throughout this term. On May 16, 2006, voters approved another \$54,000,000 of general obligation bonds for the construction of psychiatric care facilities. Per Pima County Board of Supervisors Ordinance No. 2006-29 (*Bond Implementation Plan*), the term of this debt is to be not longer than 15 years, and the secondary property tax rate required to pay off all general obligation bond debt service is to be maintained at or below \$0.7150 per \$100 of assessed valuation.

Revenue Bonds. Sewer revenue bonds may be issued to provide financing for improvements to the County's wastewater reclamation system. Such bonds are a debt obligation of Wastewater Reclamation enterprise operations. Revenues, comprised primarily of sewer fees and connection fees, are pledged to retire the debt. Before Wastewater can issue bonds, voters must authorize the Enterprise Fund to incur debt, but not to exceed a specified amount. The authorization must also specify the purpose for which the proceeds will be used. Board of Supervisors Resolution 1991-138 directs Wastewater Reclamation to maintain a "bond coverage ratio" which is calculated as the product of total revenue minus operational expenses and divided by debt service costs. This resolution mandates that the "bond coverage ratio" must be at least 1.20. Through this resolution, the

County establishes and maintains rates, fees and charges for service supplied by the wastewater system fully sufficient at all times to pay the reasonable operation and maintenance costs of the system, as well as 1.20 times debt service costs. Per Pima County Board of Supervisors Ordinance No. 1997-35, the schedule of bond sales on \$105 million of voter approved debt was premised on annual increases in Regional Wastewater Reclamation user fees of approximately five percent and increases in connection fees of approximately 12 percent. Fee increases under this ordinance were as follows:

	<u>User Fees</u>	<u>Connection Fees</u>
Fiscal Year 1999/2000	5.3%	11%
Fiscal Year 2000/01	5%	11%
Fiscal Year 2001/02	3.8%	12%
Fiscal Year 2002/03	5%	12%
Fiscal Year 2003/04	-	12%
Fiscal Year 2004/05	4%	6%

Additional sewer revenue bonds in the amount of \$150,000,000 were approved in the special bond election held on May 18, 2004. Per Pima County Board of Supervisors Ordinance No. 2004-18, user fees can increase as much as eight percent and connection fees can increase as much as 12 percent as a result of the new issuance. Actual increases were eight percent and 10 percent, respectively.

Per Pima County Ordinance No. 2006-52, user fees increase as much as six percent on August 11, 2006 and an additional six percent on January 1, 2007. Per Pima County Ordinance No. 2006-51, connection fees can increase as much as six percent on August 11, 2006 and an additional six percent on January 1, 2007. These increases were implemented as approved.

Per Pima County Ordinance No. 2007-109, user fees increase nine percent on January 1, 2008 and 9.5 percent on July 1, 2008. Per Pima County Ordinance No. 2007-110, connection fees increase six percent on January 1, 2008 and 9.5 percent on July 1, 2008.

Per Pima County Ordinance No. 2009-014, user fees increased 12.5 percent on March 20, 2009, 12.5 percent on July 1, 2009, and will increase 12.5 percent on January 20, 2010.

Transportation revenue bonds, authorized in the November 1997 bond election, are repaid with Highway User Revenue Fund (HURF) revenues. Arizona Revised Statute § 11-378 requires specific ratios between HURF revenues and debt service payments. Aggregate debt service payments budgeted for fiscal year 2009/2010 are within the statutory requirements.

Certificates of Participation – 2007. On February 6, 2007, the Board of Supervisors approved financing for the acquisition of the Bank of America Plaza in conjunction with the Justice Building Project and the Jackson Learning Center Project. Accordingly, Pima County issued \$30,320,000 principal amount of Certificates of Participation. These certificates are scheduled to be repaid by the General Fund over a fifteen year term.

Certificates of Participation – 2008. On June 17, 2008, the Board of Supervisors approved additional financing for capital projects of Transportation and Regional Wastewater Reclamation. Accordingly, Pima County issued \$50,000,000 principal amount of Certificates of Participation. These certificates are scheduled to be repaid over a three year term.

Certificates of Participation – 2009. On April 14, 2009, the Board of Supervisors approved additional financing for capital projects of Transportation and Regional Wastewater Reclamation. Accordingly, Pima County issued \$35,000,000 principal amount of Certificates of Participation. These certificates are scheduled to be repaid over a three year term.

The Adopted Budget further provides for an additional issue of \$95,000,000 in Certificates of Participation for various capital projects in fiscal year 2009/2010.

Special District Bonds. Pima County is authorized to create several different types of special taxing districts, each bound by separate statutory provisions. Special districts so created are:

Regional Flood Control District. The Regional Flood Control District is coterminous with Pima County and can issue debt when voters authorize the district to levy a tax on the secondary valuation of real property. The authorization must specify the purpose for which the proceeds will be used, not to exceed a specified amount. Payments for principal and interest on general obligation bonds of the Regional Flood Control District are made from the Debt Service Fund, with property tax revenues transferred from the district. Regional Flood Control District general obligation debt may not exceed five percent of the value of the district's taxable property as of the latest assessment. Currently, no Regional Flood Control debt is outstanding.

Library District. The Library District is coterminous with Pima County and can issue debt when voters authorize the District to levy a tax on the secondary valuation of real and personal property. The authorization must specify the purpose for which the proceeds will be used, not to exceed a certain amount. To date, the Library District has issued no debt.

Stadium District. The Pima County Stadium District is coterminous with Pima County and can issue debt upon authorization of the Board of Directors to pledge District revenues to retire the debt. The Baseball Stadium was financed with proceeds of the sale of the Pima County Adult Detention Facility to First Trust of Arizona, National Association for \$34,500,000 on February 1, 1997. Money for the bank's purchase of the Adult Detention Facility came from the County's issuance of \$35,660,000 principal amount of Certificates of Participation. Also on February 1, 1997, the County entered into a Capital Lease of the Adult Detention Facilities with First Trust for \$35,660,000 for a 15 year term. On September 1, 1999, Pima County amended this lease-purchase agreement for the Adult Detention Facility. The amendment lowered the debt service payments through fiscal year 2002/03, extended the lease term to 2014, and increased the County's obligation under the lease agreement by \$290,000. A second amendment in 2003 extended the lower payments through fiscal year 2018.

Improvement Districts. The Board of Supervisors may create specific improvement districts upon petition of property owners proposing the district. Each district is created to finance improvements that benefit all properties in the district. Improvement District loans may be approved to finance the improvements and property owners are assessed their portion of the debt over a period of years. Pima County generally issues these loans for not more than a ten-year period.

Other Districts. There are many other special taxing or assessment districts throughout the County; however, Pima County has limited, or no, involvement with their operations or their specific debt programs. These districts include, but are not limited to: fire districts, and irrigation districts.

Public Authorities. Certain public authorities can be created by Pima County but are considered separate and autonomous from the County. Due to the autonomy of such authorities, any debt issued by the authorities is not considered debt of the County. An authority so created by Pima County is the Industrial Development Authority (IDA). The IDA has issued a wide variety and substantial number of bonds and notes for the purpose of economic development. The County considers the debt issued by the IDA no commitment debt.

Lease Purchase Contracts. As a practical matter, a lease purchase contract is a financing mechanism with all the characteristics of debt. The payment of principal and interest is subject to annual appropriation out of operating monies and cannot utilize the secondary property tax. Authorization to enter into a lease purchase contract is based on the County's own policies and procedures on entering into contracts.

Loans Payable. Several federal and state agencies are authorized to provide below-market rate loans to government jurisdictions to assist in developing infrastructure that is required to comply with federal laws, or to provide bridge loans until other funds become available. Pima County has entered into several loan agreements to date with the state Water Infrastructure Finance Authority (WIFA). The Regional Wastewater Reclamation Enterprise Fund has entered into these loan agreements to provide funds for the defeasance of prior sewer revenue bonds and the construction and improvement of wastewater treatment facilities.

Notes Payable. It is the current practice of Pima County to facilitate the purchase of land parcels used in the construction of capital projects by issuing notes to landowners, thereby reducing the need for third-party financing. Issued notes have been of relatively short duration, usually less than three years, and cannot exceed five years, per Arizona Revised Statute § 11-251(45).

ATTACHMENT 3

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2008
(in thousands)

Note 7: Long-Term Liabilities

The following schedule details the County's long-term liability and obligation activity for the year ended June 30, 2008.

	<u>Balance</u> <u>July 1, 2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>July 1, 2008</u>	<u>Due within</u> <u>1 year</u>
Governmental activities:					
General obligation bonds	\$ 289,590	\$100,000	\$ 41,255	\$ 348,335	\$ 33,660
Plus unamortized deferred amount	560	714	66	1,208	99
Total general obligation bonds	<u>290,150</u>	<u>100,714</u>	<u>41,321</u>	<u>349,543</u>	<u>33,759</u>
Flood control bonds	<u>1,470</u>		<u>745</u>	<u>725</u>	<u>725</u>
Transportation revenue bonds	136,400	25,000	11,745	149,655	12,365
Plus unamortized deferred amount	141	31	26	146	29
Total transportation revenue bonds	<u>136,541</u>	<u>25,031</u>	<u>11,771</u>	<u>149,801</u>	<u>12,394</u>
Certificates of participation	30,320	50,000	1,244	79,076	21,545
Plus unamortized deferred amount	1,411	1,219	94	2,536	500
Total certificates of participation	<u>31,731</u>	<u>51,219</u>	<u>1,338</u>	<u>81,612</u>	<u>22,045</u>
Loans and Leases:					
Transportation loans payable	<u>3,714</u>		<u>2,714</u>	<u>1,000</u>	<u>1,000</u>
Capital leases payable:					
Jail capital lease	26,550		1,870	24,680	1,965
Less unamortized deferred amount	(1,914)		(191)	(1,723)	(191)
Other capital leases	100	312	146	266	123
Total capital leases	<u>24,736</u>	<u>312</u>	<u>1,825</u>	<u>23,223</u>	<u>1,897</u>
Total loans and leases	<u>28,450</u>	<u>312</u>	<u>4,539</u>	<u>24,223</u>	<u>2,897</u>
Reported but unpaid losses (Note 6)	22,939	8,362	11,879	19,422	3,908
Incurred but not reported losses (Note 6)	9,918	1,865		11,783	2,321
Landfill closure and post-closure care costs (Note 9)	17,330	1,089		18,419	
Pollution remediation (Note 6)		1,784		1,784	566
Future postemployment health benefit liability (Note 10)		14,147	4,302	9,845	5,129
Total governmental activities long-term liabilities	<u>\$ 538,529</u>	<u>\$204,523</u>	<u>\$ 75,895</u>	<u>\$ 667,157</u>	<u>\$ 83,744</u>

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2008
(in thousands)

Note 7: Long-Term Liabilities (continued)

	<u>Balance</u> <u>July 1, 2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>July 1, 2008</u>	<u>Due within</u> <u>1 year</u>
Business-type activities:					
Sewer revenue bonds	\$ 97,290	\$ 75,000	\$ 7,350	\$ 164,940	\$ 7,870
Less unamortized deferred amount	(2,934)	1,281	(414)	(1,239)	
Total revenue bonds payable	<u>94,356</u>	<u>76,281</u>	<u>6,936</u>	<u>163,701</u>	<u>7,870</u>
Regional Wastewater Reclamation Department (RWRD) loans payable	76,293		5,721	70,572	5,955
Less unamortized deferred amount	(182)		(36)	(146)	
Total loans payable	<u>76,111</u>		<u>5,685</u>	<u>70,426</u>	<u>5,955</u>
Contracts and notes	5,280	1,412	850	5,842	
Future postemployment health benefit liability (Note 10)		2,634	380	2,254	589
Total business-type activities long-term liabilities	<u>\$ 175,747</u>	<u>\$ 80,327</u>	<u>\$ 13,851</u>	<u>\$ 242,223</u>	<u>\$ 14,414</u>

GENERAL OBLIGATION BONDS OUTSTANDING

Governmental Activities

(Payments made from property tax revenues of the Debt Service Fund)

General obligation bonds payable at June 30, 2008, consisted of the outstanding general obligation bonds presented below. Of the total amounts originally authorized, \$20,541 from the May 20, 1997, \$306,096 from the May 18, 2004, and \$52,044 from the May 16, 2006 bond election remain unissued. The following table presents amounts outstanding by issue.

<u>Issue</u>	<u>Issue</u> <u>Amount</u>	<u>Interest</u> <u>Rates</u>	<u>Maturities</u>	<u>Outstanding</u> <u>June 30, 2008</u>
Series of 1998	\$ 42,420	4.50 - 4.60%	2009-13	\$ 11,720
Series of 1999	50,000	5.00 - 5.07%	2009-10	6,615
Series of 2000	50,000	4.00 - 5.00%	2009-14	18,000
Series of 2001 Refunding	17,835	5.00%	2009	375
Series of 2002	20,000	4.25 - 4.50%	2009-16	7,000
Series of 2003	50,000	3.50 - 4.25%	2009-17	33,850
Series of 2004	65,000	3.00 - 5.00%	2009-19	47,145
Series of 2005	65,000	3.50 - 5.00%	2009-20	49,265
Series of 2007	95,000	3.00 - 4.50%	2009-21	84,365
Series of 2008	100,000	3.00 - 4.00%	2009-22	90,000
G.O. bonds outstanding				<u>348,335</u>
Plus unamortized deferred amount:				1,208
Total G.O. bonds outstanding				<u>\$ 349,543</u>

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2008
(in thousands)

Note 7: Long-Term Liabilities (continued)

The following schedule details general obligation bond debt service requirements to maturity at June 30, 2008.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 33,660	\$14,351
2010	28,580	12,954
2011	26,240	11,723
2012	27,105	10,599
2013	28,005	9,424
2014 - 2018	125,330	30,038
2019 - 2022	79,415	6,778
Total	<u>\$348,335</u>	<u>\$95,867</u>

ADVANCED REFUNDINGS OF GENERAL OBLIGATION BONDS

In prior years, the County defeased certain General Obligation Bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability for these defeased bonds are not included in the County's financial statements. At June 30, 2008, the following outstanding bonds were considered defeased:

<u>Issue</u>	<u>Outstanding June 30, 2008</u>
1979 General Obligation Refunding Bonds	\$ 33
Series of 1999	\$ 5,785

FLOOD CONTROL REFUNDING BONDS OUTSTANDING

Governmental Activities

(Payments made from property tax revenues of the Debt Service Fund of the District)

The Pima County Regional Flood Control District outstanding bonds payable at June 30, 2008 is presented below.

<u>Issue</u>	<u>Issue Amount</u>	<u>Interest Rates</u>	<u>Maturities</u>	<u>Outstanding June 30, 2008</u>
Series 2001 Refunding	\$ 4,585	4.20%	2009	\$ 725

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2008
(in thousands)

Note 7: Long-Term Liabilities (continued)

The following schedule details flood control bond debt service requirements to maturity at June 30, 2008.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2009	<u>\$ 725</u>	<u>\$ 30</u>
Total	<u>\$ 725</u>	<u>\$ 30</u>

TRANSPORTATION BONDS AND LOANS PAYABLE
Governmental Activities
(Payments made from street and highway revenues)

Pima County transportation revenue bonds of 1998 were issued to provide monies to construct improvements to the County's streets and highways. Of the total amount originally authorized, \$122,800 from the November 4, 1997 bond election remains unissued.

<u>Issue</u>	<u>Issue Amount</u>	<u>Interest Rates</u>	<u>Maturities</u>	<u>Outstanding June 30, 2008</u>
Series of 2002	\$55,000	4.13 - 4.38%	2009-12	\$ 24,855
Series of 2003	35,000	3.38 - 4.38%	2009-18	27,600
Series of 2005	51,200	3.50 - 5.00%	2009-20	51,200
Series of 2007	21,000	3.25 - 4.75%	2009-22	21,000
Series of 2008	25,000	3.00 - 4.50%	2009-22	<u>25,000</u>
			Transportation bonds outstanding	149,655
			Plus unamortized deferred amount:	146
			Total transportation bonds outstanding	<u>\$ 149,801</u>

The following schedule details transportation bond debt service requirements to maturity at June 30, 2008.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 12,365	\$ 6,147
2010	12,870	5,652
2011	13,430	5,091
2012	14,015	4,503
2013	9,970	3,912
2014 - 2018	57,160	13,098
2019 - 2022	29,845	2,452
Total	<u>\$ 149,655</u>	<u>\$ 40,855</u>

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2008
(in thousands)

Note 7: Long-Term Liabilities (continued)

During the fiscal year ended June 30, 2006, Pima County Transportation Department entered into a loan agreement to provide funds for roadway improvements of Alvernon Way. Interest on the Alvernon HELP loan is calculated and paid on an annual basis.

<u>Issue</u>	<u>Issue Amount</u>	<u>Interest Rate</u>	<u>Maturities</u>	<u>Outstanding June 30, 2008</u>
2006 HELP Loan - Alvernon	\$ 4,836	3.06%	2009	\$ 1,000
Total transportation loan payable				<u>\$ 1,000</u>

The following schedule details transportation loans debt service requirements to maturity at June 30, 2008.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2009	<u>\$ 1,000</u>	<u>\$ 61</u>
Total	<u>\$ 1,000</u>	<u>\$ 61</u>

Pima County has pledged future highway user revenues, net of specified operating expenses, to repay \$149,655 in transportation revenue bonds issued between 2002 and 2008, and \$1,000 in a transportation HELP loan issued in 2006. Proceeds from the bonds and loans provided financing for construction of various highways and streets within Pima County. The bonds and loans are payable from net highway user revenues and are payable through 2022. Annual principal and interest payments on the bonds are expected to require approximately 78 percent of net revenues. The annual principal and interest payments on the loan are expected to require approximately 9 percent of net revenues. Total principal and interest remaining to be paid on the bonds is \$190,510. Total principal and interest remaining to be paid on the loan is \$1,061. Principal and interest paid for bonds and the loan in the current year and total customer net revenues were \$17,734, \$2,828 and \$21,325, respectively.

CERTIFICATES OF PARTICIPATION
Governmental Activities
(Payments made from General Fund revenues)

Certificates of Participation represent proportionate interests in semiannual lease payments. The County's obligation to make lease payments is subject to annual appropriations being made by the County for that purpose. On May 1, 2007, the County issued Certificates of Participation Series 2007-A for \$28,765 to finance the acquisition of and improvements to a 22-story office tower located in downtown Tucson, and Taxable Series 2007-B for \$1,555 to acquire and construct replacement facilities for the Pima County Community Services Department. On June 26, 2008, the County issued Certificates of Participation Series 2008 for \$50,000 to finance capital costs for public infrastructure of the County, including expansion and upgrades to the County's sewer treatment system and major road corridors.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2008
(in thousands)

Note 7: Long-Term Liabilities (continued)

The following schedule details outstanding Certificates of Participation payable at June 30, 2008.

<u>Issue</u>	<u>Issue Amount</u>	<u>Interest Rates</u>	<u>Maturities</u>	<u>Outstanding June 30, 2008</u>
Series of 2007 A Justice Building Project	\$ 28,765	4.00 - 5.00%	2009-22	\$ 28,765
Series of 2007-B Justice Building Project - Taxable	1,555	5.04%	2009	311
Series of 2008	50,000	5.00%	2009-11	50,000
			Certificates of participation outstanding	79,076
			Plus unamortized deferred amount:	2,536
			Total certificates of participation outstanding	<u>\$ 81,612</u>

The following schedule details debt service requirements to maturity for the County's Certificates of Participation payable at June 30, 2008.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 21,545	\$ 3,689
2010	21,610	2,799
2011	11,675	1,734
2012	1,740	1,167
2013	1,810	1,097
2014 - 2018	10,375	4,172
2019 - 2022	10,320	1,321
	<u>\$ 79,075</u>	<u>\$ 15,979</u>

**CAPITAL LEASES
Governmental Activities**

On February 1, 1997, the County entered into an agreement to sell certain jail facilities and then lease them back for a 15-year term. The jail facilities were sold for \$34,500, and the proceeds were used to finance the construction of the baseball stadium. On September 1, 1999 and October 1, 2003, Pima County amended the capital lease agreement between U.S. Bank Trust National Association and Pima County. The amendments extended the lease term to 2014 and 2018 respectively, increased the range of interest rates and increased the County's obligation under the lease agreement.

The County has also entered into capital leases for computer equipment. The outstanding balance as of June 30, 2008, for these leases totaled \$266.

The net book value of assets acquired through capital leases consists of \$18,697 of buildings and \$117 equipment.

The following schedule details capital lease debt service requirements to maturity at June 30, 2008.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2008
(in thousands)

Note 7: Long-Term Liabilities (continued)

Governmental Activities:

<u>Year Ending June 30,</u>	<u>Buildings</u>		<u>Equipment</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 1,965	\$ 1,062	\$ 123	\$ 8
2010	2,025	982	107	4
2011	2,125	878	36	1
2012	2,230	775		
2013	2,780	648		
2014 - 2018	13,555	1,446		
	<u>\$ 24,680</u>	<u>\$ 5,791</u>	<u>\$ 266</u>	<u>\$ 13</u>

SEWER REVENUE BONDS AND LOANS

Business-type Activities

(Payments made from user charges received in the Regional Wastewater Reclamation Department Enterprise Fund)

Pima County sewer revenue bonds, as presented below, were issued to provide monies to construct improvements to the County's Regional Wastewater Reclamation Department system. Of the total amount originally authorized, \$706 from the May 20, 1997, and \$28,237 from the May 18, 2004 bond election remain unissued.

<u>Issue</u>	<u>Issue Amount</u>	<u>Interest Rates</u>	<u>Maturities</u>	<u>Outstanding June 30, 2008</u>
Series of 1998	\$ 29,185	4.00 - 5.50%	2009-15	\$ 13,355
Series 2001 Refunding	19,440	4.00 - 5.40%	2009-15	12,655
Series of 2004 Refunding	25,770	3.50 - 5.50%	2009-15	18,145
Series of 2007	50,000	3.75 - 5.00%	2009-26	45,785
Series of 2008	75,000	4.00 - 5.00%	2009-23	75,000
			Sewer revenue bonds outstanding	164,940
			Less unamortized deferred amount:	(1,239)
			Total sewer revenue bonds outstanding	<u>\$ 163,701</u>

The following schedule details sewer revenue bond debt service requirements to maturity at June 30, 2008.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 7,870	\$ 7,175
2010	8,090	6,821
2011	7,410	6,470
2012	8,395	6,134
2013	9,340	5,751
2014 - 2018	52,335	21,742
2019 - 2023	60,835	10,153
2024 - 2026	10,665	867
	<u>\$164,940</u>	<u>\$ 65,113</u>

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2008
(in thousands)

Note 7: Long-Term Liabilities (continued)

The Regional Wastewater Reclamation Department entered into loan agreements (1996, 1997, 2000 and 2004 loans payable) to provide funds for the defeasance of prior sewer revenue bonds and the construction and improvement of wastewater treatment facilities. Interest is payable semiannually and is calculated based on the principal amount of the loan outstanding during such period.

<u>Issue</u>	<u>Issue Amount</u>	<u>Interest Rates</u>	<u>Maturities</u>	<u>Outstanding June 30, 2008</u>
1996 Loans Payable	\$ 11,313	3.19%	2009-12	\$ 5,976
1997 Loans Payable	7,500	2.95%	2009-11	2,517
2000 Loans Payable	61,180	2.20%	2009-16	42,941
2004 Loans Payable	19,967	1.81%	2009-24	19,138
Loans payable				<u>70,572</u>
Less unamortized deferred amount				(146)
Total loans payable				<u>\$ 70,426</u>

The following schedule details loans payable debt service requirements to maturity at June 30, 2008.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 5,955	\$ 2,423
2010	6,317	2,200
2011	7,605	1,948
2012	7,891	1,667
2013	6,937	1,397
2014 - 2018	26,691	3,591
2019 - 2023	6,338	1,007
2024	2,838	95
	<u>\$ 70,572</u>	<u>\$ 14,328</u>

Pima County has pledged future user charges, net of specified operating expenses, to repay \$164,940 in sewer revenue bonds issued between 1998 and 2008, and \$70,572 in sewer revenue loans issued between 1996 and 2004. Proceeds from the bonds and loans provided financing for construction of various treatment facilities and sewer infrastructure within Pima County. The bonds and loans are payable from net sewer revenues and are payable through 2026. Annual principal and interest payments on the bonds are expected to require approximately 33 percent of net revenues. The annual principal and interest payments on the loans are expected to require approximately 23 percent of net revenues. Total principal and interest remaining to be paid on the bonds is \$230,053. Total principal and interest remaining to be paid on the loans is \$84,900. Principal and interest paid for bonds and loans in the current year and total customer net revenues were \$11,954, \$8,312 and \$34,203, respectively.

CONTRACTS AND NOTES

Business-type Activities

(Payments made from restricted assets in the Regional Wastewater Reclamation Department Enterprise Fund)

Contracts and notes consist of contract retentions for several construction projects. Generally, interest is not accrued and the timing of payments is based on completion of the related construction projects.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2008
(in thousands)

Note 7: Long-Term Liabilities (continued)

**LEGAL DEBT MARGIN
County General Obligation Bonds**

General obligation debt may not exceed 6 percent of the value of the County's taxable property as of the latest assessment. However, Pima County received voter approval to increase the debt limit to 15 percent of the value of taxable property. The legal debt margin at June 30, 2008, is as follows:

Net assessed valuation		\$ 8,220,396
<u>Debt Limit (15% of net assessed valuation):</u>		1,233,059
<u>Amount of debt applicable to debt limit:</u>		
General obligation bonds outstanding	\$ 348,335	
Less net assets in debt service fund available for payment of general obligation bond principal	<u>(10,241)</u>	(338,094)
Legal debt margin available		<u><u>\$ 894,965</u></u>

Flood Control General Obligation Bonds

Flood Control general obligation debt may not exceed 5 percent of the value of the Flood Control District's taxable property as of the latest assessment. Legal debt margin at June 30, 2008, is as follows:

Net assessed valuation		\$ 7,412,190
<u>Debt Limit (5% of net assessed valuation):</u>		370,610
<u>Amount of debt applicable to debt limit:</u>		
Flood Control obligation bonds outstanding	\$ 725	
Less net assets in debt service fund available for payment of flood control bond principal	<u>(40)</u>	(685)
Legal debt margin available		<u><u>\$ 369,925</u></u>



PIMA COUNTY LONG-TERM DEBT MANUAL

Updated Through January 31, 2009

*All County Long-Term Debt
Supporting Amortization Schedules
And Supporting Documentation*

Pima County
BONDS

Pima County Department of Finance and Risk Management

Tom Burke, Director

130 West Congress, 10th Floor

(520) 740-3030

About This Reference Manual

This manual has been prepared by the Pima County Department of Finance and Risk Management (Finance) to assist in understanding the County's long-term debt and the impact that current (and future) debt issues will have on the County.

The County's principal and interest obligations are detailed as of January 31, 2009, and based on the financial statements for year ended June 30, 2008. This data is summarized by source-of-payment to provide a contrast between the amount of debt on hand and the revenue sources that, in future periods, will be called on to meet these obligations.

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1. Summary of Voter Authorization by Question	2
2. Summary of Bond Issuances Currently Outstanding	4
3. Listing of Debt Schedules	12

Major bond issues (by authorization) since 1970 are as follows:

Election Date	Expenditure Purposes (Questions) Approved by Voters	Amount Authorized in 000's
February 5, 1974	Health Care & Treatment Facilities	\$ 17,225
	Sewers & Sewage Disposal Facilities	19,095
	Public Safety	2,000
	Governmental Buildings & Facilities	3,275
	Street & Bridges	7,205
	Parks and Recreational Facilities	9,910
	Green Belt & Open Space	4,500
	Total Voter-Approved General Obligation Bonds	\$ 63,210
June 5, 1979	Correctional Facilities	\$ 25,110
	Transportation Improvements	18,100
	Highway Safety	5,000
	Total Voter-Approved General Obligation Bonds	\$ 48,210
	Flood Control District General Obligation	\$ 20,600
	Sewer Revenue (Sewer System Improvements)	\$ 21,500
February 5, 1980	Highway Safety	\$ 12,500
	Major Highway Safety Improvements	47,500
	Total Voter-Approved General Obligation Bonds	\$ 60,000
	Sewer revenue	\$ 12,900
November 2, 1982	Sanitary Landfills, Solid Waste Disposal Facilities	\$ 9,100
	Total Voter-Approved General Obligation Bonds	\$ 9,100
	Sewer Revenue (Sewer System Improvements)	\$ 10,000
February 21, 1984	Flood Repairs & Reconstruction	\$ 63,800
May 21, 1985	Highway Safety (General Obligation)	\$ 5,000
	Sewer Revenue (Sewer System Improvements)	\$ 10,000
May 6, 1986	Traffic Safety & Transportation Improvements	\$ 64,300
	Parks Development & Recreation	28,000
	Public Facilities, Courts & Public Safety	23,850
	Flood Control Projects and Land Acquisition	24,900
	Libraries & Other Public Facilities	13,650
	Solid Waste Disposal	10,700
	Total Voter-Approved General Obligation Bonds	\$ 165,400
	Sewer Revenue (Sewer System Improvements)	\$ 54,000

Election Date	Expenditure Purposes (Questions) Approved by Voters	Amount Authorized in 000's
May 20, 1997	Juvenile Detention & Court Facilities	\$ 42,000
	Public Safety, Law Enforcement & Superior Courts	50,000
	Parks, Recreation & Open Space	52,650
	Sonoran Desert Open Space & Historic Preservation	36,330
	Public Health, Safety, Recreational & Cultural Facilities	42,000
	Flood Control Improvements	21,500
	Solid Waste Disposal Improvements	12,500
	Total Voter-Approved General Obligation Bonds	\$ 256,980
	Sewer Revenue (Sewer System Improvements)	\$ 105,000
November 4, 1997	Transportation Improvements	\$ 350,000
May 18, 2004	Sonoran Desert Open Space and Habitat Protection; Preventing Urban Encroachment of DMAFB	\$ 174,300
	Public Health and Community Facilities	81,800
	Public Safety and Justice Facilities	183,500
	Parks and Recreational Facilities	96,450
	River Parks and Flood Control Improvements	46,200
	Total Voter-Approved General Obligation Bonds	\$ 582,250
	Sewer Revenue (Sewer System Improvements)	\$ 150,000
May 16, 2006	Psychiatric Urgent Care Facilities	\$ 18,000
	Psychiatric Inpatient Hospital Facilities	36,000
	Total Voter-Approved General Obligation Bonds	\$ 54,000

Bonds Currently Outstanding

Pima County's outstanding bonds as of January 1, 2009, which are direct (general) and indirect (revenue) obligations of the County. Dollar amounts, where provided, are expressed in 000's (thousands):

I. GENERAL OBLIGATION BONDS

Series of 1998 issued: 05/01/98	
Amount of issue:	\$42,420
Authorization:	1997 General Obligation \$34,925 Refunding \$ 7,495
Interest Rates:	4.40% -5.00%
Net Premium (discount):	\$0
Original Maturities:	07/01/99 - 07/01/13
Call Dates:	July 1, 2008 through June 30, 2009 @ 1% July 1, 2009 and thereafter at par
Insurer:	MBIA
Notes: Partial refunding Issue; refunded \$4,605 Series 1991 and \$2,440 Series 1992.	

Series of 1999 issued: 10/01/99	
Amount of issue:	\$50,000
Authorization:	1997 General Obligation \$45,700 1986 General Obligation \$ 3,300 1982 General Obligation \$ 1,000
Interest Rates:	4.75% -5.25%
Net Premium (discount):	\$0
Original Maturities:	07/01/00 - 07/01/10
Call Dates:	July 1, 2008 through June 30, 2009 @ 1% July 1, 2009 and thereafter at par
Insurer:	FGIC

Series of 2000 issued: 08/01/00	
Amount of issue:	\$50,000
Authorization:	1997 General Obligation \$49,800 1986 General Obligation \$ 200
Interest Rates:	4.00% - 5.00%
Net Premium (discount):	\$13
Original Maturities:	07/01/01 - 07/01/14
Call Dates:	July 1, 2009 through June 30, 2010 @ 1% July 1, 2010 and thereafter at par
Insurer:	FSA

Series of 2001R issued: 07/01/01	
Amount of issue:	\$17,835
Authorization:	Refunding
Interest Rates:	4.00% - 5.00%
Net Premium (discount):	\$481
Original Maturities:	07/01/03 - 07/01/09
Call Dates:	None
Insurer:	FSA
Notes: Refunding Issue; refunded \$3,720 Series 1992, \$745 Series 1992R, \$8,400 Series 1993 and \$4,425 Series 1994.	

I. GENERAL OBLIGATION BONDS CONTINUED

Series of 2002 issued: 01/01/02							
Amount of issue:	\$20,000						
Authorization:	<table border="0"> <tr> <td>1997 General Obligation</td> <td align="right">\$17,222</td> </tr> <tr> <td>1986 General Obligation</td> <td align="right">\$ 1,675</td> </tr> <tr> <td>1982 General Obligation</td> <td align="right">\$ 1,003</td> </tr> </table>	1997 General Obligation	\$17,222	1986 General Obligation	\$ 1,675	1982 General Obligation	\$ 1,003
1997 General Obligation	\$17,222						
1986 General Obligation	\$ 1,675						
1982 General Obligation	\$ 1,003						
Interest Rates:	3.50% - 4.50%						
Net Premium (discount):	\$63						
Original Maturities:	07/01/02 - 07/01/16						
Call Dates:	July 1, 2010 through June 30, 2011 @ 1% July 1, 2011 and thereafter at par						
Insurer:	FSA						
Notes: Sinking fund required: \$1,000,000 for maturities July 1, 2015 & 2016							

Series of 2003 issued: 01/15/03							
Amount of issue:	\$50,000						
Authorization:	<table border="0"> <tr> <td>1987 General Obligation</td> <td align="right">\$45,996</td> </tr> <tr> <td>1986 General Obligation</td> <td align="right">\$ 3,542</td> </tr> <tr> <td>1982 General Obligation</td> <td align="right">\$ 492</td> </tr> </table>	1987 General Obligation	\$45,996	1986 General Obligation	\$ 3,542	1982 General Obligation	\$ 492
1987 General Obligation	\$45,996						
1986 General Obligation	\$ 3,542						
1982 General Obligation	\$ 492						
Interest Rates:	3.25% - 4.25%						
Net Premium (discount):	\$356						
Original Maturities:	07/01/03 - 07/01/17						
Call Dates:	July 1, 2013 and thereafter at par						
Insurer:	FSA						

Series of 2004 issued: 06/01/04					
Amount of issue:	\$65,000				
Authorization:	<table border="0"> <tr> <td>2004 General Obligation</td> <td align="right">\$41,050</td> </tr> <tr> <td>1997 General Obligation</td> <td align="right">\$23,950</td> </tr> </table>	2004 General Obligation	\$41,050	1997 General Obligation	\$23,950
2004 General Obligation	\$41,050				
1997 General Obligation	\$23,950				
Interest Rates:	3.00% - 5.00%				
Net Premium (discount):	\$75				
Original Maturities:	07/01/05 - 07/01/19				
Call Dates:	July 1, 2014 and thereafter at par				
Insurer:	MBIA				

Series of 2005 issued 05/01/05					
Amount of issue:	\$65,000				
Authorization:	<table border="0"> <tr> <td>2004 General Obligation</td> <td align="right">\$50,941</td> </tr> <tr> <td>1997 General Obligation</td> <td align="right">\$14,059</td> </tr> </table>	2004 General Obligation	\$50,941	1997 General Obligation	\$14,059
2004 General Obligation	\$50,941				
1997 General Obligation	\$14,059				
Interest Rates:	3.50% - 5.00%				
Net Premium (discount):	\$245				
Original Maturities:	07/01/06 - 07/01/20				
Call Dates:	July 1, 2015 and thereafter at par				
Insurer:	FSA				

Series of 2007 issued: 01/01/07									
Amount of issue:	\$95,000								
Authorization:	<table border="0"> <tr> <td>2006 General Obligation</td> <td align="right">\$ 2,297</td> </tr> <tr> <td>2004 General Obligation</td> <td align="right">\$80,347</td> </tr> <tr> <td>1997 General Obligation</td> <td align="right">\$ 9,287</td> </tr> <tr> <td>1982 General Obligation</td> <td align="right">\$ 3,069</td> </tr> </table>	2006 General Obligation	\$ 2,297	2004 General Obligation	\$80,347	1997 General Obligation	\$ 9,287	1982 General Obligation	\$ 3,069
2006 General Obligation	\$ 2,297								
2004 General Obligation	\$80,347								
1997 General Obligation	\$ 9,287								
1982 General Obligation	\$ 3,069								
Interest Rates:	3.00% - 4.50%								
Net Premium (discount):	\$324								
Original Maturities:	07/01/07 - 07/01/21								
Call Dates:	July 1, 2017 and thereafter at par								
Insurer:	FGIC								

I. GENERAL OBLIGATION BONDS CONTINUED

Series of 2008 issued: 02/15/08	
Amount of issue:	\$100,000
Authorization:	2006 General Obligation \$ 1,590 2004 General Obligation \$ 88,719 1997 General Obligation \$ 9,691
Interest Rates:	2.50% - 4.00%
Net Premium (discount):	\$1,878
Original Maturities:	07/01/08 - 07/01/22
Call Dates:	July 1, 2018 and thereafter at par
Insurer:	FSA

II. STREET AND HIGHWAY REVENUE BONDS

Series of 1998 issued: 05/01/98	
Amount of issue:	\$40,000
Authorization:	1997 Street and Highway Revenue Authorization
Interest Rates:	4.10% - 5.00%
Net Premium (discount):	\$236
Original Maturities:	07/01/99 - 07/01/08
Call Dates:	July 1, 2006 and thereafter at par
Insurer:	FSA

Series of 2002 issued: 01/01/02	
Amount of issue:	\$55,000
Authorization:	1997 Street and Highway Revenue Authorization
Interest Rates:	4.00% - 5.00%
Net Premium (discount):	\$216
Original Maturities:	07/01/03 - 07/01/12
Call Dates:	July 1, 2008 through June 30, 2009 @ 1% July 1, 2009 and thereafter at par
Insurer:	FGIC

Series of 2003 issued: 01/15/03	
Amount of issue:	\$35,000
Authorization:	1997 Street and Highway Revenue Authorization
Interest Rates:	3.375% - 4.375%
Net Premium (discount):	\$54
Original Maturities:	07/01/04 - 07/01/18
Call Dates:	July 1, 2013 and thereafter at par
Insurer:	MBIA

Series of 2005 issued: 05/01/05	
Amount of issue:	\$51,200
Authorization:	1997 Street and Highway Revenue Authorization
Interest Rates:	3.50% - 5.00%
Net Premium (discount):	\$5
Original Maturities:	07/01/09 - 07/01/20
Call Dates:	July 1, 2015 and thereafter at par
Insurer:	MBIA

Series of 2007 Issued: 01/01/07	
Amount of issue:	\$21,000
Authorization:	1997 Street and Highway Revenue Authorization
Interest Rates:	3.25% - 4.75%
Net Premium (discount):	\$125
Original Maturities:	07/01/09 - 07/01/22
Call Dates:	July 1, 2017 and thereafter at par
Insurer:	Ambac

II. STREET AND HIGHWAY REVENUE BONDS CONTINUED

Series of 2008 issued: 02/15/08	
Amount of issue:	\$25,000
Authorization:	1997 Street and Highway Revenue Authorization
Interest Rates:	3.00% - 4.50%
Net Premium (discount):	\$302
Original Maturities:	07/01/08 - 07/01/22
Call Dates:	July 1, 2018 and thereafter at par
Insurer:	N/A

III. FLOOD CONTROL DISTRICT OBLIGATION BONDS

Series of 2001R issued : 07/01/01	
Amount of issue:	\$4,585
Authorization:	Refunding
Interest Rates:	4.00% - 4.20%
Net Premium (discount):	\$35
Original Maturities:	07/01/04 - 07/01/09
Call Dates:	None
Insurer:	FGIC
Notes:	Refunding issue; refunded \$4,345 Series 1992.

IV. SEWER REVENUE BONDS AND LOANS

Series of 1998 issued: 05/01/98							
Amount of issue:	\$29,185						
Authorization:	<table border="0"> <tr> <td>1997 Sewer Revenue Authorization</td> <td align="right">\$19,910</td> </tr> <tr> <td>1986 Sewer Revenue Authorization</td> <td align="right">\$ 500</td> </tr> <tr> <td>Refunding</td> <td align="right">\$ 8,775</td> </tr> </table>	1997 Sewer Revenue Authorization	\$19,910	1986 Sewer Revenue Authorization	\$ 500	Refunding	\$ 8,775
1997 Sewer Revenue Authorization	\$19,910						
1986 Sewer Revenue Authorization	\$ 500						
Refunding	\$ 8,775						
Interest Rates:	4.50% - 5.50%						
Net Premium (discount):	\$16						
Original Maturities:	07/01/99 - 07/01/15						
Call Dates:	July 1, 2008 through June 30, 2009 @ 1% July 1, 2009 and thereafter at par						
Insurer:	FGIC						
Notes:	Refunded \$7,980 of Series 1991 Refunding Issue; maturity schedule reflects sinking fund requirements (\$3,335 due 07/01/15).						

Series of 2001R issued: 04/01/01	
Amount of issue:	\$19,440
Authorization:	Refunding
Interest Rates:	4.00% - 5.375%
Net Premium (discount):	\$576
Original Maturities:	07/01/02 - 07/01/15
Call Dates:	July 1, 2010 and thereafter at par
Insurer:	FGIC
Notes:	Refunded \$18,045 of Series 1991 Refunding Issue.

Series of 2004R issued: 05/01/04	
Amount of issue:	\$25,770
Authorization:	Refunding
Interest Rates:	2.00% - 5.50%
Net Premium (discount):	\$1,258
Original Maturities:	07/01/05 - 07/01/15
Call Dates:	July 1, 2014 and thereafter at par
Insurer:	FSA
Notes:	Refunded \$25,520 of Series 1994A Refunding Issue.

IV. SEWER REVENUE BONDS AND LOANS CONTINUED

Series of 2007 issued: 01/01/07		
Amount of issue:		\$50,000
Authorization:	2004 Sewer Revenue Authorization	\$49,971
	1997 Sewer Revenue Authorization	\$ 29
Interest Rates:		3.75% - 5.00%
Net Premium (discount):		\$443
Original Maturities:		07/01/07 - 07/01/26
Call Dates:		July 1, 2017 and thereafter at par
Insurer:		FSA

Series of 2008 Dated 05/1/08		
Amount of issue:		\$75,000
Authorization:	2004 Sewer Revenue Authorization	\$74,401
	1997 Sewer Revenue Authorization	\$ 599
Interest Rates:		4.00%-5.00%
Net Premium (discount):		\$1,280
Original Maturities:		07/01/08 - 07/01/23
Call Dates:		July 1, 2018 and thereafter at par
Insurer:		Assured Guaranty

WIFA Refunding Loan of 1996 Dated 03/01/96		
Amount of issue:		\$11,313
Authorization:	Refunding	
Interest Rates:		3.686%**
Net Premium (discount):		\$0
Original Maturities:		01/01/97 - 7/01/12
Call Dates:		N/A
Insurer:		AMBAC*
Notes: Refunded \$5,025 of Series 1992; \$2,845 of Series 1993; and \$2,650 of Series 1994B Sewer Bonds. *AMBAC policy at WIFA level; not at County level. ** Includes 0.5% administrative fee.		

WIFA Loan of 1997 Dated 08/06/97		
Amount of issue:		\$7,500
Authorization:	1986 Sewer Revenue Authorization	\$7,500
Interest Rates:		3.448%**
Net Premium (discount):		\$0
Original Maturities:		07/01/00 - 07/01/11
Call Dates:		N/A
Insurer:		AMBAC*
Notes: *AMBAC policy at WIFA level; not at County level. ** Includes 0.5% administrative fee.		

WIFA Loan of 2000 Dated 10/27/00		
Amount of issue:		\$61,180
Authorization:	1997 Sewer Revenue Authorization	\$61,180
Interest Rates:		3.702%**
Net Premium (discount):		\$0
Original Maturities:		07/01/02 - 07/01/16
Call Dates:		N/A
Insurer:		AMBAC*
Notes: *AMBAC policy at WIFA level; not at County level. ** Interest rate includes 1.5% administrative fee.		

IV. SEWER REVENUE BONDS AND LOANS CONTINUED

WIFA Loan of 2004 Dated 05/11/04		
Amount of issue:		\$19,967
Authorization:	1997 Sewer Revenue Authorization	\$19,967
Interest Rates:		3.31%**
Net Premium (discount):		\$0
Original Maturities:		01/01/05 - 07/01/24
Call Dates:		N/A
Insurer:		AMBAC*
Notes:		
*AMBAC policy at WIFA level; not at County level.		
** Interest rate included administrative fee (unstated).		

V. OTHER COUNTY-SPECIFIC DEBT

Jail Sale-Leaseback (Stadium District) Series 1999R Issued 08/01/99 Refunding		
Amount of issue:		\$4,875
Authorization:	Refunding	
Interest Rates:		5.50% - 5.60%
Net Premium (discount):		\$0
Amount Subsequently Refunded:	\$875 refunded by COP Series 2003R issued 10/01/03	
Original Maturities:		01/01/13 - 01/01/14
Call Dates:		January 1, 2009 and thereafter at par
Insurer:		MBIA
Notes:		
Refunded \$4,585 of Series 1997 COP issued 02/01/97.		

Jail Sale-Leaseback (Stadium District) Series 2003R Issued 10/01/03 Refunding		
Amount of issue:		\$27,525
Authorization:	Refunding	
Interest Rates:		2.00% - 5.00%
Net Premium (discount):		\$762
Original Maturities:		01/01/05 - 01/01/18
Call Dates:		January 1, 2014 and thereafter at par
Insurer:		AMBAC
Notes:		
Refunded \$23,970 of Series 1997 COPs issued 09/01/97 and \$875 of Series 1999R COPs issued 08/01/99.		

Certificates of Participation - Justice Building Project Series 2007-A Issued 5/1/07		
Amount of issue:		\$28,765
Authorization:		
Interest Rates:		4.00% - 5.00%
Net Premium (discount):		\$1,428
Original Maturities:		07/01/09 - 07/01/22
Call Dates:		July 1, 2017 and thereafter at 100
Insurer:		AMBAC
Notes:		

Certificates of Participation - Justice Building Project Series 2007-B Issued 5/1/07		
Amount of issue:		\$1,555
Authorization:		
Interest Rates:		5.04% - 5.22%
Net Premium (discount):		\$0
Original Maturities:		07/01/08 - 07/01/09
Call Dates:		N/A
Insurer:		AMBAC
Notes:		

V. OTHER COUNTY-SPECIFIC DEBT

Certificates of Participation - Series 2008 Issued 6/26/08	
Amount of issue:	\$50,000
Authorization:	
Interest Rates:	5.00%
Net Premium (discount):	\$1,620
Original Maturities:	12/01/08 - 06/01/11
Call Dates:	N/A
Insurer:	N/A
Notes:	

Debt Schedules

In the following sections, Pima County's current debt schedules are listed by due date of principal and interest. These are

- General Obligation Debt of the County;
- Street and Highway Revenue Debt;
- Flood Control District GO Debt;
- Sewer Revenue Bonds & Loans;
- Jail Sale-Leaseback (Stadium District) Debt; and
- Certificates of Participation;

DEBT SCHEDULES

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Notes to Readers of Schedule Data:

1. The following portions of this manual are grouped into several broad categories in an effort to make the data included more useful. These categories are as follows:
 - A. The County's current and historical bond authorizations and issues.
 - B. The County's current outstanding debt summarized and compared with payout requirements and the timetables established.
 - C. Individual sections for each of the County's principal debt categories (i.e., General Obligation, Revenue and Other).
 - i. Within the principal debt categories are schedules which detail bonds and other debt outstanding at July 1, 2008 by payout date, including a "matrix" of bonds by individual interest rate and year of maturity.
2. Debt schedules that are paid in full but had activity during FY 07-08 have been excluded but are available from Finance in a similar format.
3. Future payments, particularly bonds callable in advance of maturity, are subject to the County's future financial planning, and may be changed accordingly.
4. Changing conditions within the Bond Market may make future bond issues and future refundings of existing bonds outstanding subject to reappraisal at any time, especially when savings and other financial opportunities arise from these changes.

PIMA COUNTY BOND ELECTIONS
 Authorization By Election Date in 000's
 FY 1973-74 through FY 2007-08

Voter Question	Feb 05 1974	Jun 05 1979	Feb 05 1980	Nov 02 1982	Feb 21 1984	May 21 1985	May 06 1986	May 20 1997	Nov 04 1997	May 18 2004	May 16 2006	Grand Total
Health care	17,225											17,225
Sewer system improvements	19,095	21,500	12,900	10,000		10,000	54,000	105,000		150,000		382,495
Solid waste				9,100			10,700	12,500				32,300
Juvenile court & facilities								42,000				42,000
Public safety & justice facilities	2,000	25,110					23,850	50,000		183,500		284,460
Government facilities	3,275						13,650	42,000		81,800		140,725
Transportation	7,205	23,100	60,000			5,000	64,300		350,000			509,605
Flood control & river parks		20,600					24,900	21,500		46,200		113,200
Flood repair					63,800							63,800
Parks	9,910						28,000	52,650		96,450		187,010
Open space	4,500							36,330		174,300		215,130
Psychiatric Care Facilities											54,000	54,000
Total	63,210	90,310	72,900	19,100	63,800	15,000	219,400	361,980	350,000	732,250	54,000	2,041,950

PIMA COUNTY VOTER AUTHORIZATIONS
By Election Date FY 1973-74 through FY 2007-08 in 000's

	<u>General Obligation</u>	<u>Sewer Revenue</u>	<u>Street & Highway Revenue</u>
<u>Election of February 5, 1974</u>			
Health care & treatment facilities	17,225		
Sewers & sewage disposal facilities	19,095		
Public safety	2,000		
Government buildings & facilities	3,275		
Streets & bridges	7,205		
Parks & recreational facilities	9,910		
Green belt & open spaces	4,500		
Total election of February 5, 1974	63,210	-	-
<u>Election of June 5, 1979</u>			
Correctional facilities	25,110		
Transportation improvements	18,100		
Highway safety	5,000		
Flood control improvements (FCD general obligation)	20,600		
Sewer improvements		21,500	
Total election of June 5, 1979	68,810	21,500	-
<u>Election of February 5, 1980</u>			
Highway safety	12,500		
Major highway improvements	47,500		
Sewer improvements		12,900	
Total election of February 5, 1980	60,000	12,900	-
<u>Election of November 2, 1982</u>			
Sanitary Landfills	9,100		
Sewer effluent reuse		10,000	
Total election of November 2, 1982	9,100	10,000	-
<u>Election of February 21, 1984</u>			
Flood repairs	63,800		
Total election of February 21, 1984	63,800	-	-
<u>Election of May 21, 1985</u>			
Traffic safety & transportation	5,000		
Sewer improvements & repairs		10,000	
Total election of May 21, 1985	5,000	10,000	-
<u>Election of May 6, 1986</u>			
Traffic safety & transportation	64,300		
Parks & recreation improvements	28,000		
Public facilities, courts & public safety	23,850		
Flood control improvements	24,900		
Libraries & public facilities	13,650		
Solid waste landfills and facilities	10,700		
Sewer improvements & repairs		54,000	
Total election of May 6, 1986	165,400	54,000	-
<u>Election of May 20, 1997</u>			
Juvenile court & detention facilities	42,000		
Public safety, law enforcement & superior courts	50,000		
Parks	52,650		
Sonoran Desert open space and preservation	36,330		
Public health, recreation & cultural facilities	42,000		
Flood control improvements	21,500		
Solid waste disposal facilities	12,500		
Sewer system improvements & repairs		105,000	
Total election of May 20, 1997	256,980	105,000	-
<u>Election of November 4, 1997</u>			
Transportation & traffic safety improvements			350,000
Total election of November 4, 1997	-	-	350,000
<u>Election of May 18, 2004</u>			
Sonoran Desert open space & habitat protection	174,300		
Public health & community facilities	81,800		
Public safety & justice facilities	183,500		
Parks & recreational facilities	96,450		
River parks & flood control improvements	46,200		
Sewer system improvements & repairs		150,000	
Total election of May 18, 2004	582,250	150,000	-
<u>Election of May 16, 2006</u>			
Psychiatric Care Facilities	54,000		
Total election of May 16, 2006	54,000	-	-

PIMA COUNTY REMAINING BOND AUTHORIZATION USAGE BY ISSUE
 Remaining Bond Authorization Detail at June 30, 2008 in 000's

General Obligation Bonds	
Election of November 2, 1982	9,100
Series 1984A - Sanitary Landfills	3,100
Series of 1999	1,000
Series of 2002	1,439
Series of 2003	492
Series of 2007	3,069
Remaining at June 30, 2008	0
Election of May 20, 1997	256,980
Series of 1998	34,954
Series of 1999	45,700
Series of 2000	49,800
Series of 2002	17,486
Series of 2003	45,966
Series of 2004	12,241
Series of 2005	10,779
Series of 2007	11,536
Series of 2008	7,977
Remaining at June 30, 2008	20,541
Election of May 18, 2004	582,250
Series of 2004	51,471
Series of 2005	54,220
Series of 2007	79,677
Series of 2008	90,786
Remaining at June 30, 2008	306,096
Election of May 16, 2006	54,000
Series of 2005	1
Series of 2007	718
Series of 2008	1,237
Remaining at June 30, 2008	52,044
Aggregate unused General Obligation Authorizations, June 30, 2008	378,681

PIMA COUNTY REMAINING BOND AUTHORIZATION USAGE BY ISSUE

Remaining Bond Authorization Detail at June 30, 2008 in 000's

Street and Highway Revenue Bonds		
Election of November 4, 1997		350,000
Series of 1998	40,000	
Series of 2002	55,000	
Series of 2003	35,000	
Series of 2005	51,200	
Series of 2007	21,000	
Series of 2008	25,000	
Remaining at June 30, 2008		122,800

Aggregate unused Street & Highway Revenue Authorizations, June 30, 2008	122,800
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Sewer Revenue Bonds		
Election of May 20, 1997		105,000
Series of 1998	19,910	
WIFA Loan of 2000 (as amended)	61,180	
WIFA Loan of 2004	19,967	
Series of 2007	246	
Series of 2008	2,991	
Remaining at June 30, 2008		706

Election of May 18, 2004		150,000
Series of 2007	49,754	
Series of 2008	72,009	
Remaining at June 30, 2008		28,237

Aggregate unused Sewer Revenue Authorizations, June 30, 2008	28,943
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PIMA COUNTY LEGAL DEBT MARGINS
As determined at June 30 (Fiscal Year-End)
Amounts in 000's

	1986	1992	1997	2000	2001	2002	2003	2004	2005	2006	2007	2008
<u>COUNTY GENERAL OBLIGATION DEBT:</u>												
Secondary net assessed valuation	2,841,072	2,998,164	3,247,512	4,000,624	4,236,070	4,491,395	4,835,561	5,221,271	5,620,156	6,050,950	6,869,955	8,220,396
County General Obligation debt limit @ 15%	426,161	449,725	487,127	600,094	635,410	673,709	725,334	783,191	843,023	907,643	1,030,493	1,233,059
General Obligation bonds outstanding less net assets in debt service fund available for payment of general obligation bond principal	200,170 (29,107)	270,195 (11,985)	183,680 (8,032)	173,985 (6,249)	192,640 (4,309)	183,070 (4,883)	200,275 (2,226)	232,105 (2,648)	267,270 (8,899)	231,310 (5,571)	289,590 (7,431)	348,335 (10,241)
Net bond liability outstanding at year-end	171,063	258,210	175,648	167,736	188,331	178,187	198,049	229,457	258,371	225,739	282,159	338,094
Legal debt margin available - dollars	255,098	191,515	311,479	432,358	447,079	495,522	527,285	553,734	584,652	681,904	748,334	894,965
Legal debt margin available - percent	59.9%	42.6%	63.9%	72.0%	70.4%	73.6%	72.7%	70.7%	69.4%	75.1%	72.6%	72.6%
<u>FLOOD CONTROL DISTRICT GENERAL OBLIGATION DEBT:</u>												
Secondary net assessed valuation	2,247,284	2,304,555	2,626,290	3,390,398	3,597,845	3,834,691	4,158,577	4,511,100	4,907,357	5,323,433	6,113,953	7,412,190
Flood Control general obligation debt limit @ 5%	112,364	115,228	131,315	169,520	179,892	191,735	207,929	225,555	245,368	266,171	305,698	370,610
Flood Control general obligation bonds outstanding less net assets in debt service fund available for payment of flood control bond principal	17,050 (473)	12,790 (473)	8,920 -	6,595 (14)	5,840 (15)	5,330 (26)	4,585 (26)	3,805 (26)	3,010 (25)	2,230 (24)	1,470 (23)	725 (40)
Net bond liability outstanding at year-end	16,577	12,317	8,920	6,581	5,825	5,304	4,559	3,779	2,985	2,206	1,447	685
Legal debt margin available - dollars	95,787	102,911	122,395	162,939	174,067	186,431	203,370	221,776	242,383	263,965	304,251	369,925
Legal debt margin available - percent	85.2%	89.3%	93.2%	96.1%	96.8%	97.2%	97.8%	98.3%	98.8%	99.2%	99.5%	99.8%

PIMA COUNTY LONG-TERM DEBT RECAP
 Designated Sources of Repayment (FY 08-09 through FY 25-26)

Debt Type	County General Fund	County Secondary Prop Tax	Enterprise Fund Revenues	Special District Sec Prop Tax	Special Revenue Funds	Totals
General Obligation Debt*		444,201,626				444,201,626
Street and Highway Bonds					190,509,941	190,509,941
Transportation Help Loans					1,061,180	1,061,180
Flood Control Bonds				755,450		755,450
Sewer Revenue Bonds**			230,053,475			230,053,475
Sewer Revenue Loans (WIFA)**			84,867,380			84,867,380
Jail Sale-Leaseback (Stadium District)					30,470,745	30,470,745
Certificates of Participation	94,728,814				325,624	95,054,438
Totals	94,728,814	444,201,626	314,920,855	755,450	222,367,490	1,076,974,235
Percent of Total	8.8%	41.2%	29.2%	0.1%	20.6%	100.0%

*General obligation debt is secured by the "full faith & credit" of Pima County; proceeds are used for general government facilities, including parks, community reinvestment open spaces, solid waste disposal facilities, governmental buildings, libraries, playfields, correctional facilities, court facilities juvenile courts/correctional facilities, etc.

**Sewer Revenue Loans and Sewer Revenue Bonds are wholly payable from sewer user and connection fees; the aggregate of the debt service on the loans and bonds must not exceed a certain percentage of the revenues available from described sources.

PIMA COUNTY LONG-TERM DEBT RECAP

Total Debt Service Payments by Fiscal Year

FISCAL YEAR	GENERAL OBLIGATION	STREET & HWY REVENUE	TRANSP HELP LOANS	FLOOD CONTROL	SEWER REVENUE	WIFA SWR LOANS	JAIL LEASE STADIUM	JUSTICE BLDG COPS	SERIES 2008 COPS	TOTAL ANNUAL DEBT SVC
FY07-08	54,980,824	17,768,552	2,827,611	805,996	12,223,162	8,345,375	3,008,660	2,911,599		102,871,778
FY08-09	48,010,527	18,512,460	1,061,180	755,450	15,045,358	8,377,230	3,027,435	2,908,524	22,326,389	120,024,553
FY09-10	41,533,481	18,521,469			14,911,420	8,517,097	3,007,335	2,908,500	21,500,000	110,899,302
FY10-11	37,963,449	18,520,899			13,879,720	9,552,568	3,003,585	2,909,100	10,500,000	96,329,321
FY11-12	37,704,101	18,517,813			14,528,883	9,557,868	3,004,385	2,907,100		86,220,150
FY12-13	37,428,799	13,882,287			15,091,426	8,333,669	3,426,860	2,907,500		81,070,541
FY13-14	34,827,201	13,932,425			16,240,576	7,193,596	2,995,950	2,910,575		78,100,323
FY14-15	31,568,674	13,994,950			16,252,644	7,209,700	3,004,390	2,910,250		74,940,607
FY15-16	31,093,808	14,068,388			13,787,856	7,195,625	3,003,090	2,906,750		72,055,516
FY16-17	30,865,299	14,103,988			13,859,556	7,212,266	3,001,080	2,908,500		71,950,688
FY17-18	27,013,101	14,158,551			13,936,106	1,471,095	2,996,635	2,910,000		62,485,487
FY18-19	29,003,086	10,737,088			14,038,550	1,470,466		2,911,000		58,160,189
FY 19-20	23,769,750	10,836,588			14,141,525	1,469,815		2,911,250		53,128,927
FY 20-21	17,820,350	5,327,701			14,164,414	1,469,143		2,910,500		41,692,107
FY 21-22	15,600,000	5,395,338			14,272,844	1,468,449		2,908,500		39,645,130
FY 22-23					14,370,600	1,467,733				15,838,333
FY 23-24					3,811,600	1,466,991				5,278,591
FY 24-25					3,841,200	1,434,069				5,275,269
FY 25-26					3,879,200					3,879,200
Total	444,201,626	190,509,941	1,061,180	755,450	230,053,475	84,867,380	30,470,745	40,728,049	54,326,389	1,076,974,235

Note: The July 1st payment for all debt, except the WIFA Sewer Loans, is included in the prior fiscal year as these funds are generally disbursed prior to June 30th to reach the Paying Agents on July 1st.

PIMA COUNTY LONG-TERM DEBT RECAP

Total Debt Service Payments by Due Date

DUE DATE	GENERAL OBLIGATION	STREET & HWY REVENUE	TRANSP HELP LOANS	FLOOD CONTROL	SEWER REVENUE	WIFA SWR LOANS**	JAIL LEASEBACK	JUSTICE BLDG COPS	SERIES 2008 COPS	TOTAL DEBT SVC
01/01/08	6,171,343	2,829,626	2,827,611	30,498	2,176,019	1,265,097	2,462,705	952,342	0	18,715,241
07/01/08	48,809,481	14,938,926	0	775,498	10,047,143	7,220,143	545,955	1,959,257	0	84,296,402
01/01/09	7,175,264	3,073,730	1,061,180	15,225	3,587,679	1,157,087	2,510,955	681,762	1,076,389	20,339,271
07/01/09	40,835,263	15,438,730		740,225	11,457,679	7,474,380	516,480	2,226,762	21,250,000	99,939,519
01/01/10	6,476,741	2,825,734			3,410,710	1,042,717	2,541,480	649,250	750,000	17,696,632
07/01/10	35,056,740	15,695,735			11,500,710	8,647,895	465,855	2,259,250	20,750,000	94,376,185
01/01/11	5,861,725	2,545,449			3,234,860	904,673	2,590,855	617,050	250,000	16,004,612
07/01/11	32,101,724	15,975,450			10,644,860	8,796,454	412,730	2,292,050	10,250,000	80,473,268
01/01/12	5,299,551	2,251,406			3,066,942	761,414	2,642,730	583,550		14,605,593
07/01/12	32,404,550	16,266,407			11,461,941	7,698,662	361,655	2,323,550		70,516,765
01/01/13	4,711,900	1,956,143			2,875,713	635,007	3,141,655	548,750		13,869,168
07/01/13	32,716,899	11,926,144			12,215,713	6,668,288	285,205	2,358,750		66,170,999
01/01/14	4,108,601	1,758,712			2,660,288	525,308	2,770,205	510,288		12,333,402
07/01/14	30,718,600	12,173,713			13,580,288	6,798,465	225,745	2,400,287		65,897,098
01/01/15	3,526,837	1,552,475			2,408,822	411,235	2,830,745	470,125		11,200,239
07/01/15	28,041,837	12,442,475			13,843,822	6,902,431	173,645	2,440,125		63,844,335
01/01/16	2,994,404	1,334,194			2,138,928	293,194	2,883,645	420,875		10,065,240
07/01/16	28,099,404	12,734,194			11,648,928	7,041,809	119,445	2,485,875		62,129,655
01/01/17	2,462,650	1,079,494			1,937,278	170,457	2,939,445	369,250		8,958,574
07/01/17	28,402,649	13,024,493			11,922,278	1,319,658	61,635	2,539,250		57,269,963
01/01/18	1,926,551	824,275			1,725,553	151,437	2,996,635	315,000		7,939,451
07/01/18	25,086,550	13,334,275			12,210,553	1,338,677		2,595,000		54,565,055
01/01/19	1,484,043	561,044			1,514,275	131,789		258,000		3,949,151
07/01/19	27,519,043	10,176,043			12,524,275	1,358,326		2,653,000		54,230,687
01/01/20	992,375	378,294			1,290,762	111,489		198,125		2,971,045
07/01/20	22,777,375	10,458,293			12,850,763	1,378,625		2,713,125		50,178,181
01/01/21	612,675	188,850			1,012,207	90,518		135,250		2,039,500
07/01/21	17,207,675	5,138,850			13,152,207	1,399,596		2,775,250		39,673,578
01/01/22	300,000	97,669			763,922	68,853		69,250		1,299,694
07/01/22	15,300,000	5,297,668			13,508,922	1,421,262		2,839,250		38,367,102
01/01/23					495,300	46,471				541,771
07/01/23					13,875,300	1,443,644				15,318,944
01/01/24					213,300	23,347				236,647
07/01/24					3,598,300	1,434,069				5,032,369
01/01/25					145,600					145,600
07/01/25					3,695,600					3,695,600
01/01/26					74,600					74,600
07/01/26					3,804,600					3,804,600
TOTALS	444,201,626	190,509,941	1,061,180	755,450	230,053,475	77,647,237	30,470,745	40,728,049	54,326,389	1,069,754,092

Note: The July 1st payment was deducted from the June 30th balance for all Debt presented above except for the WIFA Loans. These payments are generally disbursed prior to June 30th so as to reach paying agents on July 1st. However, for the WIFA Loans the July 1st payments are actually paid on July 1st of each year. Accordingly, the year-end balance of the WIFA loans will not agree with CAFR reported amounts.

*Capital leases are shown as if all payment activity occurs at 06/30; however, payments are scheduled variously throughout the year.

** In order to reconcile the total amounts to the FY 2008 CAFR, the 7/1/08 WIFA Loan payment must be added to the total.

PIMA COUNTY LONG-TERM DEBT RECAP
Remaining Debt Balances at Fiscal Year End

FISCAL YEAR	GENERAL OBLIGATION	STREET & HWY REVENUE	TRANSP HELP LOANS	FLOOD CONTROL	SEWER REVENUE	WIFA SWR LOANS	JAIL LEASE STADIUM	JUSTICE BLDG COPS	SERIES 2008 COPS	TOTAL DEBT BALS
FY07-08	348,335,000	149,655,000	1,000,000	725,000	164,940,000	70,571,713	24,680,000	29,075,000	50,000,000	838,981,713
FY08-09	314,675,000	137,290,000	0	0	157,070,000	64,597,247	22,715,000	27,530,000	30,000,000	753,877,247
FY09-10	286,095,000	124,420,000			148,980,000	58,279,954	20,690,000	25,920,000	10,000,000	674,384,954
FY10-11	259,855,000	110,990,000			141,570,000	50,674,776	18,565,000	24,245,000	0	605,899,776
FY11-12	232,750,000	96,975,000			133,175,000	42,782,994	16,335,000	22,505,000		544,522,994
FY12-13	204,745,000	87,005,000			123,835,000	35,845,745	13,555,000	20,695,000		485,680,745
FY13-14	178,135,000	76,590,000			112,915,000	29,812,464	11,070,000	18,805,000		427,327,464
FY14-15	153,620,000	65,700,000			101,480,000	23,539,307	8,465,000	16,835,000		369,639,307
FY15-16	128,515,000	54,300,000			91,970,000	17,048,111	5,755,000	14,770,000		312,358,111
FY16-17	102,575,000	42,355,000			81,985,000	10,299,496	2,935,000	12,600,000		252,749,496
FY17-18	79,415,000	29,845,000			71,500,000	9,150,295	0	10,320,000		200,230,295
FY18-19	53,380,000	20,230,000			60,490,000	7,963,055		7,925,000		149,988,055
FY 19-20	31,595,000	10,150,000			48,930,000	6,736,518		5,410,000		102,821,518
FY 20-21	15,000,000	5,200,000			36,790,000	5,469,382		2,770,000		65,229,382
FY 21-22	0	0			24,045,000	4,160,304		0		28,205,304
FY 22-23					10,665,000	2,807,895				13,472,895
FY 23-24					7,280,000	1,410,722				8,690,722
FY 24-25					3,730,000	0				3,730,000
FY 25-26					0					0
FY 26-27										0

*Note: By convention, the July 1st payment for all Debt presented above, except for the WFA Sewer Loans, is deducted from the June 30 balance. These funds are generally disbursed prior to June 30th so as to reach Paying Agents on July 1st.

PIMA COUNTY LONG-TERM DEBT OBLIGATIONS

Summary of Payments Required in 000's
Fiscal Year 08-09 (Current Year)

GENERAL OBLIGATION BONDS			
BOND ISSUE	PRINCIPAL	INTEREST	TOTAL
Series 1998 - \$42,420,000	2,295	530	2,825
Series 1999 - \$50,000,000	3,500	335	3,835
Series 2000 - \$50,000,000	3,000	837	3,837
Series 2001R - \$17,835,000	375	19	394
Series 2002 - \$20,000,000	1,000	306	1,306
Series 2003 - \$50,000,000	3,500	1,334	4,834
Series 2004 - \$65,000,000	3,405	2,055	5,460
Series 2005 - \$65,000,000	3,185	2,000	5,185
Series 2007 - \$95,000,000	5,400	3,523	8,923
Series 2008 - \$100,000,000	8,000	3,411	11,411
Total General Obligation Bonds	33,660	14,351	48,011

PIMA COUNTY STREET & HIGHWAY REVENUE BONDS			
BOND ISSUE	PRINCIPAL	INTEREST	TOTAL
Series 1998 - \$40,000,000	0	0	0
Series 2002 - \$55,000,000	5,800	1,057	6,857
Series 2003 - \$35,000,000	2,275	1,103	3,378
Series 2005 - \$51,200,000	3,390	2,116	5,506
Series 2007 - \$21,000,000	750	907	1,657
Series 2008 - \$25,000,000	150	964	1,114
Total Street & Highway Revenue Bonds	12,365	6,147	18,512

PIMA COUNTY TRANSPORTATION HELP LOANS*			
LOAN AMOUNT	PRINCIPAL	INTEREST	TOTAL
Alvernon Way HELP Loan - \$4,836,000	1,000	61	1,061
Total Transportation Help Loans	1,000	61	1,061

*Includes principal payments July 15th.

PIMA COUNTY FLOOD CONTROL DISTRICT BONDS			
BOND ISSUE	PRINCIPAL	INTEREST	TOTAL
Series 2001R - \$4,585,000	725	30	755
Total Flood Control District Bonds	725	30	755

PIMA COUNTY SEWER REVENUE BONDS & LOANS			
BOND ISSUE/LOAN	PRINCIPAL	INTEREST	TOTAL
Series 1998 - \$29,185,000	2,300	584	2,884
Series 2001R - \$19,440,000	1,240	631	1,871
Series 2004R - \$25,770,000	2,485	882	3,367
Series 2007 - \$50,000,000	1,625	1,951	3,576
Series 2008 - \$75,000,000	220	3,127	3,347
WIFA Loan 1996R - \$11,313,349	1,200	198	1,398
WIFA Loan 1997 - \$7,500,000	602	76	679
WIFA Loan 2000 - \$61,180,286	3,296	1,529	4,825
WIFA Loan 2004 - \$19,967,331*	876	600	1,476
Total Sewer Revenue Bonds/Loans	13,844	9,578	23,423

PIMA COUNTY OTHER DEBT VEHICLES			
DEBT DESCRIPTION	PRINCIPAL	INTEREST	TOTAL
1999 Jail Sales/Leaseback Refunding - \$4,875,000	0	221	221
2003 Jail Sales/Leaseback Refunding - \$27,525,000	1,965	841	2,806
2007-A COP's Justice Building Project - \$28,765,000	1,235	1,348	2,583
2007-B COP's Justice Building Project - \$1,555,000	310	15	325
2008 COP's Public Works Building - \$50,000,000	20,000	2,326	22,326
Total Due	23,510	4,752	28,262

Grand Totals	85,104	34,919	120,024
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* A revised debt schedule was issued for the 2004 WIFA Loan in January 2009. The above amounts include those revisions.

PIMA COUNTY MAJOR BOND OBLIGATION DEBT

Dollar-Averaged Face Interest Rates by Year of Maturity (\$ amounts in 000's)

DUE DATE	GENERAL OBLIGATION BONDS		STREET & HIGHWAY REVENUE BONDS		SEWER REVENUE BONDS	
	AMT DUE	AVG INT RATE	AMT DUE	AVG INT RATE	AMT DUE	AVG INT RATE
07/01/08	41,255	4.0078%	11,745	4.0537%	7,350	4.1282%
07/01/09	33,660	4.1505%	12,365	4.0113%	7,870	4.4973%
07/01/10	28,580	4.3038%	12,870	4.3556%	8,090	4.3473%
07/01/11	26,240	4.2849%	13,430	4.3789%	7,410	4.5322%
07/01/12	27,105	4.3361%	14,015	4.2135%	8,395	4.5558%
07/01/13	28,005	4.3085%	9,970	3.9605%	9,340	4.6130%
07/01/14	26,610	4.3725%	10,415	3.9604%	10,920	4.6056%
07/01/15	24,515	4.3437%	10,890	4.0088%	11,435	4.7205%
07/01/16	25,105	4.2362%	11,400	4.4684%	9,510	4.2408%
07/01/17	25,940	4.1334%	11,945	4.2732%	9,985	4.2409%
07/01/18	23,160	3.8213%	12,510	4.2083%	10,485	4.0301%
07/01/19	26,035	3.7770%	9,615	3.8014%	11,010	4.0602%
07/01/20	21,785	3.4859%	10,080	3.7588%	11,560	4.8193%
07/01/21	16,595	3.7683%	4,950	3.6841%	12,140	4.0904%
07/01/22	15,000	4.0000%	5,200	3.7565%	12,745	4.2153%
07/01/23					13,380	4.2152%
07/01/24					3,385	4.0000%
07/01/25					3,550	4.0000%
07/01/26					3,730	4.0000%
TOTALS	348,335	4.1172%	149,655	4.0895%	164,940	4.3913%

PIMA COUNTY GENERAL OBLIGATION DEBT
Matrix of General Obligation Bonds (\$ amounts in 000's)

DUE DATE	SERIES 1998		SERIES 1999		SERIES 2000		SERIES 2001R		SERIES 2002		SERIES 2003		SERIES 2004		SERIES 2005		SERIES 2007		SERIES 2008		ALL SERIES	
	\$ AMT DUE	BONDS INT RATE	\$ AMT DUE	BONDS INT RATE	\$ AMT DUE	BONDS INT RATE	\$ AMT DUE	BONDS INT RATE	\$ AMT DUE	BONDS INT RATE	\$ AMT DUE	BONDS INT RATE	\$ AMT DUE	BONDS INT RATE	\$ AMT DUE	BONDS INT RATE	\$ AMT DUE	BONDS INT RATE	\$ AMT DUE	BONDS INT RATE	\$ AMT DUE	DLR AVG INT RATE
07/01/08	2,330	4.5000%	4,500	5.1000%	3,000	5.0000%	4,090	4.5000%	1,500	4.1250%	3,250	3.2500%	3,285	5.0000%	3,050	4.0000%	6,250	4.5000%	10,000	2.5000%	41,255	4.0078%
07/01/09	2,295	4.5000%	3,500	5.1250%	3,000	5.0000%	375	5.0000%	1,000	4.2500%	3,500	3.5000%	3,405	5.0000%	3,185	4.0000%	5,400	4.5000%	8,000	3.0000%	33,660	4.1505%
07/01/10	2,305	4.6000%	3,115	5.0000%	3,000	5.0000%			1,000	4.2500%	3,500	3.5000%	3,540	5.0000%	3,330	4.0000%	5,290	4.5000%	3,500	3.0000%	28,580	4.3038%
07/01/11	2,520	4.5000%			3,000	5.0000%			1,000	4.2500%	3,500	4.0000%	3,690	5.0000%	3,480	4.0000%	5,550	4.5000%	3,500	3.0000%	26,240	4.2849%
07/01/12	2,290	4.5000%			3,000	4.9000%			1,000	4.3750%	3,750	4.0000%	3,850	5.0000%	3,635	4.0000%	5,830	4.5000%	3,750	3.5000%	27,105	4.3361%
07/01/13	2,310	4.5000%			3,000	4.0000%			1,000	4.5000%	3,750	4.0000%	4,025	5.0000%	3,800	4.5000%	6,120	4.5000%	4,000	3.5000%	28,005	4.3085%
07/01/14					3,000	4.0000%			1,000	4.5000%	3,750	4.0000%	4,215	5.0000%	3,970	4.5000%	6,425	4.5000%	4,250	4.0000%	26,610	4.3725%
07/01/15									700	4.5000%	4,000	4.0000%	4,415	4.1250%	4,150	5.0000%	6,750	4.5000%	4,500	4.0000%	24,515	4.3437%
07/01/16									300	4.5000%	4,000	4.1250%	4,835	4.3750%	4,335	4.0000%	7,085	4.5000%	4,750	4.0000%	25,105	4.2362%
07/01/17											4,100	4.2500%	4,870	4.5000%	4,530	4.0000%	7,440	4.0000%	5,000	4.0000%	25,940	4.1334%
07/01/18													5,115	3.0000%	4,735	4.0000%	7,810	4.1250%	5,500	4.0000%	23,160	3.8213%
07/01/19													5,385	3.0000%	4,945	3.5000%	8,205	4.2500%	7,500	4.0000%	26,035	3.7770%
07/01/20															5,170	3.5000%	8,615	3.0000%	8,000	4.0000%	21,785	3.4859%
07/01/21																	3,845	3.0000%	12,750	4.0000%	16,595	3.7683%
07/01/22																			15,000	4.0000%	15,000	4.0000%
TOTALS	11,720	4.5200%	6,615	5.0625%	18,000	4.6500%	375	5.0000%	7,000	4.3906%	33,850	3.9306%	47,145	4.4545%	49,265	4.0833%	84,365	4.1827%	90,000	3.7143%	348,335	4.1172%

PIMA COUNTY GENERAL OBLIGATION DEBT
Summary of Annual Principal & Interest in 000's

FISCAL YEAR ENDED JUNE 30	PRINCIPAL	INTEREST	TOTAL	REMAINING BALANCE
2008	41,255	13,726	54,981	348,335
2009	33,660	14,351	48,011	314,675
2010	28,580	12,953	41,534	286,095
2011	26,240	11,723	37,963	259,855
2012	27,105	10,599	37,704	232,750
2013	28,005	9,424	37,429	204,745
2014	26,610	8,217	34,827	178,135
2015	24,515	7,054	31,569	153,620
2016	25,105	5,989	31,094	128,515
2017	25,940	4,925	30,865	102,575
2018	23,160	3,853	27,013	79,415
2019	26,035	2,968	29,003	53,380
2020	21,785	1,985	23,770	31,595
2021	16,595	1,225	17,820	15,000
2022	15,000	600	15,600	0
Totals	348,335	95,867	444,202	

PIMA COUNTY GENERAL OBLIGATION DEBT
Summary of All General Obligation Outstanding Debt

DUE DATE	PRINCIPAL DUE	INTEREST DUE	TOTAL PAYMENT	REMAINING BALANCE	CURRENT INT COST
07/01/08	41,255,000	7,554,481	48,809,481	348,335,000	5.2174%
01/01/09		7,175,264	7,175,264	348,335,000	4.1197%
07/01/09	33,660,000	7,175,263	40,835,263	314,675,000	4.1197%
01/01/10		6,476,741	6,476,741	314,675,000	4.1165%
07/01/10	28,580,000	6,476,740	35,056,740	286,095,000	4.1165%
01/01/11		5,861,725	5,861,725	286,095,000	4.0977%
07/01/11	26,240,000	5,861,724	32,101,724	259,855,000	4.0977%
01/01/12		5,299,551	5,299,551	259,855,000	4.0789%
07/01/12	27,105,000	5,299,550	32,404,550	232,750,000	4.0789%
01/01/13		4,711,900	4,711,900	232,750,000	4.0489%
07/01/13	28,005,000	4,711,899	32,716,899	204,745,000	4.0489%
01/01/14		4,108,601	4,108,601	204,745,000	4.0134%
07/01/14	26,610,000	4,108,600	30,718,600	178,135,000	4.0134%
01/01/15		3,526,837	3,526,837	178,135,000	3.9597%
07/01/15	24,515,000	3,526,837	28,041,837	153,620,000	3.9597%
01/01/16		2,994,404	2,994,404	153,620,000	3.8985%
07/01/16	25,105,000	2,994,404	28,099,404	128,515,000	3.8985%
01/01/17		2,462,650	2,462,650	128,515,000	3.8325%
07/01/17	25,940,000	2,462,649	28,402,649	102,575,000	3.8325%
01/01/18		1,926,551	1,926,551	102,575,000	3.7564%
07/01/18	23,160,000	1,926,550	25,086,550	79,415,000	3.7564%
01/01/19		1,484,043	1,484,043	79,415,000	3.7374%
07/01/19	26,035,000	1,484,043	27,519,043	53,380,000	3.7374%
01/01/20		992,375	992,375	53,380,000	3.7182%
07/01/20	21,785,000	992,375	22,777,375	31,595,000	3.7182%
01/01/21		612,675	612,675	31,595,000	3.8783%
07/01/21	16,595,000	612,675	17,207,675	15,000,000	3.8783%
01/01/22		300,000	300,000	15,000,000	4.0000%
07/01/22	15,000,000	300,000	15,300,000	0	4.0000%
TOTALS	348,335,000	95,866,626	444,201,626		3.9469%

PIMA COUNTY GENERAL OBLIGATION DEBT
 \$42,420,000 Series 1998 Bonds Issued 05/01/98
 June 30, 2008

DUE DATE	PRINCIPAL DUE	INTEREST DUE	TOTAL PAYMENT	REMAINING BALANCE	CURRENT INT COST
07/01/08	2,330,000	317,278	2,647,278	11,720,000	4.5164%
01/01/09		264,852	264,852	11,720,000	4.5197%
07/01/09	2,295,000	264,852	2,559,852	9,425,000	4.5197%
01/01/10		213,215	213,215	9,425,000	4.5245%
07/01/10	2,305,000	213,215	2,518,215	7,120,000	4.5245%
01/01/11		160,200	160,200	7,120,000	4.5000%
07/01/11	2,520,000	160,200	2,680,200	4,600,000	4.5000%
01/01/12		103,500	103,500	4,600,000	4.5000%
07/01/12	2,290,000	103,500	2,393,500	2,310,000	4.5000%
01/01/13		51,975	51,975	2,310,000	4.5000%
07/01/13	2,310,000	51,975	2,361,975	0	4.5000%
TOTALS	11,720,000	1,587,484	13,307,484		4.5088%

Call features:

07/01/08 - 6/30/09 @ 101
 07/01/09 and thereafter @ 100

PIMA COUNTY GENERAL OBLIGATION DEBT
 \$50,000,000 Series 1999 Bonds Issued 10/01/99
 June 30, 2008

DUE DATE	PRINCIPAL DUE	INTEREST DUE	TOTAL PAYMENT	REMAINING BALANCE	CURRENT INT COST
07/01/08	4,500,000	282,313	4,782,313	6,615,000	5.0799%
01/01/09		167,562	167,562	6,615,000	5.0661%
07/01/09	3,500,000	167,562	3,667,562	3,115,000	5.0661%
01/01/10		77,875	77,875	3,115,000	5.0000%
07/01/10	3,115,000	77,875	3,192,875	0	5.0000%
TOTALS	6,615,000	490,874	7,105,874		5.0331%

Call features:

07/01/08 - 06/30/09 @ 101
 07/01/09 and thereafter @ 100

PIMA COUNTY GENERAL OBLIGATION DEBT
\$50,000,000 Series 2000 Bonds Issued 08/01/00
 June 30, 2008

DUE DATE	PRINCIPAL DUE	INTEREST DUE	TOTAL PAYMENT	REMAINING BALANCE	CURRENT INT COST
07/01/08	3,000,000	493,500	3,493,500	18,000,000	4.7000%
01/01/09		418,500	418,500	18,000,000	4.6500%
07/01/09	3,000,000	418,500	3,418,500	15,000,000	4.6500%
01/01/10		343,500	343,500	15,000,000	4.5800%
07/01/10	3,000,000	343,500	3,343,500	12,000,000	4.5800%
01/01/11		268,500	268,500	12,000,000	4.4750%
07/01/11	3,000,000	268,500	3,268,500	9,000,000	4.4750%
01/01/12		193,500	193,500	9,000,000	4.3000%
07/01/12	3,000,000	193,500	3,193,500	6,000,000	4.3000%
01/01/13		120,000	120,000	6,000,000	4.0000%
07/01/13	3,000,000	120,000	3,120,000	3,000,000	4.0000%
01/01/14		60,000	60,000	3,000,000	4.0000%
07/01/14	3,000,000	60,000	3,060,000	0	4.0000%
TOTALS	18,000,000	2,808,000	20,808,000		4.3342%

Call features:

07/01/09 - 06/30/10 @ 101
 07/01/10 and thereafter @ 100

PIMA COUNTY GENERAL OBLIGATION DEBT
\$17,835,000 Series 2001R Bonds Issued 07/01/01
 June 30, 2008

DUE DATE	PRINCIPAL DUE	INTEREST DUE	TOTAL PAYMENT	REMAINING BALANCE	CURRENT INT COST
07/01/08	4,090,000	101,400	4,191,400	375,000	4.5420%
01/01/09		9,375	9,375	375,000	5.0000%
07/01/09	375,000	9,375	384,375	0	5.0000%
TOTALS	375,000	18,750	393,750		5.0000%

Bonds are not subject to call.

PIMA COUNTY GENERAL OBLIGATION DEBT
 \$20,000,000 Series 2002 Bonds Issued 01/01/02
 June 30, 2008

DUE DATE	PRINCIPAL DUE	INTEREST DUE	TOTAL PAYMENT	REMAINING BALANCE	CURRENT INT COST
07/01/08	1,500,000	184,063	1,684,063	7,000,000	4.3309%
01/01/09		153,125	153,125	7,000,000	4.3750%
07/01/09	1,000,000	153,125	1,153,125	6,000,000	4.3750%
01/01/10		131,875	131,875	6,000,000	4.3958%
07/01/10	1,000,000	131,875	1,131,875	5,000,000	4.3958%
01/01/11		110,625	110,625	5,000,000	4.4250%
07/01/11	1,000,000	110,625	1,110,625	4,000,000	4.4250%
01/01/12		89,375	89,375	4,000,000	4.4688%
07/01/12	1,000,000	89,375	1,089,375	3,000,000	4.4688%
01/01/13		67,500	67,500	3,000,000	4.5000%
07/01/13	1,000,000	67,500	1,067,500	2,000,000	4.5000%
01/01/14		45,000	45,000	2,000,000	4.5000%
07/01/14	1,000,000	45,000	1,045,000	1,000,000	4.5000%
01/01/15		22,500	22,500	1,000,000	4.5000%
07/01/15	700,000	22,500	722,500	300,000	4.5000%
01/01/16		6,750	6,750	300,000	4.5000%
07/01/16	300,000	6,750	306,750	0	4.5000%
TOTALS	7,000,000	1,253,500	8,253,500		4.4581%

Call features:

07/01/10 - 06/30/11 @ 101
 07/01/11 and thereafter @ 100

PIMA COUNTY GENERAL OBLIGATION DEBT

\$50,000,000 Series 2003 Bonds Issued 01/15/03

June 30, 2008

DUE DATE	PRINCIPAL DUE	INTEREST DUE	TOTAL PAYMENT	REMAINING BALANCE	CURRENT INT COST
07/01/08	3,250,000	719,938	3,969,938	33,850,000	3.8811%
01/01/09		667,125	667,125	33,850,000	3.9417%
07/01/09	3,500,000	667,125	4,167,125	30,350,000	3.9417%
01/01/10		605,875	605,875	30,350,000	3.9926%
07/01/10	3,500,000	605,875	4,105,875	26,850,000	3.9926%
01/01/11		544,625	544,625	26,850,000	4.0568%
07/01/11	3,500,000	544,625	4,044,625	23,350,000	4.0568%
01/01/12		474,625	474,625	23,350,000	4.0653%
07/01/12	3,750,000	474,625	4,224,625	19,600,000	4.0653%
01/01/13		399,625	399,625	19,600,000	4.0778%
07/01/13	3,750,000	399,625	4,149,625	15,850,000	4.0778%
01/01/14		324,625	324,625	15,850,000	4.0962%
07/01/14	3,750,000	324,625	4,074,625	12,100,000	4.0962%
01/01/15		249,625	249,625	12,100,000	4.1260%
07/01/15	4,000,000	249,625	4,249,625	8,100,000	4.1260%
01/01/16		169,625	169,625	8,100,000	4.1883%
07/01/16	4,000,000	169,625	4,169,625	4,100,000	4.1883%
01/01/17		87,125	87,125	4,100,000	4.2500%
07/01/17	4,100,000	87,125	4,187,125	0	4.2500%
TOTALS	33,850,000	7,045,750	40,895,750		4.0883%

Call features:

07/01/13 and thereafter @ 100

PIMA COUNTY GENERAL OBLIGATION DEBT
 \$65,000,000 Series 2004 Bonds Issued 06/01/04
 June 30, 2008

DUE DATE	PRINCIPAL DUE	INTEREST DUE	TOTAL PAYMENT	REMAINING BALANCE	CURRENT INT COST*
07/01/08	3,285,000	1,109,775	4,394,775	47,145,000	4.4012%
01/01/09		1,027,650	1,027,650	47,145,000	4.3595%
07/01/09	3,405,000	1,027,650	4,432,650	43,740,000	4.3595%
01/01/10		942,525	942,525	43,740,000	4.3097%
07/01/10	3,540,000	942,525	4,482,525	40,200,000	4.3097%
01/01/11		854,025	854,025	40,200,000	4.2489%
07/01/11	3,690,000	854,025	4,544,025	36,510,000	4.2489%
01/01/12		761,775	761,775	36,510,000	4.1730%
07/01/12	3,850,000	761,775	4,611,775	32,660,000	4.1730%
01/01/13		665,525	665,525	32,660,000	4.0755%
07/01/13	4,025,000	665,525	4,690,525	28,635,000	4.0755%
01/01/14		564,900	564,900	28,635,000	3.9455%
07/01/14	4,215,000	564,900	4,779,900	24,420,000	3.9455%
01/01/15		459,525	459,525	24,420,000	3.7635%
07/01/15	4,415,000	459,525	4,874,525	20,005,000	3.7635%
01/01/16		368,466	368,466	20,005,000	3.6837%
07/01/16	4,635,000	368,466	5,003,466	15,370,000	3.6837%
01/01/17		267,075	267,075	15,370,000	3.4753%
07/01/17	4,870,000	267,075	5,137,075	10,500,000	3.4753%
01/01/18		157,500	157,500	10,500,000	3.0000%
07/01/18	5,115,000	157,500	5,272,500	5,385,000	3.0000%
01/01/19		80,775	80,775	5,385,000	3.0000%
07/01/19	5,385,000	80,775	5,465,775	0	3.0000%
TOTALS	47,145,000	12,299,482	59,444,482		3.8213%

Call features: 07/01/2014 and thereafter @ 100

PIMA COUNTY GENERAL OBLIGATION DEBT
\$65,000,000 Series 2005 Bonds Issued 5/01/05
June 30, 2008

DUE DATE	PRINCIPAL DUE	INTEREST DUE	TOTAL PAYMENT	REMAINING BALANCE	CURRENT INT COST*
07/01/08	3,050,000	1,061,188	4,111,188	49,265,000	4.0569%
01/01/09		1,000,187	1,000,187	49,265,000	4.0604%
07/01/09	3,185,000	1,000,187	4,185,187	46,080,000	4.0604%
01/01/10		936,488	936,488	46,080,000	4.0646%
07/01/10	3,330,000	936,488	4,266,488	42,750,000	4.0646%
01/01/11		869,887	869,887	42,750,000	4.0696%
07/01/11	3,480,000	869,887	4,349,887	39,270,000	4.0696%
01/01/12		800,288	800,288	39,270,000	4.0758%
07/01/12	3,635,000	800,288	4,435,288	35,635,000	4.0758%
01/01/13		727,587	727,587	35,635,000	4.0836%
07/01/13	3,800,000	727,587	4,527,587	31,835,000	4.0836%
01/01/14		642,088	642,088	31,835,000	4.0338%
07/01/14	3,970,000	642,088	4,612,088	27,865,000	4.0338%
01/01/15		552,762	552,762	27,865,000	3.9674%
07/01/15	4,150,000	552,762	4,702,762	23,715,000	3.9674%
01/01/16		449,013	449,013	23,715,000	3.7867%
07/01/16	4,335,000	449,013	4,784,013	19,380,000	3.7867%
01/01/17		362,312	362,312	19,380,000	3.7390%
07/01/17	4,530,000	362,312	4,892,312	14,850,000	3.7390%
01/01/18		271,713	271,713	14,850,000	3.6594%
07/01/18	4,735,000	271,713	5,006,713	10,115,000	3.6594%
01/01/19		177,012	177,012	10,115,000	3.5000%
07/01/19	4,945,000	177,012	5,122,012	5,170,000	3.5000%
01/01/20		90,475	90,475	5,170,000	3.5000%
07/01/20	5,170,000	90,475	5,260,475	0	3.5000%
TOTALS	49,265,000	13,759,624	63,024,624		3.8784%

Call features:

07/01/2015 and thereafter @ 100

PIMA COUNTY GENERAL OBLIGATION DEBT
\$95,000,000 Series 2007 Bonds Issued 1/1/2007
June 30,2008

DUE DATE	PRINCIPAL DUE	INTEREST DUE	TOTAL PAYMENT	REMAINING BALANCE	CURRENT INT COST*
07/01/08	6,250,000	1,901,887	8,151,887	84,365,000	4.1977%
01/01/09		1,761,263	1,761,263	84,365,000	4.1753%
07/01/09	5,400,000	1,761,262	7,161,262	78,965,000	4.1753%
01/01/10		1,639,763	1,639,763	78,965,000	4.1531%
07/01/10	5,290,000	1,639,762	6,929,762	73,675,000	4.1531%
01/01/11		1,520,738	1,520,738	73,675,000	4.1282%
07/01/11	5,550,000	1,520,737	7,070,737	68,125,000	4.1282%
01/01/12		1,395,863	1,395,863	68,125,000	4.0979%
07/01/12	5,830,000	1,395,862	7,225,862	62,295,000	4.0979%
01/01/13		1,264,688	1,264,688	62,295,000	4.0603%
07/01/13	6,120,000	1,264,687	7,384,687	56,175,000	4.0603%
01/01/14		1,126,988	1,126,988	56,175,000	4.0124%
07/01/14	6,425,000	1,126,987	7,551,987	49,750,000	4.0124%
01/01/15		982,425	982,425	49,750,000	3.9494%
07/01/15	6,750,000	982,425	7,732,425	43,000,000	3.9494%
01/01/16		830,550	830,550	43,000,000	3.8630%
07/01/16	7,085,000	830,550	7,915,550	35,915,000	3.8630%
01/01/17		671,138	671,138	35,915,000	3.7374%
07/01/17	7,440,000	671,137	8,111,137	28,475,000	3.7374%
01/01/18		522,338	522,338	28,475,000	3.6687%
07/01/18	7,810,000	522,337	8,332,337	20,665,000	3.6687%
01/01/19		361,256	361,256	20,665,000	3.4963%
07/01/19	8,205,000	361,256	8,566,256	12,460,000	3.4963%
01/01/20		186,900	186,900	12,460,000	3.0000%
07/01/20	8,615,000	186,900	8,801,900	3,845,000	3.0000%
01/01/21		57,675	57,675	3,845,000	3.0000%
07/01/21	3,845,000	57,675	3,902,675	0	3.0000%
TOTALS	84,365,000	24,643,162	109,008,162		3.7956%

Call features:

07/01/2017 and thereafter @ Par

PIMA COUNTY GENERAL OBLIGATION DEBT
\$100,000,000 Series 2008 Bonds Issued 2/15/2008
 June 30,2008

DUE DATE	PRINCIPAL DUE	INTEREST DUE	TOTAL PAYMENT	REMAINING BALANCE	CURRENT INT COST
07/01/08	10,000,000	1,383,139	11,383,139	90,000,000	2.7663%
01/01/09		1,705,625	1,705,625	90,000,000	3.7903%
07/01/09	8,000,000	1,705,625	9,705,625	82,000,000	3.7903%
01/01/10		1,585,625	1,585,625	82,000,000	3.8674%
07/01/10	3,500,000	1,585,625	5,085,625	78,500,000	3.8674%
01/01/11		1,533,125	1,533,125	78,500,000	3.9061%
07/01/11	3,500,000	1,533,125	5,033,125	75,000,000	3.9061%
01/01/12		1,480,625	1,480,625	75,000,000	3.9483%
07/01/12	3,750,000	1,480,625	5,230,625	71,250,000	3.9483%
01/01/13		1,415,000	1,415,000	71,250,000	3.9719%
07/01/13	4,000,000	1,415,000	5,415,000	67,250,000	3.9719%
01/01/14		1,345,000	1,345,000	67,250,000	4.0000%
07/01/14	4,250,000	1,345,000	5,595,000	63,000,000	4.0000%
01/01/15		1,260,000	1,260,000	63,000,000	4.0000%
07/01/15	4,500,000	1,260,000	5,760,000	58,500,000	4.0000%
01/01/16		1,170,000	1,170,000	58,500,000	4.0000%
07/01/16	4,750,000	1,170,000	5,920,000	53,750,000	4.0000%
01/01/17		1,075,000	1,075,000	53,750,000	4.0000%
07/01/17	5,000,000	1,075,000	6,075,000	48,750,000	4.0000%
01/01/18		975,000	975,000	48,750,000	4.0000%
07/01/18	5,500,000	975,000	6,475,000	43,250,000	4.0000%
01/01/19		865,000	865,000	43,250,000	4.0000%
07/01/19	7,500,000	865,000	8,365,000	35,750,000	4.0000%
01/01/20		715,000	715,000	35,750,000	4.0000%
07/01/20	8,000,000	715,000	8,715,000	27,750,000	4.0000%
01/01/21		555,000	555,000	27,750,000	4.0000%
07/01/21	12,750,000	555,000	13,305,000	15,000,000	4.0000%
01/01/22		300,000	300,000	15,000,000	4.0000%
07/01/22	15,000,000	300,000	15,300,000	0	4.0000%
TOTALS	90,000,000	31,960,000	121,960,000		3.9631%

Call features: 07/01/2018 and thereafter @ Par

PIMA COUNTY STREET AND HIGHWAY REVENUE DEBT
Matrix of Street and Highway Revenue Bonds (\$ amounts in 000's)

DUE DATE	SERIES 1998		SERIES 2002		SERIES 2003		SERIES 2005		SERIES 2007		SERIES 2008		ALL SERIES	
	\$ AMT DUE	BONDS INT RATE	\$ AMT DUE	BONDS INT RATE	\$ AMT DUE	BONDS INT RATE	\$ AMT DUE	BONDS INT RATE	\$ AMT DUE	BONDS INT RATE	\$ AMT DUE	BONDS INT RATE	\$ AMT DUE	DLR AVG INT RATE
07/01/08	4,000	4.5000%	5,555	4.0000%	2,190	3.3750%							11,745	4.0537%
07/01/09			5,800	4.1250%	2,275	3.3750%	3,390	4.1250%	750	4.7500%	150	3.0000%	12,365	4.0113%
07/01/10			6,060	4.2500%	2,365	3.6250%	3,510	5.0000%	785	4.7500%	150	3.0000%	12,870	4.3556%
07/01/11			6,345	4.2500%	2,460	3.7500%	3,645	5.0000%	830	4.7500%	150	3.0000%	13,430	4.3789%
07/01/12			6,650	4.3750%	2,560	4.0000%	3,790	4.0000%	865	4.7500%	150	3.0000%	14,015	4.2135%
07/01/13					2,670	4.0000%	3,945	4.0000%	1,415	4.7500%	1940	3.2500%	9,970	3.9605%
07/01/14					2,785	4.0000%	4,110	4.0000%	1,485	4.7500%	2035	3.2500%	10,415	3.9604%
07/01/15					2,910	4.0000%	4,285	4.0000%	1,555	4.7500%	2140	3.5000%	10,890	4.0088%
07/01/16					3,045	4.2500%	4,475	5.0000%	1,635	4.7500%	2245	3.5000%	11,400	4.4684%
07/01/17					3,190	4.2500%	4,680	4.0000%	1,715	4.7500%	2360	4.5000%	11,945	4.2732%
07/01/18					3,340	4.3750%	4,890	4.0000%	1,805	4.7500%	2475	4.0000%	12,510	4.2083%
07/01/19							5,120	3.5000%	1,895	4.0000%	2600	4.2500%	9,615	3.8014%
07/01/20							5,360	3.5000%	1,990	4.1250%	2730	4.0000%	10,080	3.7588%
07/01/21									2,085	3.2500%	2865	4.0000%	4,950	3.6841%
07/01/22									2,190	3.2500%	3010	4.1250%	5,200	3.7565%
TOTALS	0	0.0000%	24,855	4.2500%	27,600	3.9625%	51,200	4.1771%	21,000	4.4375%	25,000	3.5982%	149,655	4.0895%

Excludes HELP Loans

PIMA COUNTY STREET AND HIGHWAY REVENUE DEBT
Summary of Annual Principal & Interest in 000's

FISCAL YEAR ENDED JUNE 30	PRINCIPAL	INTEREST	TOTAL	REMAINING BALANCE
2008	11,745	6,024	17,769	149,655
2009	12,365	6,147	18,512	137,290
2010	12,870	5,651	18,521	124,420
2011	13,430	5,091	18,521	110,990
2012	14,015	4,503	18,518	96,975
2013	9,970	3,912	13,882	87,005
2014	10,415	3,517	13,932	76,590
2015	10,890	3,105	13,995	65,700
2016	11,400	2,668	14,068	54,300
2017	11,945	2,159	14,104	42,355
2018	12,510	1,649	14,159	29,845
2019	9,615	1,122	10,737	20,230
2020	10,080	757	10,837	10,150
2021	4,950	378	5,328	5,200
2022	5,200	195	5,395	0
Totals	149,655	40,855	190,510	

Excludes HELP Loans

PIMA COUNTY STREET AND HIGHWAY REVENUE DEBT
 Summary of All Street and Highway Revenue Outstanding Debt

DUE DATE	PRINCIPAL DUE	INTEREST DUE	TOTAL PAYMENT	REMAINING BALANCE	CURRENT INT COST
07/01/08	11,745,000	3,193,926	14,938,926	149,655,000	4.6832%
01/01/09		3,073,730	3,073,730	149,655,000	4.1078%
07/01/09	12,365,000	3,073,730	15,438,730	137,290,000	4.1078%
01/01/10		2,825,734	2,825,734	137,290,000	4.1164%
07/01/10	12,870,000	2,825,735	15,695,735	124,420,000	4.1164%
01/01/11		2,545,449	2,545,449	124,420,000	4.0917%
07/01/11	13,430,000	2,545,450	15,975,450	110,990,000	4.0917%
01/01/12		2,251,406	2,251,406	110,990,000	4.0570%
07/01/12	14,015,000	2,251,407	16,266,407	96,975,000	4.0570%
01/01/13		1,956,143	1,956,143	96,975,000	4.0343%
07/01/13	9,970,000	1,956,144	11,926,144	87,005,000	4.0343%
01/01/14		1,758,712	1,758,712	87,005,000	4.0428%
07/01/14	10,415,000	1,758,713	12,173,713	76,590,000	4.0428%
01/01/15		1,552,475	1,552,475	76,590,000	4.0540%
07/01/15	10,890,000	1,552,475	12,442,475	65,700,000	4.0540%
01/01/16		1,334,194	1,334,194	65,700,000	4.0615%
07/01/16	11,400,000	1,334,194	12,734,194	54,300,000	4.0615%
01/01/17		1,079,494	1,079,494	54,300,000	3.9760%
07/01/17	11,945,000	1,079,493	13,024,493	42,355,000	3.9760%
01/01/18		824,275	824,275	42,355,000	3.8922%
07/01/18	12,510,000	824,275	13,334,275	29,845,000	3.8922%
01/01/19		561,044	561,044	29,845,000	3.7597%
07/01/19	9,615,000	561,043	10,176,043	20,230,000	3.7597%
01/01/20		378,294	378,294	20,230,000	3.7399%
07/01/20	10,080,000	378,293	10,458,293	10,150,000	3.7399%
01/01/21		188,850	188,850	10,150,000	3.7212%
07/01/21	4,950,000	188,850	5,138,850	5,200,000	3.7212%
01/01/22		97,669	97,669	5,200,000	3.7565%
07/01/22	5,200,000	97,668	5,297,668	0	3.7565%
TOTALS	149,655,000	40,854,941	190,509,941		3.9579%

Excludes HELP Loans

PIMA COUNTY STREET AND HIGHWAY REVENUE DEBT

\$40,000,000 Series 1998 Bonds Issued 05/01/98

June 30, 2008

DUE DATE	PRINCIPAL DUE	INTEREST DUE	TOTAL PAYMENT	REMAINING BALANCE	CURRENT INT COST
07/01/08	4,000,000	90,000	4,090,000	0	4.5000%
TOTALS	0	0	0		0.0000%

Call features:

07/01/06 and thereafter @ 100

PIMA COUNTY STREET AND HIGHWAY REVENUE DEBT

\$55,000,000 Series 2002 Bonds Issued 01/01/02

June 30, 2008

DUE DATE	PRINCIPAL DUE	INTEREST DUE	TOTAL PAYMENT	REMAINING BALANCE	CURRENT INT COST
07/01/08	5,555,000	639,800	6,194,800	24,855,000	4.2078%
01/01/09		528,700	528,700	24,855,000	4.2543%
07/01/09	5,800,000	528,700	6,328,700	19,055,000	4.2543%
01/01/10		409,075	409,075	19,055,000	4.2936%
07/01/10	6,060,000	409,075	6,469,075	12,995,000	4.2936%
01/01/11		280,300	280,300	12,995,000	4.3140%
07/01/11	6,345,000	280,300	6,625,300	6,650,000	4.3140%
01/01/12		145,469	145,469	6,650,000	4.3750%
07/01/12	6,650,000	145,469	6,795,469	0	4.3750%
TOTALS	24,855,000	2,727,088	27,582,088		4.3092%

Call features:

07/01/08 through 06/30/2009 @ 101

07/01/09 and thereafter @ 100

PIMA COUNTY STREET AND HIGHWAY REVENUE DEBT

\$35,000,000 Series 2003 Bonds Issued 01/15/03

June 30, 2008

DUE DATE	PRINCIPAL DUE	INTEREST DUE	TOTAL PAYMENT	REMAINING BALANCE	CURRENT INT COST
07/01/08	2,190,000	588,394	2,778,394	27,600,000	3.9503%
01/01/09		551,437	551,437	27,600,000	3.9959%
07/01/09	2,275,000	551,437	2,826,437	25,325,000	3.9959%
01/01/10		513,047	513,047	25,325,000	4.0517%
07/01/10	2,365,000	513,047	2,878,047	22,960,000	4.0517%
01/01/11		470,181	470,181	22,960,000	4.0957%
07/01/11	2,460,000	470,181	2,930,181	20,500,000	4.0957%
01/01/12		424,056	424,056	20,500,000	4.1371%
07/01/12	2,560,000	424,056	2,984,056	17,940,000	4.1371%
01/01/13		372,856	372,856	17,940,000	4.1567%
07/01/13	2,670,000	372,856	3,042,856	15,270,000	4.1567%
01/01/14		319,456	319,456	15,270,000	4.1841%
07/01/14	2,785,000	319,456	3,104,456	12,485,000	4.1841%
01/01/15		263,756	263,756	12,485,000	4.2252%
07/01/15	2,910,000	263,756	3,173,756	9,575,000	4.2252%
01/01/16		205,556	205,556	9,575,000	4.2936%
07/01/16	3,045,000	205,556	3,250,556	6,530,000	4.2936%
01/01/17		140,850	140,850	6,530,000	4.3139%
07/01/17	3,190,000	140,850	3,330,850	3,340,000	4.3139%
01/01/18		73,063	73,063	3,340,000	4.3750%
07/01/18	3,340,000	73,063	3,413,063	0	4.3750%
TOTALS	27,600,000	6,668,516	34,268,516		4.1829%

Call features:

07/01/2013 and thereafter @ 100

PIMA COUNTY STREET AND HIGHWAY REVENUE DEBT

\$51,200,000 Series 2005 Bonds Issued 05/01/05

June 30, 2008

DUE DATE	PRINCIPAL DUE	INTEREST DUE	TOTAL PAYMENT	REMAINING BALANCE	CURRENT INT COST
07/01/08		1,058,069	1,058,069	51,200,000	4.1331%
01/01/09		1,058,068	1,058,068	51,200,000	4.1331%
07/01/09	3,390,000	1,058,068	4,448,068	47,810,000	4.1331%
01/01/10		988,150	988,150	47,810,000	4.1337%
07/01/10	3,510,000	988,150	4,498,150	44,300,000	4.1337%
01/01/11		900,400	900,400	44,300,000	4.0650%
07/01/11	3,645,000	900,400	4,545,400	40,655,000	4.0650%
01/01/12		809,275	809,275	40,655,000	3.9812%
07/01/12	3,790,000	809,275	4,599,275	36,865,000	3.9812%
01/01/13		733,475	733,475	36,865,000	3.9792%
07/01/13	3,945,000	733,475	4,678,475	32,920,000	3.9792%
01/01/14		654,575	654,575	32,920,000	3.9768%
07/01/14	4,110,000	654,575	4,764,575	28,810,000	3.9768%
01/01/15		572,375	572,375	28,810,000	3.9734%
07/01/15	4,285,000	572,375	4,857,375	24,525,000	3.9734%
01/01/16		486,675	486,675	24,525,000	3.9688%
07/01/16	4,475,000	486,675	4,961,675	20,050,000	3.9688%
01/01/17		374,800	374,800	20,050,000	3.7387%
07/01/17	4,680,000	374,800	5,054,800	15,370,000	3.7387%
01/01/18		281,200	281,200	15,370,000	3.6591%
07/01/18	4,890,000	281,200	5,171,200	10,480,000	3.6591%
01/01/19		183,400	183,400	10,480,000	3.5000%
07/01/19	5,120,000	183,400	5,303,400	5,360,000	3.5000%
01/01/20		93,800	93,800	5,360,000	3.5000%
07/01/20	5,360,000	93,800	5,453,800	0	3.5000%
TOTALS	51,200,000	14,272,386	65,472,386		3.8841%

Call features:

07/01/15 and thereafter @ 100

PIMA COUNTY STREET AND HIGHWAY REVENUE DEBT

\$21,000,000 Series 2007 Bonds Issued 1/1/2007

June 30, 2008

DATE	DUE	PRINCIPAL	INTEREST	TOTAL	BALANCE REMAINING	INT COST CURRENT
7/1/2008	453,362			453,362	21,000,000	4.3177%
1/1/2009	453,363			453,363	21,000,000	4.3177%
7/1/2009	750,000	453,362	1,203,362	2,406,724	20,250,000	4.3177%
1/1/2010		435,550	435,550	871,100	20,250,000	4.3017%
7/1/2010	785,000	435,550	1,220,550	2,441,100	19,465,000	4.3017%
1/1/2011		416,906	416,906	833,812	19,465,000	4.2836%
7/1/2011	830,000	416,906	1,246,906	2,493,812	18,635,000	4.2836%
1/1/2012		397,194	397,194	794,388	18,635,000	4.2629%
7/1/2012	865,000	397,194	1,262,194	2,554,388	17,770,000	4.2629%
1/1/2013		376,650	376,650	753,340	17,770,000	4.2392%
7/1/2013	1,415,000	376,650	1,791,650	3,981,640	16,355,000	4.2392%
1/1/2014		343,044	343,044	686,088	16,355,000	4.1950%
7/1/2014	1,485,000	343,044	1,828,044	4,357,088	14,870,000	4.1950%
1/1/2015		307,775	307,775	615,550	14,870,000	4.1395%
7/1/2015	1,555,000	307,775	1,862,775	4,020,550	13,315,000	4.1395%
1/1/2016		270,844	270,844	541,700	13,315,000	4.0683%
7/1/2016	1,635,000	270,844	1,905,844	3,926,700	11,680,000	3.9728%
1/1/2017		232,013	232,013	464,026	11,680,000	3.9728%
7/1/2017	1,715,000	232,012	1,947,012	3,873,712	9,965,000	3.9728%
1/1/2018		191,281	191,281	382,562	9,965,000	3.8391%
7/1/2018	1,805,000	191,281	1,996,281	3,871,431	8,160,000	3.8391%
1/1/2019		148,413	148,413	296,826	8,160,000	3.6376%
7/1/2019	1,895,000	148,412	2,043,412	3,914,842	6,265,000	3.6375%
1/1/2020		110,513	110,513	221,026	6,265,000	3.5279%
7/1/2020	1,990,000	110,512	2,100,512	4,015,354	4,275,000	3.5279%
1/1/2021		69,469	69,469	138,938	4,275,000	3.2500%
7/1/2021	2,085,000	69,469	2,154,469	4,176,323	2,190,000	3.2500%
1/1/2022		35,588	35,588	71,176	2,190,000	3.2500%
7/1/2022	2,190,000	35,587	2,225,587	4,401,910	0	3.2500%
TOTALS	21,000,000	7,577,201	28,577,201			3.9490%

Call features:

07/01/17 and thereafter @ Par

PIMA COUNTY STREET AND HIGHWAY REVENUE DEBT

\$25,000,000 Series 2008 Bonds Issued 2/15/2008

June 30, 2008

DUE DATE	PRINCIPAL DUE	INTEREST DUE	TOTAL PAYMENT	REMAINING BALANCE	CURRENT INT COST
7/1/2008		364,301	364,301	25,000,000	2.9144%
1/1/2009		482,162	482,162	25,000,000	3.8573%
7/1/2009	150,000	482,163	632,163	24,850,000	3.8573%
1/1/2010		479,912	479,912	24,850,000	3.8625%
7/1/2010	150,000	479,913	629,913	24,700,000	3.8625%
1/1/2011		477,662	477,662	24,700,000	3.8677%
7/1/2011	150,000	477,663	627,663	24,550,000	3.8677%
1/1/2012		475,412	475,412	24,550,000	3.8730%
7/1/2012	150,000	475,413	625,413	24,400,000	3.8730%
1/1/2013		473,162	473,162	24,400,000	3.8784%
7/1/2013	1,940,000	473,163	2,413,163	22,460,000	3.8784%
1/1/2014		441,637	441,637	22,460,000	3.9327%
7/1/2014	2,035,000	441,638	2,476,638	20,425,000	3.9327%
1/1/2015		408,569	408,569	20,425,000	4.0007%
7/1/2015	2,140,000	408,569	2,548,569	18,285,000	4.0007%
1/1/2016		371,119	371,119	18,285,000	4.0593%
7/1/2016	2,245,000	371,119	2,616,119	16,040,000	4.0593%
1/1/2017		331,831	331,831	16,040,000	4.1375%
7/1/2017	2,360,000	331,831	2,691,831	13,680,000	4.1375%
1/1/2018		278,731	278,731	13,680,000	4.0750%
7/1/2018	2,475,000	278,731	2,753,731	11,205,000	4.0750%
1/1/2019		229,231	229,231	11,205,000	4.0916%
7/1/2019	2,600,000	229,231	2,829,231	8,605,000	4.0916%
1/1/2020		173,981	173,981	8,605,000	4.0437%
7/1/2020	2,730,000	173,981	2,903,981	5,875,000	4.0437%
1/1/2021		119,381	119,381	5,875,000	4.0640%
7/1/2021	2,865,000	119,381	2,984,381	3,010,000	4.0640%
1/1/2022		62,081	62,081	3,010,000	4.1250%
7/1/2022	3,010,000	62,081	3,072,081	0	4.1250%
TOTALS	25,000,000	9,609,750	34,609,750		3.9906%

Call features:

07/01/18 and thereafter @ Par

PIMA COUNTY HELP LOAN DEBT
Summary of Annual Principal & Interest in 000's

FISCAL YEAR ENDED JUNE 30	PRINCIPAL	INTEREST	TOTAL	REMAINING BALANCE
2008	2,714	114	2,828	1,000
2009	1,000	61	1,061	0
Totals	1,000	61	1,061	

PIMA COUNTY TRANSPORTATION HELP LOANS

Summary of All HELP Loan Outstanding Debt

June 30, 2008

DUE DATE	PRINCIPAL DUE	INTEREST DUE	TOTAL PAYMENT	REMAINING BALANCE	CURRENT INT COST
06/01/08	2,714,000	113,611	2,827,611	1,000,000	3.2250%
06/01/09	1,000,000	61,180	1,061,180	0	3.2250%
TOTALS	1,000,000	61,180	1,061,180		3.2250%

PIMA COUNTY TRANSPORTATION HELP LOAN
 \$4,836,000 dated 08/15/05 - Alvernon Way Project
 June 30, 2008

DUE DATE	PRINCIPAL DUE	INTEREST DUE	TOTAL PAYMENT	REMAINING BALANCE	CURRENT INT COST
06/01/08	2,714,000	113,611	2,827,611	1,000,000	3.0590%
06/01/09	1,000,000	61,180	1,061,180	0	3.0590%
TOTALS	1,000,000	61,180	1,061,180	0	3.0590%

PIMA COUNTY FLOOD CONTROL DISTRICT GO DEBT
Summary of Annual Principal & Interest in 000's

FISCAL YEAR ENDED JUNE 30	PRINCIPAL	INTEREST	TOTAL	REMAINING BALANCE
2008	745	61	806	725
2009	725	30	755	0
Totals	725	30	755	

FLOOD CONTROL DISTRICT GENERAL OBLIGATION DEBT
 Summary of All Flood Control General Obligation Outstanding Debt
 June 30, 2008

DUE	PRINCIPAL	INTEREST	TOTAL	REMAINING	CURRENT
07/01/08	745,000	30,498	775,498	725,000	4.1494%
01/01/09		15,225	15,225	725,000	4.2000%
07/01/09	725,000	15,225	740,225	0	4.2000%
TOTALS	725,000	30,450	755,450		4.2000%

PIMA COUNTY FLOOD CONTROL DISTRICT DEBT

\$4,585,000 Series 2001R Bonds Issued 07/01/01

June 30, 2008

DUE DATE	PRINCIPAL DUE	INTEREST DUE	TOTAL PAYMENT	REMAINING BALANCE	CURRENT INT COST
07/01/08	745,000	30,498	775,498	725,000	4.1494%
01/01/09		15,225	15,225	725,000	4.2000%
07/01/09	725,000	15,225	740,225	0	4.2000%
TOTALS	725,000	30,450	755,450		4.2000%

PIMA COUNTY SEWER REVENUE BOND DEBT
 Matrix of Sewer Revenue Bonds (\$ amounts in 000's)
 June 30, 2008

DUE DATE	SERIES 1998		SERIES 2001R		SERIES 2004R		SERIES 2007		SERIES 2008		ALL BOND SERIES	
	\$ AMT DUE	BONDS INT RATE	\$ AMT DUE	DLR AVG INT RATE								
07/01/08	2,200	5.2500%	1,190	4.0000%	2,410	3.2500%	1,550	4.0000%			7,350	4.1282%
07/01/09	2,300	4.5000%	1,240	4.3750%	2,485	5.0000%	1,625	3.7500%	220	5.0000%	7,870	4.4973%
07/01/10	2,415	4.5000%	1,290	5.0000%	1,575	3.5000%	1,710	4.0000%	1,100	5.0000%	8,090	4.3473%
07/01/11	2,525	4.5000%	1,360	4.2500%	1,630	5.3750%	1,795	4.0000%	100	5.0000%	7,410	4.5322%
07/01/12	2,780	4.5000%	1,680	4.4000%	2,050	5.5000%	1,885	3.7500%			8,395	4.5558%
07/01/13	935	4.0000%	2,000	5.3750%	2,975	5.0000%	1,980	4.0000%	1,450	4.0000%	9,340	4.6130%
07/01/14	1,100	4.0000%	2,315	5.3750%	3,430	5.0000%	2,075	4.0000%	2,000	4.0000%	10,920	4.6056%
07/01/15	1,300	4.0000%	2,770	5.3750%	4,000	4.5625%	2,180	5.0000%	1,185	4.0000%	11,435	4.7205%
07/01/16							2,290	5.0000%	7,220	4.0000%	9,510	4.2408%
07/01/17							2,405	5.0000%	7,580	4.0000%	9,985	4.2409%
07/01/18							2,525	4.1250%	7,960	4.0000%	10,485	4.0301%
07/01/19							2,650	4.2500%	8,360	4.0000%	11,010	4.0602%
07/01/20							2,785	4.2500%	8,775	5.0000%	11,560	4.8193%
07/01/21							2,925	4.3750%	9,215	4.0000%	12,140	4.0904%
07/01/22							3,070	4.5000%	9,675	4.1250%	12,745	4.2153%
07/01/23							3,220	4.5000%	10,160	4.1250%	13,380	4.2152%
07/01/24							3,385	4.0000%			3,385	4.0000%
07/01/25							3,550	4.0000%			3,550	4.0000%
07/01/26							3,730	4.0000%			3,730	4.0000%
TOTALS	13,355	4.2857%	12,655	4.8786%	18,145	4.8482%	45,785	4.2500%	75,000	4.3036%	164,940	4.3913%

PIMA COUNTY SEWER LOAN (WIFA) DEBT
 Matrix of Sewer Loans (\$ amounts in 000's)
 June 30, 2007

DUE DATE *	WIFA LOAN 1996		WIFA LOAN 1997		WIFA LOAN 2000		WIFA LOAN 2004		ALL WIFA LOANS	
	\$ AMT DUE	LOAN INT RATE	\$ AMT DUE	DLR AVG INT RATE						
07/01/08	1,200	3.6860%	602	3.4480%	3,296	3.7020%	857	3.3100%	5,955	3.6167%
07/01/09	491	3.6860%	620	3.4480%	4,321	3.7020%	885	3.3100%	6,317	3.6209%
07/01/10	1,555	3.6860%	638	3.4480%	4,496	3.7020%	914	3.3100%	7,603	3.6303%
07/01/11	1,624	3.6860%	657	3.4480%	4,665	3.7020%	945	3.3100%	7,891	3.6306%
07/01/12	1,105	3.6860%			4,856	3.7020%	976	3.3100%	6,937	3.6443%
07/01/13					5,025	3.7020%	1,008	3.3100%	6,033	3.6365%
07/01/14					5,231	3.7020%	1,042	3.3100%	6,273	3.6369%
07/01/15					5,415	3.7020%	1,076	3.3100%	6,491	3.6370%
07/01/16					5,636	3.7020%	1,112	3.3100%	6,748	3.6374%
07/01/17							1,148	3.3100%	1,148	3.3100%
07/01/18							1,186	3.3100%	1,186	3.3100%
07/01/19							1,226	3.3100%	1,226	3.3100%
07/01/20							1,266	3.3100%	1,266	3.3100%
07/01/21							1,308	3.3100%	1,308	3.3100%
07/01/22							1,351	3.3100%	1,351	3.3100%
07/01/23							1,396	3.3100%	1,396	3.3100%
07/01/24							1,442	3.3100%	1,442	3.3100%
07/01/25										
07/01/26										
TOTALS	5,975	3.6860%	2,517	3.4480%	42,941	3.7020%	19,138	3.3100%	70,571	3.5853%

* For the WIFA Loans, usually the July 1st payment is paid on June 30th of each year; however, due to a change in payment process these payments are now processed on July 1st of each year.

PIMA COUNTY SEWER REVENUE BOND DEBT
Summary of Annual Principal & Interest in 000's

FISCAL YEAR ENDED JUNE 30	PRINCIPAL	INTEREST	TOTAL	REMAINING BALANCE
2008	7,350	4,873	12,223	164,940
2009	7,870	7,175	15,045	157,070
2010	8,090	6,821	14,911	148,980
2011	7,410	6,470	13,880	141,570
2012	8,395	6,134	14,529	133,175
2013	9,340	5,751	15,091	123,835
2014	10,920	5,321	16,241	112,915
2015	11,435	4,818	16,253	101,480
2016	9,510	4,278	13,788	91,970
2017	9,985	3,875	13,860	81,985
2018	10,485	3,451	13,936	71,500
2019	11,010	3,029	14,039	60,490
2020	11,560	2,582	14,142	48,930
2021	12,140	2,024	14,164	36,790
2022	12,745	1,528	14,273	24,045
2023	13,380	991	14,371	10,665
2024	3,385	427	3,812	7,280
2025	3,550	291	3,841	3,730
2026	3,730	149	3,879	0
Totals	164,940	65,113	230,053	

PIMA COUNTY SEWER REVENUE BOND DEBT
 Summary of All Sewer Revenue Outstanding Bond Debt

DUE DATE	PRINCIPAL DUE	INTEREST DUE	TOTAL PAYMENT	REMAINING BALANCE	CURRENT INT COST
07/01/08	7,350,000	2,697,143	10,047,143	164,940,000	5.5445%
01/01/09		3,587,679	3,587,679	164,940,000	4.3503%
07/01/09	7,870,000	3,587,679	11,457,679	157,070,000	4.3503%
01/01/10		3,410,710	3,410,710	157,070,000	4.3429%
07/01/10	8,090,000	3,410,710	11,500,710	148,980,000	4.3429%
01/01/11		3,234,860	3,234,860	148,980,000	4.3427%
07/01/11	7,410,000	3,234,860	10,644,860	141,570,000	4.3427%
01/01/12		3,066,942	3,066,942	141,570,000	4.3328%
07/01/12	8,395,000	3,066,941	11,461,941	133,175,000	4.3328%
01/01/13		2,875,713	2,875,713	133,175,000	4.3187%
07/01/13	9,340,000	2,875,713	12,215,713	123,835,000	4.3187%
01/01/14		2,660,288	2,660,288	123,835,000	4.2965%
07/01/14	10,920,000	2,660,288	13,580,288	112,915,000	4.2965%
01/01/15		2,408,822	2,408,822	112,915,000	4.2666%
07/01/15	11,435,000	2,408,822	13,843,822	101,480,000	4.2666%
01/01/16		2,138,928	2,138,928	101,480,000	4.2155%
07/01/16	9,510,000	2,138,928	11,648,928	91,970,000	4.2155%
01/01/17		1,937,278	1,937,278	91,970,000	4.2128%
07/01/17	9,985,000	1,937,278	11,922,278	81,985,000	4.2128%
01/01/18		1,725,553	1,725,553	81,985,000	4.2094%
07/01/18	10,485,000	1,725,553	12,210,553	71,500,000	4.2094%
01/01/19		1,514,275	1,514,275	71,500,000	4.2357%
07/01/19	11,010,000	1,514,275	12,524,275	60,490,000	4.2357%
01/01/20		1,290,762	1,290,762	60,490,000	4.2677%
07/01/20	11,560,000	1,290,763	12,850,763	48,930,000	4.2677%
01/01/21		1,012,207	1,012,207	48,930,000	4.1374%
07/01/21	12,140,000	1,012,207	13,152,207	36,790,000	4.1374%
01/01/22		763,922	763,922	36,790,000	4.1529%
07/01/22	12,745,000	763,922	13,508,922	24,045,000	4.1529%
01/01/23		495,300	495,300	24,045,000	4.1198%
07/01/23	13,380,000	495,300	13,875,300	10,665,000	4.1198%
01/01/24		213,300	213,300	10,665,000	4.0000%
07/01/24	3,385,000	213,300	3,598,300	7,280,000	4.0000%
01/01/25		145,600	145,600	7,280,000	4.0000%
07/01/25	3,550,000	145,600	3,695,600	3,730,000	4.0000%
01/01/26		74,600	74,600	3,730,000	4.0000%
07/01/26	3,730,000	74,600	3,804,600	0	
TOTALS	164,940,000	65,113,475	230,053,475		4.2172%

PIMA COUNTY SEWER REVENUE BOND DEBT
 \$29,185,000 Series 1998 Bonds Issued 05/01/98
 June 30, 2008

DUE DATE	PRINCIPAL DUE	INTEREST DUE	TOTAL PAYMENT	REMAINING BALANCE	CURRENT INT COST
07/01/08	2,200,000	349,900	2,549,900	13,355,000	4.4989%
01/01/09		292,150	292,150	13,355,000	4.3751%
07/01/09	2,300,000	292,150	2,592,150	11,055,000	4.3751%
01/01/10		240,400	240,400	11,055,000	4.3492%
07/01/10	2,415,000	240,400	2,655,400	8,640,000	4.3492%
01/01/11		186,063	186,063	8,640,000	4.3070%
07/01/11	2,525,000	186,062	2,711,062	6,115,000	4.3070%
01/01/12		129,250	129,250	6,115,000	4.2273%
07/01/12	2,780,000	129,250	2,909,250	3,335,000	4.2273%
01/01/13		66,700	66,700	3,335,000	4.0000%
07/01/13	935,000	66,700	1,001,700	2,400,000	4.0000%
01/01/14		48,000	48,000	2,400,000	4.0000%
07/01/14	1,100,000	48,000	1,148,000	1,300,000	4.0000%
01/01/15		26,000	26,000	1,300,000	4.0000%
07/01/15	1,300,000	26,000	1,326,000	0	4.0000%
TOTALS	13,355,000	1,977,125	15,332,125		4.1798%

Call features:

07/01/08 - 06/30/09 @ 101
 07/01/09 and thereafter @ 100

PIMA COUNTY SEWER REVENUE BOND DEBT
 \$19,440,000 Series 2001R Bonds Issued 04/01/01
 June 30, 2008

DUE DATE	PRINCIPAL DUE	INTEREST DUE	TOTAL PAYMENT	REMAINING BALANCE	CURRENT INT COST
07/01/08	1,190,000	339,444	1,529,444	12,655,000	4.9035%
01/01/09		315,644	315,644	12,655,000	4.9884%
07/01/09	1,240,000	315,644	1,555,644	11,415,000	4.9884%
01/01/10		288,519	288,519	11,415,000	5.0551%
07/01/10	1,290,000	288,519	1,578,519	10,125,000	5.0551%
01/01/11		256,269	256,269	10,125,000	5.0621%
07/01/11	1,360,000	256,270	1,616,270	8,765,000	5.0621%
01/01/12		227,369	227,369	8,765,000	5.1881%
07/01/12	1,680,000	227,369	1,907,369	7,085,000	5.1881%
01/01/13		190,410	190,410	7,085,000	5.3750%
07/01/13	2,000,000	190,410	2,190,410	5,085,000	5.3750%
01/01/14		136,660	136,660	5,085,000	5.3750%
07/01/14	2,315,000	136,660	2,451,660	2,770,000	5.3750%
01/01/15		74,444	74,444	2,770,000	5.3750%
07/01/15	2,770,000	74,444	2,844,444	0	5.3750%
01/01/16					
07/01/16					
TOTALS	12,655,000	2,978,631	15,633,631		5.2027%

Call features: 07/01/10 and thereafter @ 100

PIMA COUNTY SEWER REVENUE BOND DEBT
 \$25,770,000 Series 2004R Bonds Issued 05/01/04
 June 30, 2008

DUE DATE	PRINCIPAL DUE	INTEREST DUE	TOTAL PAYMENT	REMAINING BALANCE	CURRENT INT COST
07/01/08	2,410,000	480,406	2,890,406	18,145,000	4.6743%
01/01/09		441,244	441,244	18,145,000	4.8635%
07/01/09	2,485,000	441,244	2,926,244	15,660,000	4.8635%
01/01/10		379,119	379,119	15,660,000	4.8419%
07/01/10	1,575,000	379,119	1,954,119	14,085,000	4.8419%
01/01/11		351,556	351,556	14,085,000	4.9919%
07/01/11	1,630,000	351,556	1,981,556	12,455,000	4.9919%
01/01/12		307,750	307,750	12,455,000	4.9418%
07/01/12	2,050,000	307,750	2,357,750	10,405,000	4.9418%
01/01/13		251,375	251,375	10,405,000	4.8318%
07/01/13	2,975,000	251,375	3,226,375	7,430,000	4.8318%
01/01/14		177,000	177,000	7,430,000	4.7645%
07/01/14	3,430,000	177,000	3,607,000	4,000,000	4.7645%
01/01/15		91,250	91,250	4,000,000	4.5625%
07/01/15	4,000,000	91,250	4,091,250	0	4.5625%
01/01/16					
07/01/16					
TOTALS	18,145,000	3,998,588	22,143,588		4.8283%

Call features:

07/01/14 and thereafter @ 100

PIMA COUNTY SEWER REVENUE BOND DEBT
 \$50,000,000 Series 2007 Bonds Issued 1/1/2007
 June 30, 2008

DUE DATE	PRINCIPAL DUE	INTEREST DUE	TOTAL PAYMENT	REMAINING BALANCE	CURRENT INT COST
07/01/08	1,550,000	1,006,269	2,556,269	45,785,000	4.2517%
01/01/09		975,269	975,269	45,785,000	4.2602%
07/01/09	1,625,000	975,269	2,600,269	44,160,000	4.2602%
01/01/10		944,800	944,800	44,160,000	4.2790%
07/01/10	1,710,000	944,800	2,654,800	42,450,000	4.2790%
01/01/11		910,600	910,600	42,450,000	4.2902%
07/01/11	1,795,000	910,600	2,705,600	40,655,000	4.2902%
01/01/12		874,701	874,701	40,655,000	4.3030%
07/01/12	1,885,000	874,700	2,759,700	38,770,000	4.3030%
01/01/13		839,356	839,356	38,770,000	4.3299%
07/01/13	1,980,000	839,356	2,819,356	36,790,000	4.3299%
01/01/14		799,756	799,756	36,790,000	4.3477%
07/01/14	2,075,000	799,756	2,874,756	34,715,000	4.3477%
01/01/15		758,256	758,256	34,715,000	4.3685%
07/01/15	2,180,000	758,256	2,938,256	32,535,000	4.3685%
01/01/16		703,756	703,756	32,535,000	4.3261%
07/01/16	2,290,000	703,756	2,993,756	30,245,000	4.3261%
01/01/17		646,506	646,506	30,245,000	4.2751%
07/01/17	2,405,000	646,506	3,051,506	27,840,000	4.2751%
01/01/18		586,381	586,381	27,840,000	4.2125%
07/01/18	2,525,000	586,381	3,111,381	25,315,000	4.2125%
01/01/19		534,303	534,303	25,315,000	4.2212%
07/01/19	2,650,000	534,303	3,184,303	22,665,000	4.2212%
01/01/20		477,990	477,990	22,665,000	4.2179%
07/01/20	2,785,000	477,991	3,262,991	19,880,000	4.2179%
01/01/21		418,810	418,810	19,880,000	4.2134%
07/01/21	2,925,000	418,810	3,343,810	16,955,000	4.2134%
01/01/22		354,825	354,825	16,955,000	4.1855%
07/01/22	3,070,000	354,825	3,424,825	13,885,000	4.1855%
01/01/23		285,750	285,750	13,885,000	4.1160%
07/01/23	3,220,000	285,750	3,505,750	10,665,000	4.1160%
01/01/24		213,300	213,300	10,665,000	4.0000%
07/01/24	3,385,000	213,300	3,598,300	7,280,000	4.0000%
01/01/25		145,600	145,600	7,280,000	4.0000%
07/01/25	3,550,000	145,600	3,695,600	3,730,000	4.0000%
01/01/26		74,600	74,600	3,730,000	4.0000%
07/01/26	3,730,000	74,600	3,804,600	0	4.0000%
TOTALS	45,785,000	21,089,118	66,874,118		4.2192%

Call features:

07/01/17 and thereafter @ Par

PIMA COUNTY SEWER REVENUE BOND DEBT
\$75,000,000 Series 2008 Bonds Issued 5/1/2008
 June 30, 2008

DUE DATE	PRINCIPAL DUE	INTEREST DUE	TOTAL PAYMENT	REMAINING BALANCE	CURRENT INT COST
07/01/08		521,124	521,124	75,000,000	1.3897%
01/01/09		1,563,372	1,563,372	75,000,000	4.1690%
07/01/09	220,000	1,563,372	1,783,372	74,780,000	4.1690%
01/01/10		1,557,872	1,557,872	74,780,000	4.1665%
07/01/10	1,100,000	1,557,872	2,657,872	73,680,000	4.1665%
01/01/11		1,530,372	1,530,372	73,680,000	4.1541%
07/01/11	100,000	1,530,372	1,630,372	73,580,000	4.1541%
01/01/12		1,527,872	1,527,872	73,580,000	4.1530%
07/01/12		1,527,872	1,527,872	73,580,000	4.1530%
01/01/13		1,527,872	1,527,872	73,580,000	4.1530%
07/01/13	1,450,000	1,527,872	2,977,872	72,130,000	4.1530%
01/01/14		1,498,872	1,498,872	72,130,000	4.1560%
07/01/14	2,000,000	1,498,872	3,498,872	70,130,000	4.1560%
01/01/15		1,458,872	1,458,872	70,130,000	4.1605%
07/01/15	1,185,000	1,458,872	2,643,872	68,945,000	4.1605%
01/01/16		1,435,172	1,435,172	68,945,000	4.1632%
07/01/16	7,220,000	1,435,172	8,655,172	61,725,000	4.1632%
01/01/17		1,290,772	1,290,772	61,725,000	4.1823%
07/01/17	7,580,000	1,290,772	8,870,772	54,145,000	4.1823%
01/01/18		1,139,172	1,139,172	54,145,000	4.2079%
07/01/18	7,960,000	1,139,172	9,099,172	46,185,000	4.2079%
01/01/19		979,972	979,972	46,185,000	4.2437%
07/01/19	8,360,000	979,972	9,339,972	37,825,000	4.2437%
01/01/20		812,772	812,772	37,825,000	4.2975%
07/01/20	8,775,000	812,772	9,587,772	29,050,000	4.2975%
01/01/21		593,397	593,397	29,050,000	4.0853%
07/01/21	9,215,000	593,397	9,808,397	19,835,000	4.0853%
01/01/22		409,097	409,097	19,835,000	4.1250%
07/01/22	9,675,000	409,097	10,084,097	10,160,000	4.1250%
01/01/23		209,550	209,550	10,160,000	4.1250%
07/01/23	10,160,000	209,550	10,369,550	0	4.1250%
TOTALS	75,000,000	35,070,013	110,070,013		4.1695%

Call features:

07/01/18 and thereafter @ Par

PIMA COUNTY SEWER REVENUE LOAN (WIFA) DEBT
Summary of Annual Principal & Interest in 000's

FISCAL YEAR ENDED JUNE 30	PRINCIPAL	INTEREST	TOTAL	REMAINING BALANCE
2008	5,722	2,624	8,345	70,572
2009	5,974	2,403	8,377	64,597
2010	6,317	2,200	8,517	58,280
2011	7,605	1,947	9,553	50,675
2012	7,892	1,666	9,558	42,783
2013	6,937	1,396	8,334	35,846
2014	6,033	1,160	7,194	29,812
2015	6,273	937	7,210	23,539
2016	6,491	704	7,196	17,048
2017	6,749	464	7,212	10,299
2018	1,149	322	1,471	9,150
2019	1,187	283	1,470	7,963
2020	1,227	243	1,470	6,737
2021	1,267	202	1,469	5,469
2022	1,309	159	1,468	4,160
2023	1,352	115	1,468	2,808
2024	1,397	70	1,467	1,411
2025	1,411	23	1,434	0
Totals	70,572	14,296	84,867	

PIMA COUNTY SEWER REVENUE LOAN (WIFA) DEBT

Summary of All WIFA Sewer Revenue Loan Debt

DUE DATE	PRINCIPAL DUE	INTEREST DUE	TOTAL PAYMENT	REMAINING BALANCE	CURRENT INT COST
01/01/08		1,265,097	1,265,097	70,571,713	3.5853%
07/01/08	5,974,466	1,245,677	7,220,143	64,597,247	3.5302%
01/01/09		1,157,087	1,157,087	64,597,247	3.5825%
07/01/09	6,317,293	1,157,087	7,474,380	58,279,954	3.5825%
01/01/10		1,042,717	1,042,717	58,279,954	3.5783%
07/01/10	7,605,178	1,042,717	8,647,895	50,674,776	3.5783%
01/01/11		904,673	904,673	50,674,776	3.5705%
07/01/11	7,891,782	904,672	8,796,454	42,782,994	3.5705%
01/01/12		761,414	761,414	42,782,994	3.5594%
07/01/12	6,937,249	761,413	7,698,662	35,845,745	3.5594%
01/01/13		635,007	635,007	35,845,745	3.5430%
07/01/13	6,033,281	635,007	6,668,288	29,812,464	3.5430%
01/01/14		525,308	525,308	29,812,464	3.5241%
07/01/14	6,273,157	525,308	6,798,465	23,539,307	3.5241%
01/01/15		411,235	411,235	23,539,307	3.4940%
07/01/15	6,491,196	411,235	6,902,431	17,048,111	3.4940%
01/01/16		293,194	293,194	17,048,111	3.4396%
07/01/16	6,748,615	293,194	7,041,809	10,299,496	3.4396%
01/01/17		170,457	170,457	10,299,496	3.3100%
07/01/17	1,149,201	170,457	1,319,658	9,150,295	3.3100%
01/01/18		151,437	151,437	9,150,295	3.3100%
07/01/18	1,187,240	151,437	1,338,677	7,963,055	3.3100%
01/01/19		131,789	131,789	7,963,055	3.3100%
07/01/19	1,226,537	131,789	1,358,326	6,736,518	3.3100%
01/01/20		111,489	111,489	6,736,518	3.3100%
07/01/20	1,267,136	111,489	1,378,625	5,469,382	3.3100%
01/01/21		90,518	90,518	5,469,382	3.3100%
07/01/21	1,309,078	90,518	1,399,596	4,160,304	3.3100%
01/01/22		68,853	68,853	4,160,304	3.3100%
07/01/22	1,352,409	68,853	1,421,262	2,807,895	3.3100%
01/01/23		46,471	46,471	2,807,895	3.3100%
07/01/23	1,397,173	46,471	1,443,644	1,410,722	3.3100%
01/01/24		23,347	23,347	1,410,722	3.3100%
07/01/24	1,410,722	23,347	1,434,069	0	3.3100%
TOTALS	70,571,713	14,295,667	84,867,380		3.4265%

* Usually the July 1st payment is paid on June 30th of each year; however, due to a change in payment process these payments are now processed on July 1st of each year.

PIMA COUNTY SEWER LOAN (WIFA) DEBT

\$11,313,349.55 1996R Sewer Loan 03/01/96

June 30, 2008

DUE DATE	PRINCIPAL DUE	INTEREST DUE	TOTAL PAYMENT	REMAINING BALANCE	CURRENT INT COST*
01/01/08		110,131	110,131	5,975,636	3.6860%
07/01/08	1,200,211	110,131	1,310,342	4,775,425	3.6860%
01/01/09		88,011	88,011	4,775,425	3.6860%
07/01/09	490,940	88,011	578,951	4,284,485	3.6860%
01/01/10		78,963	78,963	4,284,485	3.6860%
07/01/10	1,555,344	78,963	1,634,307	2,729,141	3.6860%
01/01/11		50,298	50,298	2,729,141	3.6860%
07/01/11	1,624,604	50,298	1,674,902	1,104,537	3.6860%
01/01/12		20,357	20,357	1,104,537	3.6861%
07/01/12	1,104,537	20,356	1,124,893	0	3.6859%
TOTALS	5,975,636	585,388	6,561,024		3.6860%

*Includes Administrative Fee (0.5000%)

** Usually the July 1st payment is paid on June 30th of each year; however, due to a change in payment process these payments are now processed on July 1st of each year.

PIMA COUNTY SEWER LOAN (WIFA) DEBT

\$7,500,000 1997 Sewer Loan 08/06/97

June 30, 2008

DUE DATE	PRINCIPAL DUE	INTEREST DUE	TOTAL PAYMENT	REMAINING BALANCE	CURRENT INT COST*
01/01/08		43,394	43,394	2,517,029	3.4480%
07/01/08	602,105	43,394	645,499	1,914,924	3.4480%
01/01/09		33,013	33,013	1,914,924	3.4480%
07/01/09	619,855	33,013	652,868	1,295,069	3.4480%
01/01/10		22,327	22,327	1,295,069	3.4480%
07/01/10	638,128	22,327	660,455	656,941	3.4480%
01/01/11		11,326	11,326	656,941	3.4481%
07/01/11	656,941	11,325	668,266	0	3.4478%
TOTALS	2,517,029	176,725	2,693,754		3.4480%

*Includes Administrative Fee (0.5000%)

** Usually the July 1st payment is paid on June 30th of each year; however, due to a change in payment process these payments are now processed on July 1st of each year.

PIMA COUNTY SEWER LOAN (WIFA) DEBT
 \$61,180,286 2000 Sewer Loan 10/27/00 as Amended
 June 30, 2008

DUE DATE	PRINCIPAL DUE	INTEREST DUE	TOTAL PAYMENT	REMAINING BALANCE	CURRENT INT COST*
01/01/08		794,836	794,836	42,940,913	3.7020%
07/01/08	3,296,088	794,836	4,090,924	39,644,825	3.7020%
01/01/09		733,826	733,826	39,644,825	3.7020%
07/01/09	4,320,858	733,826	5,054,684	35,323,967	3.7020%
01/01/10		653,847	653,847	35,323,967	3.7020%
07/01/10	4,496,751	653,847	5,150,598	30,827,216	3.7020%
01/01/11		570,612	570,612	30,827,216	3.7020%
07/01/11	4,664,997	570,612	5,235,609	26,162,219	3.7020%
01/01/12		484,263	484,263	26,162,219	3.7020%
07/01/12	4,856,185	484,263	5,340,448	21,306,034	3.7020%
01/01/13		394,375	394,375	21,306,034	3.7020%
07/01/13	5,024,431	394,375	5,418,806	16,281,603	3.7020%
01/01/14		301,372	301,372	16,281,603	3.7020%
07/01/14	5,230,914	301,372	5,532,286	11,050,689	3.7020%
01/01/15		204,548	204,548	11,050,689	3.7020%
07/01/15	5,414,455	204,548	5,619,003	5,636,234	3.7020%
01/01/16		104,327	104,327	5,636,234	3.7020%
07/01/16	5,636,234	104,327	5,740,561	0	3.7020%
TOTALS	42,940,913	7,689,176	50,630,089		3.7020%

*Includes Administrative Fee (1.5000%)

** Usually the July 1st payment is paid on June 30th of each year; however, due to a change in payment process these payments are now processed on July 1st of each year.

PIMA COUNTY SEWER LOAN (WIFA) DEBT
 \$19,967,331 2004 Sewer Loan 05/11/04 as Amended
 2/1/09*****

DUE DATE	PRINCIPAL DUE	INTEREST DUE*	TOTAL PAYMENT	REMAINING BALANCE	CURRENT INT COST**
01/01/08		316,736	316,736	19,138,135	3.3100%
07/01/08	876,062	297,316	1,173,378	18,262,073	3.3100%
01/01/09		302,237	302,237	18,262,073	3.3100%
07/01/09	885,640	302,237	1,187,877	17,376,433	3.3100%
01/01/10		287,580	287,580	17,376,433	3.3100%
07/01/10	914,955	287,580	1,202,535	16,461,478	3.3100%
01/01/11		272,437	272,437	16,461,478	3.3100%
07/01/11	945,240	272,437	1,217,677	15,516,238	3.3100%
01/01/12		256,794	256,794	15,516,238	3.3100%
07/01/12	976,527	256,794	1,233,321	14,539,711	3.3100%
01/01/13		240,632	240,632	14,539,711	3.3100%
07/01/13	1,008,850	240,632	1,249,482	13,530,861	3.3100%
01/01/14		223,936	223,936	13,530,861	3.3100%
07/01/14	1,042,243	223,936	1,266,179	12,488,618	3.3100%
01/01/15		206,687	206,687	12,488,618	3.3100%
07/01/15	1,076,741	206,687	1,283,428	11,411,877	3.3100%
01/01/16		188,867	188,867	11,411,877	3.3100%
07/01/16	1,112,381	188,867	1,301,248	10,299,496	3.3100%
01/01/17		170,457	170,457	10,299,496	3.3100%
07/01/17	1,149,201	170,457	1,319,658	9,150,295	3.3100%
01/01/18		151,437	151,437	9,150,295	3.3100%
07/01/18	1,187,240	151,437	1,338,677	7,963,055	3.3100%
01/01/19		131,789	131,789	7,963,055	3.3100%
07/01/19	1,226,537	131,789	1,358,326	6,736,518	3.3100%
01/01/20		111,489	111,489	6,736,518	3.3100%
07/01/20	1,267,136	111,489	1,378,625	5,469,382	3.3100%
01/01/21		90,518	90,518	5,469,382	3.3100%
07/01/21	1,309,078	90,518	1,399,596	4,160,304	3.3100%
01/01/22		68,853	68,853	4,160,304	3.3100%
07/01/22	1,352,409	68,853	1,421,262	2,807,895	3.3100%
01/01/23		46,471	46,471	2,807,895	3.3100%
07/01/23	1,397,173	46,471	1,443,644	1,410,722	3.3100%
01/01/24		23,347	23,347	1,410,722	3.3100%
07/01/24	1,410,722	23,347	1,434,069	0	3.3100%
TOTALS	19,138,135	5,844,378	24,982,513		3.3100%

*Includes Administrative Fee

**Combined Administrative Fee of 1.500% and interest of 1.8100%.

*** Usually the July 1st payment is paid on June 30th of each year; however, due to a change in payment process these payments are now processed on July 1st of each year.

****As of 3/21/07 an additional 1,429,021.83 was drawn down creating a new balance of \$19,967,331

***** Updated as of 2/1/09 due to a new debt schedule issued by WIFA in January 2009

**PIMA COUNTY JAIL SALE/LEASEBACK
(STADIUM DISTRICT) DEBT**
Summary of Annual Principal & Interest in 000's

FISCAL YEAR ENDED JUNE 30	PRINCIPAL	INTEREST	TOTAL	REMAINING BALANCE
2008	1,870	1,139	3,009	24,680
2009	1,965	1,062	3,027	22,715
2010	2,025	982	3,007	20,690
2011	2,125	879	3,004	18,565
2012	2,230	774	3,004	16,335
2013	2,780	647	3,427	13,555
2014	2,485	511	2,996	11,070
2015	2,605	399	3,004	8,465
2016	2,710	293	3,003	5,755
2017	2,820	181	3,001	2,935
2018	2,935	62	2,997	0
Totals	24,680	5,791	30,471	

PIMA COUNTY JAIL SALE/LEASEBACK (STADIUM DISTRICT) DEBT

Summary of Jail Sale/Leaseback Certificates of Participation

June 30, 2008

DUE DATE	PRINCIPAL DUE	INTEREST DUE	TOTAL PAYMENT	REMAINING BALANCE	CURRENT INT COST
07/01/08		545,955	545,955	24,680,000	4.4243%
01/01/09	1,965,000	545,955	2,510,955	22,715,000	4.4243%
07/01/09		516,480	516,480	22,715,000	4.5475%
01/01/10	2,025,000	516,480	2,541,480	20,690,000	4.5475%
07/01/10		465,855	465,855	20,690,000	4.5032%
01/01/11	2,125,000	465,855	2,590,855	18,565,000	4.5032%
07/01/11		412,730	412,730	18,565,000	4.4463%
01/01/12	2,230,000	412,730	2,642,730	16,335,000	4.4463%
07/01/12		361,655	361,655	16,335,000	4.4280%
01/01/13	2,780,000	361,655	3,141,655	13,555,000	4.4280%
07/01/13		285,205	285,205	13,555,000	4.2081%
01/01/14	2,485,000	285,205	2,770,205	11,070,000	4.2081%
07/01/14		225,745	225,745	11,070,000	4.0785%
01/01/15	2,605,000	225,745	2,830,745	8,465,000	4.0785%
07/01/15		173,645	173,645	8,465,000	4.1027%
01/01/16	2,710,000	173,645	2,883,645	5,755,000	4.1027%
07/01/16		119,445	119,445	5,755,000	4.1510%
01/01/17	2,820,000	119,445	2,939,445	2,935,000	4.1510%
07/01/17		61,635	61,635	2,935,000	4.2000%
01/01/18	2,935,000	61,635	2,996,635	0	4.2000%
TOTALS	24,680,000	5,790,745	30,470,745		4.3029%

PIMA COUNTY JAIL SALE/LEASEBACK (STADIUM DISTRICT) DEBT
\$4,875,000 Refunding COP's Series 1999R Issued 09/01/99
 June 30, 2008

DUE DATE	PRINCIPAL DUE	INTEREST DUE	TOTAL PAYMENT	REMAINING BALANCE	CURRENT INT COST
07/01/08		110,610	110,610	4,000,000	5.5305%
01/01/09		110,610	110,610	4,000,000	5.5305%
07/01/09		110,610	110,610	4,000,000	5.5305%
01/01/10		110,610	110,610	4,000,000	5.5305%
07/01/10		110,610	110,610	4,000,000	5.5305%
01/01/11		110,610	110,610	4,000,000	5.5305%
07/01/11		110,610	110,610	4,000,000	5.5305%
01/01/12		110,610	110,610	4,000,000	5.5305%
07/01/12		110,610	110,610	4,000,000	5.5305%
01/01/13	2,780,000	110,610	2,890,610	1,220,000	5.5305%
07/01/13		34,160	34,160	1,220,000	5.6000%
01/01/14	1,220,000	34,160	1,254,160	0	5.6000%
TOTALS	4,000,000	1,063,810	5,063,810		5.5431%

*\$875,000 principal due January 1, 2013 refunded by Series 2003 COPs 10/23/03.

Call features: 01/01/09 and thereafter @ 100

PIMA COUNTY JAIL SALE/LEASEBACK (STADIUM DISTRICT) DEBT
 \$27,525,000 Refunding COP's Series 2003R Issued 10/01/03
 June 30, 2008

DUE DATE	PRINCIPAL DUE	INTEREST DUE	TOTAL PAYMENT	REMAINING BALANCE	CURRENT INT COST
07/01/08		435,345	435,345	20,680,000	4.2103%
01/01/09	1,965,000	435,345	2,400,345	18,715,000	4.2103%
07/01/09		405,870	405,870	18,715,000	4.3374%
01/01/10	2,025,000	405,870	2,430,870	16,690,000	4.3374%
07/01/10		355,245	355,245	16,690,000	4.2570%
01/01/11	2,125,000	355,245	2,480,245	14,565,000	4.2570%
07/01/11		302,120	302,120	14,565,000	4.1486%
01/01/12	2,230,000	302,120	2,532,120	12,335,000	4.1486%
07/01/12		251,045	251,045	12,335,000	4.0704%
01/01/13		251,045	251,045	12,335,000	4.0704%
07/01/13		251,045	251,045	12,335,000	4.0704%
01/01/14	1,265,000	251,045	1,516,045	11,070,000	4.0704%
07/01/14		225,745	225,745	11,070,000	4.0785%
01/01/15	2,605,000	225,745	2,830,745	8,465,000	4.0785%
07/01/15		173,645	173,645	8,465,000	4.1027%
01/01/16	2,710,000	173,645	2,883,645	5,755,000	4.1027%
07/01/16		119,445	119,445	5,755,000	4.1510%
01/01/17	2,820,000	119,445	2,939,445	2,935,000	4.1510%
07/01/17		61,635	61,635	2,935,000	4.2000%
01/01/18	2,935,000	61,635	2,996,635	0	4.2000%
TOTALS	20,680,000	4,726,935	25,406,935		4.1601%

Call features: 01/01/14 and thereafter @ 100

PIMA COUNTY JUSTICE BUILDING - CERTIFICATE OF PARTICIPATION
Summary of Annual Principal & Interest in 000's

FISCAL YEAR ENDED JUNE 30	PRINCIPAL	INTEREST	TOTAL	REMAINING BALANCE
2008	1,245	1,667	2,912	29,075
2009	1,545	1,364	2,909	27,530
2010	1,610	1,299	2,909	25,920
2011	1,675	1,234	2,909	24,245
2012	1,740	1,167	2,907	22,505
2013	1,810	1,098	2,908	20,695
2014	1,890	1,021	2,911	18,805
2015	1,970	940	2,910	16,835
2016	2,065	842	2,907	14,770
2017	2,170	739	2,909	12,600
2018	2,280	630	2,910	10,320
2019	2,395	516	2,911	7,925
2020	2,515	396	2,911	5,410
2021	2,640	271	2,911	2,770
2022	2,770	139	2,909	0
Totals	29,075	11,653	40,728	

PIMA COUNTY JUSTICE BUILDING - CERTIFICATE OF PARTICIPATION

Summary of Justice Building Project Certificates of Participation
June 30, 2008

DUE DATE	PRINCIPAL DUE	INTEREST DUE	TOTAL PAYMENT	REMAINING BALANCE	CURRENT INT COST
07/01/08	1,245,000	714,257	1,959,257	29,075,000	4.7115%
01/01/09		681,762	681,762	29,075,000	4.6897%
07/01/09	1,545,000	681,762	2,226,762	27,530,000	4.6897%
01/01/10		649,250	649,250	27,530,000	4.7167%
07/01/10	1,610,000	649,250	2,259,250	25,920,000	4.7167%
01/01/11		617,050	617,050	25,920,000	4.7612%
07/01/11	1,675,000	617,050	2,292,050	24,245,000	4.7612%
01/01/12		583,550	583,550	24,245,000	4.8138%
07/01/12	1,740,000	583,550	2,323,550	22,505,000	4.8138%
01/01/13		548,750	548,750	22,505,000	4.8767%
07/01/13	1,810,000	548,750	2,358,750	20,695,000	4.8767%
01/01/14		510,288	510,288	20,695,000	4.9315%
07/01/14	1,890,000	510,287	2,400,287	18,805,000	4.9315%
01/01/15		470,125	470,125	18,805,000	5.0000%
07/01/15	1,970,000	470,125	2,440,125	16,835,000	5.0000%
01/01/16		420,875	420,875	16,835,000	5.0000%
07/01/16	2,065,000	420,875	2,485,875	14,770,000	5.0000%
01/01/17		369,250	369,250	14,770,000	5.0000%
07/01/17	2,170,000	369,250	2,539,250	12,600,000	5.0000%
01/01/18		315,000	315,000	12,600,000	5.0000%
07/01/18	2,280,000	315,000	2,595,000	10,320,000	5.0000%
01/01/19		258,000	258,000	10,320,000	5.0000%
07/01/19	2,395,000	258,000	2,653,000	7,925,000	5.0000%
01/01/20		198,125	198,125	7,925,000	5.0000%
07/01/20	2,515,000	198,125	2,713,125	5,410,000	5.0000%
01/01/21		135,250	135,250	5,410,000	5.0000%
07/01/21	2,640,000	135,250	2,775,250	2,770,000	5.0000%
01/01/22		69,250	69,250	2,770,000	5.0000%
07/01/22	2,770,000	69,250	2,839,250	0	5.0000%
TOTALS	29,075,000	11,653,049	40,728,049		4.9135%

PIMA COUNTY JUSTICE BUILDING - CERTIFICATE OF PARTICIPATION

\$28,765,000 COP's Series 2007-A Issued 05/01/07

June 30, 2008

DUE	PRINCIPAL	INTEREST	TOTAL	REMAINING	CURRENT
07/01/08		673,950	673,950	28,765,000	4.6859%
01/01/09		673,950	673,950	28,765,000	4.6859%
07/01/09	1,235,000	673,950	1,908,950	27,530,000	4.6859%
01/01/10		649,250	649,250	27,530,000	4.7167%
07/01/10	1,610,000	649,250	2,259,250	25,920,000	4.7167%
01/01/11		617,050	617,050	25,920,000	4.7612%
07/01/11	1,675,000	617,050	2,292,050	24,245,000	4.7612%
01/01/12		583,550	583,550	24,245,000	4.8138%
07/01/12	1,740,000	583,550	2,323,550	22,505,000	4.8138%
01/01/13		548,750	548,750	22,505,000	4.8767%
07/01/13	1,810,000	548,750	2,358,750	20,695,000	4.8767%
01/01/14		510,288	510,288	20,695,000	4.9315%
07/01/14	1,890,000	510,287	2,400,287	18,805,000	4.9315%
01/01/15		470,125	470,125	18,805,000	5.0000%
07/01/15	1,970,000	470,125	2,440,125	16,835,000	5.0000%
01/01/16		420,875	420,875	16,835,000	5.0000%
07/01/16	2,065,000	420,875	2,485,875	14,770,000	5.0000%
01/01/17		369,250	369,250	14,770,000	5.0000%
07/01/17	2,170,000	369,250	2,539,250	12,600,000	5.0000%
01/01/18		315,000	315,000	12,600,000	5.0000%
07/01/18	2,280,000	315,000	2,595,000	10,320,000	5.0000%
01/01/19		258,000	258,000	10,320,000	5.0000%
07/01/19	2,395,000	258,000	2,653,000	7,925,000	5.0000%
01/01/20		198,125	198,125	7,925,000	5.0000%
07/01/20	2,515,000	198,125	2,713,125	5,410,000	5.0000%
01/01/21		135,250	135,250	5,410,000	5.0000%
07/01/21	2,640,000	135,250	2,775,250	2,770,000	5.0000%
01/01/22		69,250	69,250	2,770,000	5.0000%
07/01/22	2,770,000	69,250	2,839,250	0	5.0000%
TOTALS	28,765,000	11,637,425	40,402,425		4.9133%

Call features:

07/01/17 and thereafter @ 100

PIMA COUNTY JUSTICE BUILDING - CERTIFICATE OF PARTICIPATION

\$1,555,000 COP's Series 2007-B Issued 05/01/07

June 30, 2008

DUE DATE	PRINCIPAL DUE	INTEREST DUE	TOTAL PAYMENT	REMAINING BALANCE	CURRENT INT COST
07/01/08	1,245,000	40,307	1,285,307	310,000	5.1841%
01/01/09		7,812	7,812	310,000	5.0400%
07/01/09	310,000	7,812	317,812	0	5.0400%
TOTALS	310,000	15,624	325,624		5.0400%

PIMA COUNTY PUBLIC WORKS BUILDING - CERTIFICATE OF PARTICIPATION
Summary of Annual Principal & Interest in 000's

FISCAL YEAR ENDED JUNE 30	PRINCIPAL	INTEREST	TOTAL	REMAINING BALANCE
2008			0	50,000
2009	20,000	2,326	22,326	30,000
2010	20,000	1,500	21,500	10,000
2011	10,000	500	10,500	0
Totals	50,000	4,326	54,326	

PIMA COUNTY PUBLIC WORKS BUILDING - CERTIFICATE OF PARTICIPATION

Summary of Public Works Building Certificates of Participation

June 30, 2008

DUE DATE	PRINCIPAL DUE	INTEREST DUE	TOTAL PAYMENT	REMAINING BALANCE	CURRENT INT COST
07/01/08				50,000,000	
12/1/2008	0	1,076,389	1,076,389	50,000,000	
6/1/2009	20,000,000	1,250,000	21,250,000	30,000,000	5.0000%
12/1/2009	0	750,000	750,000	30,000,000	5.0000%
6/1/2010	20,000,000	750,000	20,750,000	10,000,000	5.0000%
12/1/2010	0	250,000	250,000	10,000,000	5.0000%
6/1/2011	10,000,000	250,000	10,250,000	0	5.0000%
TOTALS	50,000,000	4,326,389	54,326,389		5.0000%

PIMA COUNTY PUBLIC WORKS BUILDING - CERTIFICATE OF PARTICIPATION

\$50,000,000 COP's Series 2008 Issued 06/26/08

June 30, 2008

DUE DATE	PRINCIPAL DUE	INTEREST DUE	TOTAL PAYMENT	REMAINING BALANCE	CURRENT INT COST
7/1/2008				50,000,000	
12/1/2008		1,076,389	1,076,389	50,000,000	
6/1/2009	20,000,000	1,250,000	21,250,000	30,000,000	5.0000%
12/1/2009		750,000	750,000	30,000,000	5.0000%
6/1/2010	20,000,000	750,000	20,750,000	10,000,000	5.0000%
12/1/2010		250,000	250,000	10,000,000	5.0000%
6/1/2011	10,000,000	250,000	10,250,000	0	5.0000%
TOTALS	50,000,000	4,326,389	54,326,389		5.0000%

ATTACHMENT 5



MEMORANDUM

DEPARTMENT OF FINANCE & RISK MANAGEMENT

Date: November 5, 2009

To: C.H. Huckelberry
County Administrator

From: Tom Burke
Director

A handwritten signature in black ink, appearing to read "Tom Burke".

Re: **Pima County Outstanding Debt**

Attached is the most recent Bond Manual prepared by Finance and Risk Management. We prepare the manual as of January 31 each year, shortly after the prior year's CAFR has been published.

There is a table of contents on the second page, but the listing of debt schedules that begins on page 12 is what I would consider the true table of contents.

Key pages for you to review would include:

- Page 22 Outstanding debt balances as of June 30, 2008. The first line of this schedule matches the debt balances reported in the 2008 CAFR. The subsequent lines are our expectations as of June 30, 2008, subject to early refundings, early defeasances, and new issues of debt, all of which would change the amounts shown for future years.
- Page 23 Breaks down the Fiscal Year 2009 debt service into principal and interest for each of the outstanding bond issues that comprise the GO, Highway Revenue, Sewer Revenue and COPs debt.
- Page 24 This page shows the annual interest rates for future years for each type of bonds. GO, Highway Revenue and Sewer Revenue.
- Page 25 Summary of GO debt; the next page shows debt service split between principal and interest.
- Page 38 Summary of HURF debt; the next page shows debt service split between principal and interest.
- Page 53 Summary of Sewer Revenue debt; the next page shows debt service split between principal and interest.
- Page 61 Summary of WIFA Loans debt; the next page shows debt service split between principal and interest.

Pages 67, 71 and 75 – begin the information on the COPs

C.H. Huckelberry
Pima County Outstanding Debt
November 5, 2009
Page Two

In addition, I am attaching four sheets detailing the same information for the debt issues that have occurred subsequent to the January 1, 2009 date of the manual. Those issues were:

\$75,000,000 – GO
\$18,940,000 – Sewer Revenue
\$10,002,383 – WIFA loan
\$34,400,000 - COPs

ATTACHMENT 6

PIMA COUNTY GENERAL OBLIGATION DEBT
 \$75,000,000 Series 2009 Bonds Issued 4/22/2009
 June 30,2009

DUE DATE	PRINCIPAL DUE	INTEREST DUE	TOTAL PAYMENT	REMAINING BALANCE	CURRENT INT COST
				75,000,000	
07/01/09	9,000,000	529,279	9,529,279	66,000,000	1.4114%
01/01/10		1,279,478	1,279,478	66,000,000	3.8772%
07/01/10	17,000,000	1,279,478	18,279,478	49,000,000	3.8772%
01/01/11		939,478	939,478	49,000,000	3.8346%
07/01/11	9,000,000	939,478	9,939,478	40,000,000	3.8346%
01/01/12		759,478	759,478	40,000,000	3.7974%
07/01/12	2,000,000	759,478	2,759,478	38,000,000	3.7974%
01/01/13		729,479	729,479	38,000,000	3.8394%
07/01/13	1,025,000	729,478	1,754,478	36,975,000	3.8394%
01/01/14		714,103	714,103	36,975,000	3.8626%
07/01/14	790,000	714,103	1,504,103	36,185,000	3.8626%
01/01/15		702,253	702,253	36,185,000	3.8815%
07/01/15	2,000,000	702,253	2,702,253	34,185,000	3.8815%
01/01/16		672,253	672,253	34,185,000	3.9330%
07/01/16	2,000,000	672,253	2,672,253	32,185,000	3.9330%
01/01/17		639,754	639,754	32,185,000	3.9755%
07/01/17	2,000,000	639,753	2,639,753	30,185,000	3.9755%
01/01/18		604,753	604,753	30,185,000	4.0070%
07/01/18	2,000,000	604,753	2,604,753	28,185,000	4.0070%
01/01/19		567,253	567,253	28,185,000	4.0252%
07/01/19	2,000,000	567,253	2,567,253	26,185,000	4.0252%
01/01/20		529,753	529,753	26,185,000	4.0462%
07/01/20	4,000,000	529,753	4,529,753	22,185,000	4.0462%
01/01/21		449,754	449,754	22,185,000	4.0546%
07/01/21	5,000,000	449,753	5,449,753	17,185,000	4.0546%
01/01/22		349,753	349,753	17,185,000	4.0704%
07/01/22	7,500,000	349,753	7,849,753	9,685,000	4.0704%
01/01/23		199,753	199,753	9,685,000	4.1250%
07/01/23	9,685,000	199,754	9,884,754	0	4.1250%
TOTALS	66,000,000	18,274,588	84,274,588		3.9521%

Call features:

07/01/2019 and thereafter @ Par

PIMA COUNTY SEWER REVENUE BOND DEBT
\$18,940,000 Series 2009 Bonds Issued 5/6/2009
June 30, 2009

DUE DATE	PRINCIPAL DUE	INTEREST DUE	TOTAL PAYMENT	REMAINING BALANCE	CURRENT INT COST
07/01/09			0	18,940,000	0.0000%
01/01/10		458,234	458,234	18,940,000	4.8388%
07/01/10	810,000	350,987	1,160,987	18,130,000	3.7063%
01/01/11		337,825	337,825	18,130,000	3.7267%
07/01/11	1,015,000	337,825	1,352,825	17,115,000	3.7267%
01/01/12		321,331	321,331	17,115,000	3.7550%
07/01/12	400,000	321,331	721,331	16,715,000	3.7550%
01/01/13		314,831	314,831	16,715,000	3.7670%
07/01/13	1,065,000	314,831	1,379,831	15,650,000	3.7670%
01/01/14		297,525	297,525	15,650,000	3.8022%
07/01/14	1,110,000	297,525	1,407,525	14,540,000	3.8022%
01/01/15		279,487	279,487	14,540,000	3.8444%
07/01/15	1,155,000	279,487	1,434,487	13,385,000	3.8444%
01/01/16		260,719	260,719	13,385,000	3.8957%
07/01/16	1,210,000	260,719	1,470,719	12,175,000	3.8957%
01/01/17		239,544	239,544	12,175,000	3.9350%
07/01/17	1,265,000	239,544	1,504,544	10,910,000	3.9350%
01/01/18		217,406	217,406	10,910,000	3.9854%
07/01/18	1,325,000	217,406	1,542,406	9,585,000	3.9854%
01/01/19		192,563	192,563	9,585,000	4.0180%
07/01/19	1,395,000	192,562	1,587,562	8,190,000	4.0180%
01/01/20		166,406	166,406	8,190,000	4.0636%
07/01/20	1,465,000	166,406	1,631,406	6,725,000	4.0636%
01/01/21		138,938	138,938	6,725,000	4.1320%
07/01/21	1,545,000	138,938	1,683,938	5,180,000	4.1320%
01/01/22		108,038	108,038	5,180,000	4.1714%
07/01/22	1,630,000	108,038	1,738,038	3,550,000	4.1714%
01/01/23		75,438	75,438	3,550,000	4.2500%
07/01/23	1,725,000	75,438	1,800,438	1,825,000	4.2500%
01/01/24		38,781	38,781	1,825,000	4.2500%
07/01/24	1,825,000	38,781	1,863,781	0	4.2500%
TOTALS	18,940,000	6,786,884	25,726,884		3.9913%

Call features:

07/01/19 and thereafter @ Par

PIMA COUNTY SEWER LOAN (WIFA) DEBT

\$10,002,383 2009 Sewer Loan 10/07/09

June 30, 2009

DUE DATE	PRINCIPAL DUE	INTEREST DUE*	TOTAL PAYMENT	REMAINING BALANCE****	CURRENT INT COST**
01/01/10		44,913	44,913	8,002,383	3.3100%
07/01/10	447,435	98,589	546,024	7,554,948	3.3100%
01/01/11		93,077	93,077	7,554,948	3.3100%
07/01/11	458,460	93,077	551,537	7,096,488	3.3100%
01/01/12		87,429	87,429	7,096,488	3.3100%
07/01/12	469,756	87,429	557,185	6,626,732	3.3100%
01/01/13		81,641	81,641	6,626,732	3.3100%
07/01/13	481,331	81,641	562,972	6,145,401	3.3100%
01/01/14		75,711	75,711	6,145,401	3.3100%
07/01/14	493,191	75,711	568,902	5,652,210	3.3100%
01/01/15		69,635	69,635	5,652,210	3.3100%
07/01/15	505,343	69,635	574,978	5,146,867	3.3100%
01/01/16		63,410	63,410	5,146,867	3.3100%
07/01/16	517,795	63,410	581,205	4,629,072	3.3100%
01/01/17		57,030	57,030	4,629,072	3.3100%
07/01/17	530,554	57,030	587,584	4,098,518	3.3100%
01/01/18		50,494	50,494	4,098,518	3.3100%
07/01/18	543,626	50,494	594,120	3,554,892	3.3100%
01/01/19		43,796	43,796	3,554,892	3.3100%
07/01/19	557,021	43,796	600,817	2,997,871	3.3100%
01/01/20		36,934	36,934	2,997,871	3.3100%
07/01/20	570,746	36,934	607,680	2,427,125	3.3100%
01/01/21		29,902	29,902	2,427,125	3.3100%
07/01/21	584,809	29,902	614,711	1,842,316	3.3100%
01/01/22		22,697	22,697	1,842,316	3.3100%
07/01/22	599,219	22,697	621,916	1,243,097	3.3100%
01/01/23		15,315	15,315	1,243,097	3.3100%
07/01/23	613,984	15,315	629,299	629,113	3.3100%
01/01/24		7,751	7,751	629,113	3.3100%
07/01/24	629,113	7,751	636,864	0	3.3100%
TOTALS	8,002,383	1,613,146	9,615,529		3.3100%

*Includes Administrative Fee

**Combined Administrative Fee of 1.500% and interest of 1.8100%.

*** Usually the July 1st payment is paid on June 30th of each year; however, due to a change in payment process these payments are now processed on July 1st of each year.

**** \$2 Million of the \$10 Million is ARRA funding that does not have to be repaid.

PIMA COUNTY PUBLIC WORKS BUILDING - CERTIFICATE OF PARTICIPATION

\$34,400,000 COP's Series 2009 Issued 06/10/09

June 30, 2009

DUE DATE	PRINCIPAL DUE	INTEREST DUE	TOTAL PAYMENT	REMAINING BALANCE	CURRENT INT COST
06/01/09				34,400,000	
12/01/09		558,600	558,600	34,400,000	
06/01/10	20,000,000	588,000	20,588,000	14,400,000	3.4186%
12/01/10		288,000	288,000	14,400,000	4.0000%
06/01/11	10,000,000	288,000	10,288,000	4,400,000	4.0000%
12/01/11		88,000	88,000	4,400,000	4.0000%
06/01/12	4,400,000	88,000	4,488,000	0	4.0000%
TOTALS	34,400,000	1,898,600	36,298,600		3.8837%

ATTACHMENT 7A

October 30, 2009

Summary:

**Pima County, Arizona;
Appropriations; General Obligation**

Primary Credit Analyst:

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Rationale

Outlook

Related Research

Summary:

Pima County, Arizona; Appropriations; General Obligation

Credit Profile		
US\$113.12 mil GO bnds ser 2009A due 07/01/2024		
Long Term Rating	AA-/Stable	New
US\$20. mil COPs ser 2009A due 06/01/2019		
Long Term Rating	A+/Stable	New
Pima Cnty GO		
Unenhanced Rating	AA-(SPUR)/Stable	Affirmed

Rationale

Standard & Poor's Ratings Services has assigned its 'AA-' long-term rating to Pima County, Ariz.'s series 2009A general obligation (GO) bonds and affirmed its 'AA-' long-term rating on the county's previously issued GO debt.

The 'A+' long-term rating assigned to the county's series 2009A certificates of participation (COPs) and on the county's previously issued COPs reflect our view of:

- Pima County's covenant to budget and appropriate lease payments,
- Annual appropriation risk, and
- The general credit characteristics of Pima County.

In our opinion, general credit characteristics of the county include:

- A deep and diverse local economic base, anchored by Tucson's role as a regional employment, education, and service center for southern Arizona;
- A diverse property tax base that has exhibited very strong growth, with secondary assessed value (SAV) increases of about 12% annually since fiscal 2005;
- Good historical financial performance, with four consecutive general fund surpluses during fiscals 2005-2008, resulting in a strong 14% unreserved fund balance at the end of fiscal 2008; and
- Low overall debt levels.

Tempering factors include our view of the county's projections of decreasing SAV, with anticipated drops of 3%-4% annually over the next three years due to a softened real estate market. An additional offsetting credit factor is the county's continued financial support of its public hospital under an operating agreement.

The county's obligation to make lease payments, subject to annual appropriation, secures the COPs. The leased property consists of a portion of the Pima County Public Works building and a legal service building, with a combined appraised value of \$52 million. The county will use proceeds to refinance its series 2008 COPs.

An unlimited ad valorem property tax pledge secures the county's series 2009A GO bonds. We understand that

these bond proceeds will be used to refund portions of the county's series 1998, 2000, and 2002 GO bonds and provide funds for some capital projects.

Pima County encompasses 9,184 square miles in southern Arizona and has a 2008 population of approximately one million, 54% of whom reside in Tucson. The county's population has grown steadily in recent years, with average annual increases of 2.3% during 2000-2008. A stable yet growing local economy, coupled with favorable weather, good educational opportunities, and affordable housing, has continued to draw new residents. However, similar to national trends, this growth has slowed over the past two years: In 2008, building permits hit record lows, and residential housing permits totaled a very low 3,207 compared with 12,272 in 2005. According to the county, the value of total building permits decreased to \$1.02 billion in 2008 from as high as \$2.6 billion in 2005 and is tracking below historical levels in 2009 as well. A significant rise in foreclosures has not yet materially affected county finances through fiscal 2009, and management reports tax collections remain strong. Continued modest construction activity, particularly in the residential sector, has supported the county's property tax base growth; SAV has increased at a 12% average annual rate since fiscal 2005 to reach \$9.9 billion in fiscal 2010. Just over this last year, SAV was up 3% compared with the previous year, but, given the time it takes valuations to hit the tax rolls, the county expects SAV to decrease about 3%-4% annually over the next three years. Full property valuation for fiscal 2010 totals \$80.6 billion, or what we consider a strong \$79,538 per capita. The tax base is, in our view, diverse, with the 10 largest taxpayers accounting for 6.8% of SAV.

Services, government, and the military remain the primary employment sectors. Raytheon Missile Systems (12,515 employees) surpassed The University of Arizona as the leading employer in 2008, followed by the state government (10,754), the university (10,535), Tucson Unified School District (8,018), and Davis-Monthan Air Force Base (7,701). Tourism, particularly in the Tucson area, is another major economic driver, and visitors are attracted to the area's climate, nature areas, conventions, baseball spring training, and golf. Total tourist expenditures exceeded \$1.98 billion in 2007 and were roughly the same for 2008. The county's unemployment rate has increased over the past two years, but remains below the national average at 8.2% (seasonally unadjusted) in August 2009. Income indicators are, in our view, good, with median household and per capita effective buying income measuring 93% and 97% of the national level, respectively.

In our opinion, the county has performed well financially in recent years due to its strong property tax growth and strong financial practices, including a demonstrated willingness to adjust spending midyear to reflect decreasing state revenues (which comprise about 32% of operating revenues). Based on audited fiscal 2008 results, the county had a \$12.8 million surplus after transfers that followed surpluses in the previous three years. However, general fund revenues increased just 3% after rising 6%-10% the previous four years, while expenditures rose 9%. At the end of fiscal 2008, the unreserved fund balance was \$65 million, or 14% of expenditures, above the county's targeted unreserved general fund balance level of 5%. When removing \$29.5 million in unreserved fund balance that is designated for debt service, reserves are, in our view, still good at 8% of general fund expenditures. For fiscal 2009, management reports that it expects to finish with balanced general fund operations, but will transfer out approximately \$30 million for debt service on its COPs. Its unreserved general fund balance is estimated to remain strong at \$35.8 million, or 8% of general fund expenditures.

For fiscal 2010, we understand that the county will likely draw down its fund balance by approximately \$5 million, primarily due to reductions in state shared revenues and continued property tax revenue softness. The county is currently considering several expenditure cuts, but does not expect its unreserved general fund balance to slide below its policy of 5%.

In addition, the county entered into a 25-year lease, effective June 2004, with University Physicians Healthcare (UPH), a nonprofit organization affiliated with the University of Arizona School of Medicine. Under this agreement, UPH assumes full responsibility for the operations of Kino Community Hospital, while the county pays UPH an annual service fee if operating costs exceed revenue generated by UPH at the hospital. We understand the county will provide an additional \$15 million to UPH in fiscal 2010. Although we believe this agreement provides a moderate degree of financial uncertainty, the county has indicated its need to maintain a balanced budget.

Pima County's management practices are considered "strong" under Standard & Poor's Financial Management Assessment (FMA). In our framework, an FMA of strong indicates that practices are strong, well embedded, and likely sustainable.

Overall net debt levels are, in our view, low at \$1,282 per capita and 1.6% of market value. Amortization of the county's direct GO and COP debt is what we consider rapid, with approximately 75% of principal maturing in 10 years and all retired in 20 years. The county's carrying charge is what we consider moderate at 11%. We understand that the county plans to issue additional GO debt within the next few years depending on SAV growth.

Outlook

The stable outlook reflects our expectation of continued strong financial performance. We expect that further decreases in state shared and property tax revenues will be largely offset by corresponding budget reductions. We understand that the county has a demonstrated track record of modifying its budget as needed to reflect both the changing state funding levels and its continued support of the community hospital with UPH. The outlook also reflects the county's largely stable employment base and strong long-term growth prospects.

Related Research

- USPF Criteria: "GO Debt," Oct. 12, 2006
- USPF Criteria: "Appropriation-Backed Obligations," June 13, 2007

Ratings Detail (As Of October 30, 2009)		
Pima Cnty COP ser 2008		
<i>Long Term Rating</i>	A+/Stable	Affirmed
Pima Cnty COP ser 2009		
<i>Long Term Rating</i>	A+/Stable	Affirmed
Pima Cnty GO bnds ser 2009		
<i>Long Term Rating</i>	AA-/Stable	Affirmed
Pima Cnty certs of part (Justice Bldg Proj) ser 2007		
<i>Unenhanced Rating</i>	A+(SPUR)/Stable	Affirmed
Pima Cnty GO		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Affirmed
Many issues are enhanced by bond insurance.		

Complete ratings information is available to RatingsDirect subscribers at www.ratingsdirect.com. All ratings

Summary: Pima County, Arizona; Appropriations; General Obligation

affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com; under Ratings in the left navigation bar, select Find a Rating.

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October 30, 2009

Summary:

Pima County, Arizona; Gas Tax

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Rationale

Outlook

Related Research

Summary:

Pima County, Arizona; Gas Tax

Credit Profile

US\$23.3 mil street & hwy rev bnds ser 2009 due 07/01/2024

Long Term Rating

AA/Stable

New

Pima Cnty street & hwy rev bnds ser 2008 dtd 02/15/2008 due 07/01/2022

Long Term Rating

AA/Stable

Affirmed

Pima Cnty gas tax

Unenhanced Rating

AA(SPUR)/Stable

Affirmed

Pima Cnty Gas Tax (street & hwy)

Unenhanced Rating

AA(SPUR)/Stable

Affirmed

Many issues are enhanced by bond insurance.

Rationale

The 'AA' long-term rating assigned to Pima County, Ariz.'s series 2009 street and highway revenue bonds and the 'AA' underlying rating (SPUR) on the county's parity debt reflect Standard & Poor's Ratings Services' view of the county's:

- Strong debt service coverage of 2.9x maximum annual debt service (MADS) based on unaudited fiscal 2009 pledged revenues; and
- Large and stable economic base, with expected continued modest population growth.

Tempering factors include softening street and highway revenues over the past three fiscal years, with a 1% decrease for fiscal 2008 and a 7% decrease for fiscal 2009. Management projects street and highway revenues to remain flat.

The highway user tax revenues collected by the state and distributed monthly to local agencies based on a statutory formula secure the bonds. The county will use bond proceeds to finance various street and highway improvements and refund portions of its outstanding series 2002 street and highway revenue bonds.

Pledged revenues include fuel taxes, vehicle registration fees, and license fees. These revenues have begun to decrease following steady growth in recent years. Reductions in fuel spending, coupled with lower consumer spending, have caused street and highway revenues to decrease. Pledged revenues have decreased 1% for fiscal 2008 and 7% for unaudited fiscal 2009. Management uses several outside sources to projected street and highway revenues and estimates these revenues to remain largely flat at \$54 million over the next few years.

Despite some recent weakness, unaudited fiscal 2009 pledged revenues provide, in our opinion, a still strong 2.9x coverage of future MADS, including this issue and all parity debt. In addition, Arizona statutes require coverage of at least 2x by the preceding year's pledged revenues to issue additional debt.

Pima County encompasses 9,200 square miles in southern Arizona, with slightly more than one million inhabitants, approximately 55% of whom reside in Tucson. The county has seen gradual population growth in recent years, with

average annual increases of 2% over the past five years. Growth rates for both the unincorporated and incorporated portions of the county's population have been similar in recent years. Although there remains some risk that future annexations and incorporations may reduce unincorporated population growth in Pima County, the trend of strong population growth in the county's unincorporated areas is expected to continue. Arizona distributes 19% of highway user tax revenues to its counties on a monthly basis, allocating 72% based on point of sale; the remainder is based on population in unincorporated areas.

A stable yet growing local economy, favorable weather, and affordable housing have continued to draw new residents. Services, government, and the military remain the primary employment sectors. Raytheon Missile Systems (12,515 employees) surpassed The University of Arizona as the leading employer in 2008, followed by the state government (10,754), the university (10,535), Tucson Unified School District (8,018), and Davis-Monthan Air Force Base (7,701). Tourism, particularly in the Tucson area, is another major economic sector, and visitors are attracted to the area's climate, nature areas, conventions, baseball spring training, and golf. The county's unemployment rate has increased over the past two years, but remained below the national average at 8.2% (seasonally unadjusted) in August 2009. Income indicators are, in our view, good, with median household and per capita effective buying income measuring 93% and 97% of the national levels, respectively.

Including this issuance, the county will have \$152 million in debt secured by street and highway revenue outstanding, with final maturity in 2022. The county has \$108 million in authorized but unissued debt remaining. We understand that the county plans to issue additional street and highway revenue debt in 2012.

Outlook

The stable outlook reflects our expectation that the county will maintain strong coverage levels despite some recent softening of pledged revenues and anticipated future borrowings. We further expect the county's employment base and population to remain largely stable.

Related Research

USPF Criteria: "Special Tax Bonds," June 13, 2007

Complete ratings information is available to RatingsDirect subscribers at www.ratingsdirect.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com; under Ratings in the left navigation bar, select Find a Rating.

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ATTACHMENT 7B

FITCH RATES PIMA COUNTY, AZ GOS 'AA-'; OUTLOOK STABLE

Fitch Ratings-Austin-03 November 2009: Fitch Ratings assigns an initial 'AA-' rating to the Pima County, Arizona (the county) \$113.1 million general obligation (GO) bonds, series 2009A. Fitch also assigns an 'AA-' rating to the county's \$357.6 million in outstanding GO bonds (post refunding). The Rating Outlook is Stable.

The series 2009 bonds and outstanding parity bonds are direct and general obligations of the county, payable from an unlimited ad valorem tax levied against all taxable property in the county. Series 2009A proceeds will be used to finance various municipal improvements and to refund a portion of the county's outstanding GO debt for annual debt service savings.

The 'AA-' rating reflects the county's satisfactory financial profile, moderate debt position, and the historically sound and diverse regional economy. In assigning the rating Fitch also considered the financial pressures being generated by the ongoing recession and the likelihood of additional pressures due to continuing state budgetary challenges and expected tax base declines. Fitch believes that the county's recent prompt responses to deteriorating revenues suggest that further action, if necessary, will be timely and will help maintain the county's financial footing.

The county recorded a string of positive general fund results from fiscal 2005 to fiscal 2008, and the unreserved fund balance nearly doubled from \$33 million to \$65 million during that period (although transfers in for debt service contributed significantly to the increase); the fiscal 2008 unreserved balance represented nearly 13% of spending and transfers out. In recognition of the weakening economy, county administrators in the fiscal 2009 budget reduced departmental spending by 5% (with the exception of the sheriff) and followed this move with an additional 2.5% administrative spending reduction and a mid-year across-the-board 2.5% cutback in all general fund departments. The result of these actions was year-end results that met original budget targets. The anticipated fiscal 2009 unreserved general fund balance-which was adjusted for a nearly \$30 million transfer out for debt service-is satisfactory at \$35.8 million or about 7% of spending.

Fitch credits the county with extending the fiscal 2009 spending reductions into the fiscal 2010 budget, which along with other cost saving measures enabled officials to propose a nearly eight cent reduction in the primary (operations) tax rate and set aside \$15 million in a budget stabilization fund to pay for additional healthcare-related outlays. These steps were taken as projections of intergovernmental revenues from the state continued to drop. Intergovernmental monies, which are the second largest general fund revenue source, peaked in fiscal 2007 at more than \$152 million and by fiscal 2009 had shrunk to \$132 million; the budgeted amount for fiscal 2010 was less than \$129 million, or roughly 15% below the fiscal 2007 total. Given the ongoing recessionary pressures in Arizona, Fitch believes the close monitoring and prompt action displayed by county administrators during fiscal 2009 will be critical over the next several years to preserving adequate reserves and maintaining the current rating level.

Series 2009 proceeds include \$90 million for various municipal projects, including public health, public safety, flood control, parks and recreation, open space preservation, and solid waste. The remaining proceeds will refund \$23 million in outstanding GO debt for annual interest savings. County officials anticipate a manageable \$0.09 tax rate impact over a period of years from this offering. County overall debt ratios are moderate at about \$1,500 per capita and 1.9% of fiscal 2010 market value. Payout of GO debt is rapid with more than 80% repaid in 10 years. General government capital needs through fiscal 2014 appear manageable at roughly \$380 million, which is less than the \$490 million included in the previous plan. County officials expect 85% of the needs to be debt-funded.

With a population of more than 1 million, Pima County is home to Tucson, Arizona's second largest city. Fitch cites as a positive credit factor the area's historically diverse economy, featuring higher

education, healthcare, government, technology, tourism and manufacturing as primary anchors. Major southern Arizona employers include Raytheon Missile Systems (11,500 employees), the University of Arizona (10,575), the State of Arizona (9,300), Davis-Monthan Air Force Base (7,500), the U.S. Army Intelligence Center & Fort Huachuca (6,500), and Freeport-McMoRan Copper & Gold Inc. (6,000).

After a series of annual increases dating back to 2000, county employment levels dipped 1% in August 2009 compared the prior year period, and unemployment jumped from 5.8% to 8.2%; this level remained below the state and national averages, however. While the housing sector has weakened considerably, residential foreclosure and delinquency numbers are below U.S. averages and well below those of the Phoenix market due to less speculative building in the Tucson area over the past decade. County tax base growth, which has been steady in recent years, is expected to register declines of around 4% in each of the next two fiscal years as eroding property values impact the tax roll. Full cash value for fiscal 2010 is \$80.7 billion, up 1.8% from the prior year.

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FITCH RATES PIMA COUNTY, AZ STREET & HIGHWAY USER REV BNDS 'AA-'

Fitch Ratings-Barcelona/Milan/London-03 November 2009: Fitch Ratings assigns an initial 'AA-' rating to the Pima County, Arizona (the county) \$23.3 million street and highway revenue bonds, series 2009. Fitch also assigns an 'AA-' rating to the county's \$128.9 million outstanding parity street and highway revenue bonds (post-refunding). The Rating Outlook is Stable.

The series 2009 and outstanding parity bonds are secured by a first lien on revenues derived by the county from highway user taxes and all other taxes, fees, and charges collected by the state and returned to the county for street and highway purposes as prescribed by law. Series 2009 proceeds will be used to finance various highway and street improvement projects and to refund a portion of the county's outstanding street and highway revenue bonds for near-term debt service savings.

The 'AA-' rating reflects solid debt service coverage and manageable near-term borrowing plans from this source. Coverage remains healthy despite declines in pledged revenues for the past two fiscal years and the projection of another drop in fiscal 2010, as weak economic conditions impact gasoline tax and motor vehicle registration and license fees.

Also considered in the rating is the lingering uncertainty surrounding the State of Arizona's fiscal 2010 budget and the possibility of budgetary measures taken later this fiscal year or in the coming fiscal years that would reduce the amount of highway user revenues that are distributed to municipalities, including Pima County. Fitch notes that the Arizona state legislature retains the authority to alter the type and/or rate of fees that are deposited into the state highway user fund, as well as the allocation of such monies between state purposes and the distribution to local governments. The legislature has made such alterations previously, and the current weak economic environment may spur legislators to consider additional changes.

Highway user tax revenues consist of motor vehicle fuel taxes, motor vehicle registration fees, motor vehicle licenses taxes, motor carrier fees, motor vehicle operator's license fees, and other miscellaneous fees and revenues. Highway user tax revenues are collected by the state and deposited into the state highway user fund until distributed. Arizona counties receive 19% of the monthly revenue distributions, and state Department of Transportation and cities and towns receive the remaining 81%. Of the money distributed to counties, 72% is distributed in proportion to the sale and consumption of fuel within each county, and the remainder is distributed on the basis of the proportionate population within the unincorporated areas of each county.

Projected fiscal 2009 pledged revenues total \$53.9 million, which represents a nearly 7% decline from fiscal 2008 totals. The county is anticipating another 4% drop in pledged revenues for fiscal 2010. Despite the weaker revenue totals, projected maximum annual debt service (MADS) coverage remains sound. Using projected fiscal 2010 revenue totals, MADS coverage for all highway user revenue bonds, including the series 2009 bonds, is 3.1 times (x). Following this sale the county will have \$107.8 million in highway user revenue bond authorization remaining, and current plans call for another \$15 million borrowing in 2012. Fitch believes that the additional debt should not materially impact coverage, as the anticipated fiscal 2010 revenue drop - plus another 5% revenue decline in 2011 - would still generate coverage of more than 2.5x (with the 2012 borrowing included). All street and highway user revenue bonds currently outstanding mature by 2022, and the series 2009 bonds' final maturity is in 2024.

Legal provisions provide adequate bondholder protections. They include an additional bonds test per the bond resolution of 2.0x MADS (using an historical test) for bonds outstanding plus bonds to be issued. In addition to debt service payments, highway user tax revenues are used for capital projects and for staffing, maintenance and contractual expenses related to county streets and highways. Fitch notes that the county's transportation fund maintains healthy reserves, with unreserved balances ranging from 15% to nearly 25% of annual spending over the past five fiscal

years. Intergovernmental (state) revenues typically comprise more than 95% of annual transportation fund revenues.

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ATTACHMENT 8



MEMORANDUM

Date: October 8, 2009

To: Bond Advisory Committee

From: C.H. Huckelberry
County Administrator

Re: **Fiscal Analysis Related to the Issuance of General Obligation Bonds**

I. Introduction

As discussed at the last Bond Advisory Committee meeting, I indicated I would provide detailed information regarding the issuance of general obligation bonds and the various factors leading to conclusions regarding the amount of bonds for potential authorization in any given election. The primary variables regarding debt capacity and the ability to pay, as well as actual information from previous authorizations and bond issuances, are discussed below.

II. Frequency of the General Obligation Bond Authorizations

Pima County general bond authorizations, the year in which authorization was received by a vote of the public, and the magnitude of the authorized general obligation debt are shown in Attachment 1. Since 1974, the County has frequently used voter authorized general obligation bonds to finance capital infrastructure. The purposes for which these bonds were authorized vary by bond issue. Over time, of the 10 general obligation authorizations received, the average time between voter authorizations is three years, with an average authorization of \$132.9 million. Over the past few years, the amount of bonds authorized has increased in magnitude.

III. Public Benefit from Past Bond Authorizations

As illustrated in Attachment 1, bonds in the past have been authorized and sold for a variety of public improvements, many of which are now constructed and delivering the intended benefit.

The highlights of the 1974 bond authorization relate to the first election for open space that led to the creation of Catalina State Park and bonds that built Kino

Community Hospital, now University Physicians Healthcare Hospital at the Kino Campus.

The authorization in 1979 reconstructed and rebuilt the County Adult Detention Center (jail) as the County was under a federal court order to relieve prisoner overcrowding and to modernize our correctional detention facilities. The present Pima County Adult Correction Center, which now houses, on average, nearly 2,000 inmates per day, was initially constructed with this bond authorization in 1979 and was expanded with bond authorizations in 1986 and 1997. The bond authorizations used to improve the detention facility then totaled \$80.2 million between three different bond authorizations. The present estimate to replace this facility today would be in excess of \$250 million.

In the authorization of 1980, major transportation corridors were constructed, including the Kolb Corridor through Davis-Monthan Air Force Base; the Golf Links/Alvernon Corridor through Davis-Monthan Air Force Base; and the Kino Corridor – Tucson International Airport to Broadway Boulevard. In 2007, these major transportation investments carried an average of 169,000 vehicles per day.

Following a devastating flood in October 1983, the voters, in February 1984, authorized \$63.8 million in flood repair bonds, including \$20 million for flood-prone land acquisition to prevent unwise urban encroachment into high flood hazard areas. Bridges that had been destroyed by the flood at Cortaro, Ina, and Continental Roads, across the Santa Cruz River, as well as Swan Road across the Rillito River, were all replaced with these bonds. Innumerable flood repair and bank stabilization projects to protect private property and public utilities were also completed utilizing these funds.

In the 1997 authorization, a new juvenile detention center was constructed at a cost of nearly \$45 million. The facility was constructed anticipating continuing trends in rapidly rising juvenile detention requirements. The replaced facility was overcrowded and antiquated; today, the facility will be used to alleviate significant, anticipated overcrowding at the main adult correctional facility by relocating remanded juveniles (those juveniles who are remanded to adult court due to the seriousness of their crime) to the juvenile detention facility. This allows the constructed facilities of 1997 to be used at their full potential and to alleviate anticipated overcrowding at the Adult Detention Center. In addition, the 1997 issue authorized significant additional investments in open space preservation for protecting the Sonoran Desert.

The highlight of the 2004 bond program has been the authorization of significant additional open space investments. Almost fully expended and obligated, the open space program that, together with the authorization of 1997, has conserved and protected over 41,000 acres of biologically sensitive and key ecosystems of the Sonoran Desert. In addition, 127,000 thousand acres of State Trust Land have been temporarily conserved through acquisition of grazing leases. These open space acquisitions, while of obvious benefit with regard to conservation, also have significant economic value to the community. The County has been engaged in the development of the Sonoran Desert Conservation Plan, including compliance with the numerous federal laws related to the Endangered Species Act, the Antiquities Act, and the Clean Water Act. These compliance requirements generally call for the preservation and protection of ecosystems necessary to offset the impacts associated with continued economic development and expansion of the community. Of the acquired lands to date, sufficient lands have been conserved through these open space programs to meet the compliance requirements on a species by species basis over the life of a permit to be authorized by the Endangered Species Act for a period of 30 years. Hence, we have, through our open space bond programs, guaranteed an economic future free from federal compliance actions for at least 30 years.

In addition, within the 2004 program is a nearly \$100 million investment in public safety communication interoperability. The program is nearing implementation today. Given the current constrained budgets of various police agencies throughout Pima County, if these bonds had not been authorized by the voters in response to the interoperable communication problems of public safety highlighted by the terrorist attacks on New York City, no health or public safety agency would be able to make the required investment to upgrade their communications systems. These bonds have made this possible.

Finally, the latest authorization (in 2006) has allowed for a significant investment in the capability of the community to deliver needed psychiatric services. In fact, the delivery model for psychiatric services integrating community providers, the clinical physician environment, and law enforcement in the detention facility is a model of integrated care for mental health services and should lead to a safer and more stable community.

In summary, since 1974, a total of \$1.33 billion in general obligation bonds and \$363 million in sewer revenue bonds, as well as \$350 million in Highway User Revenue Bonds, have been authorized by the voters of Pima County. These past bonds are clearly providing significant and continuing community benefit.

IV. Authorization by Voters does not Incur a Debt Obligation

By Arizona law and the State Constitution, the voters are required to authorize the issuance of general obligation bonds. Once authorized, the County can then issue bonds in varying amounts over a period of years. The bonds issued create a debt obligation that must be repaid above all else. General obligation bonds issued by Pima County have the full faith and credit of the County pledged to repay them, which means the obligation to repay bonded indebtedness of the County authorized by the voters is paramount to all other financial obligations of the County, including those for operating and maintenance.

The primary constraint on bonded indebtedness is not the amount of bonds authorized, but the rate and timing of their issuance. Clearly, the County electorate could authorize several billion dollars of debt; however, voter authorization does not immediately translate into a debt obligation. The obligation occurs when the authorized bonds are sold to investors with a pledge of repayment. It is the act of selling authorized bonds that creates the dilemma of how much debt the County can carry and reasonably repay under a series of assumptions regarding the debt structure.

V. Bond Repayment Interest Rates

Interest rates charged on authorized general obligation bonds have varied greatly over time. The highest interest rates charged for bond issuances occurred in 1982, where bonds were sold that carried a repayment interest obligation of 11.5 percent. More recently, the financing of public improvements through general obligation bonds, which are tax exempt in both the Federal and State income tax structures, has been quite attractive. Table 1 indicates the issuance of general obligation bonds authorized in 1997 and 2004, the amounts issued, and the net interest cost. The average weighted interest rate over these issuances is 4.11 percent, which is quite attractive when compared to the highest interest rate of County general obligation bonds paid in 1982 at an interest rate of 11.5 percent.

Table 1. Summary of Net Interest Cost

Series	Date of Issuance	Amount of Issuance (000's)	Net Interest Cost
1998	05/01/1998	\$42,420	4.5990000
1999	10/01/1999	50,000	4.9394000
2000	08/01/2000	50,000	4.7344000
2002	01/01/2002	20,000	4.0624142
2003	01/15/2003	50,000	3.6966789
2004	06/01/2004	65,000	4.2617917
2005	05/01/2005	65,000	3.9421915
2007	01/01/2007	95,000	4.0282944
2008	02/15/2008	100,000	3.6623000
2009	04/22/2009	75,000	3.8966000
Total Bonds Issued		\$612,420	
Weighted Average Interest Rate			4.1136535

Given the current economic conditions and continuing low interest rates for all types of borrowing, it would appear that general obligation bond financing by local governments will continue to be attractive for at least the next two to four years. We do anticipate an increase from current, near historic interest rate lows; however, when this will occur is a matter of subjective evaluation.

For the purpose of this analysis, it is assumed the 2009 bond sale will be at an interest rate of 4.7 percent, with future sales at 4.2 percent.

VI. Secondary Property Tax Rate Limitations

In order to reduce the tax impact on the voters who authorize general obligation bonds, the Bond Advisory Committee, as well as the Board of Supervisors, has, in the past, pledged certain secondary property tax rate caps. These caps, in effect, act as a governor over the amount of bonds that can be issued, even though general obligation bonds authorized by the voters stand in first priority for repayment, with an unlimited rate to repay the debt obligation pursuant to the State Constitution. The self-imposed secondary property tax rate caps are simply a mechanism to moderate and make generally more predictable the taxes necessary to repay general obligation debt from voter authorized bonds. These rate caps have varied over time. They were first introduced as a policy pledge by the Bond Advisory Committee and Board of Supervisors in 1997. The rate cap in 1997 was \$1.00 per \$100 of assessed value. This rate cap had dropped to \$0.815 per \$100 of assessed value for those bonds authorized by the voters in 2004. It decreased to \$0.715 per \$100 of assessed value for the limited amount of bonds authorized

by voters in 2006. (In this authorization, the amount of general obligation bonds authorized was only \$54 million as compared to \$582.25 million in 2004.)

These self-imposed tax rate caps are of significant importance in determining the magnitude and rate of debt issuance of future bond issues as opposed to the constitutional debt limit. For example, the constitutional debt limit is equal to 15 percent of the net assessed value of the County. For fiscal year 2008/09, this would be \$1.48 billion. However, as of this date, the bonded indebtedness outstanding is \$380.7 million (or 26 percent of the debt limit). The smaller amount of bonded indebtedness is controlled primarily by the self-imposed secondary property tax bond repayment cap as opposed to the constitutional debt limitation.

For the purpose of this analysis, it will be assumed the secondary tax rate for debt service purposes cannot exceed \$0.815 per \$100 of second assessed value.

VII. Life or Term of Bonds

The County has historically preferred a short bonded indebtedness period, which means that the average time between bonds being issued and retired has been approximately 12 years, with amortization schedules based on a 15-year bond life. Obviously, 20- and 30-year bond debt repayment periods are used in the industry; however, these longer bond lives incur more interest and retire debt slower than our past preferred method, which is to keep bonded indebtedness life relatively short, averaging approximately 12 years. More than likely, the bonds authorized in 1986 have been retired as of today, and much of the early issuance of the 1997 general obligation bonds has been retired. Short-term bond lives are preferable in a high-growth community where infrastructure needs tend to increase over time. When infrastructure needs are generally viewed to be a one-time occurrence and population demands are not expected to increase significantly to warrant new infrastructure requirements, then longer term bond issuance would be acceptable. However, in high population growth environments with recurring significant infrastructure needs, it is preferable to issue bonds and retire same in a relatively short period of time. Lengthening bond terms to 20 or 30 years as a short-term solution to not exceed self-imposed tax rate caps would be poor fiscal policy.

VIII. Straight Repayment Schedule

Another method of shifting bond cost repayment is to alter the payment schedule. Rather than using a simple, straight-line 15-year amortization period with corresponding principal and interest payments, some schedules could be constructed such that in the first five years, interest only is paid, and principal

payments are backloaded in the last 10 years. This scenario assumes that in the future, economic conditions that caused the requirement to alter the repayment schedule have corrected themselves. Since balancing a backloaded repayment schedule alters fiscal reality and may make economic conditions appear better than they actually are, I would not favor an altered or unbalanced debt repayment schedule.

For the purpose of this analysis, only a straight-line traditional debt repayment schedule is assumed.

IX. Assessed Value and Its Importance in Determining Bonded indebtedness Limitations and Reasonable Repayment Schedules

The assessed value of Pima County has changed year to year, and it is the primary determinant of how many bonds can be issued. Table 2 indicates the assessed value of Pima County over the last 30 years, which increased by an average of \$284.5 million annually, with an average increase in assessed value of 7.4 percent.

Table 2. Assessed Value of Pima County: Fiscal Years 1977/78 through 2009/10

Fiscal Year	Pima County Secondary Net Assessed Value	Percent Change From Prior Year	Cumulative Percent Change from Fiscal Year 77/78
77/78	\$1,324,520,503	--	--
78/79	1,291,568,812	-2.49	-2.49
79/80	1,303,534,317	0.93	-1.58
80/81	1,439,932,259	10.46	8.71
81/82	1,766,388,868	22.67	33.36
82/83	2,059,636,111	16.60	55.50
83/84	2,207,615,754	7.18	66.67
84/85	2,324,225,207	5.28	75.48
85/86	2,565,591,138	10.38	93.70
86/87	2,841,072,424	10.74	114.50
87/88	2,993,817,624	5.38	126.03
88/89	3,110,803,778	3.91	134.86
89/90	3,105,394,430	-0.17	134.45
90/91	3,044,972,363	-1.95	129.89
91/92	2,998,163,538	-1.54	126.36
92/93	2,993,029,392	-0.17	125.97

**Table 2. Assessed Value of Pima County: Fiscal Years
 1977/78 through 2009/10 (Continued)**

Fiscal Year	Pima County Secondary Net Assessed Value	Percent Change From Prior Year	Cumulative Percent Change from Fiscal Year 77/78
93/94	2,974,071,684	-0.63	124.54
94/95	3,150,104,570	5.92	137.83
95/96	3,218,883,605	2.18	143.02
96/97	3,247,512,122	0.89	145.18
97/98	3,700,269,222	13.94	179.37
98/99	3,852,574,000	4.12	190.87
99/00	4,000,624,012	3.84	202.04
00/01	4,236,070,095	5.89	219.82
01/02	4,491,395,307	6.03	239.10
02/03	4,835,561,219	7.66	265.08
03/04	5,221,272,390	7.98	294.20
04/05	5,620,156,274	7.64	324.32
05/06	6,050,950,040	7.67	356.84
06/07	6,869,955,457	13.54	418.67
07/08	8,220,395,835	19.66	520.63
08/09	9,594,861,519	16.72	624.40
09/10	9,860,980,900	2.77	644.49

If the four lowest and the four highest years of assessed value were removed from this data series, the average would drop to 5.3 percent. Typically, a growth in assessed value of three to five percent per year is indicative of a relatively stable and sustainable economy. Presently, the County is in the midst of a declining and/or shrinking secondary assessed value, the term of which is unknown. A previous financial forecast indicated that the secondary assessed value of Pima County could contract by as much as 14.2 percent: going from \$9,860,980,900 in current fiscal year 2009/10 to \$8,460,584,492 in fiscal year 2013/14.

Of all the variables associated with bonded indebtedness, repayment and total net secondary assessed values are perhaps the most important. Given the declines that are occurring or are forecasted to occur in the next few years, it is appropriate to forecast the rate of recovery and how quickly the rate of growth in the assessed value will return to the more stable and sustainable three to five percent annual

growth rate. Unfortunately, no one knows exactly what will be the return to normalcy with regard to growth in assessed value. It relates primarily to population growth and expansion and the creation of parcels of residential property upon which houses are constructed, when assessed value increases from vacant land to improved property. Population growth at this point is substantially reduced from past years to the point of being stable; hence, it is difficult to forecast the assessed value of Pima County in future years. Our official forecast of assessed value over the next 10 years, compiled by economists and staff specializing in this area, is shown in Table 3 below. We know, based on the statutory decreases in the assessment ratios, the downward pressure on residential property values, and the historically low numbers of building permits, that assessed values for next year will be lower than the current year. The assessments for fiscal year 2010/11 are based on what property values were on January 1, 2009. The decrease in net assessed value forecasted for fiscal year 2010/11 by the County's Budget Division is based on the preliminary notices of valuations that were sent to property owners last February.

Table 3. Official Forecast of Assessed Value

Fiscal Year	Net Secondary Assessed Value
2009/10	\$ 9,860,980,900
2010/11	9,472,135,836
2011/12	8,997,287,213
2012/13	8,701,095,935
2013/14	8,460,584,492
2014/15	8,629,796,182
2015/16	8,802,392,105
2016/17	9,066,463,869
2017/18	9,338,457,785
2018/19	9,711,996,096
2019/20	10,100,475,940

Secondary Assessed Value (SAV) for fiscal year 2009/10 is actual. For fiscal years 2010/11 through 2013/14, the estimates are based on the County's economic forecasts. Thereafter, SAV is assumed to grow at 2 percent annually for two years, at 3 percent for two years, and then at 4 percent.

For purposes of this analysis, the assessed value is assumed to decline until fiscal year 2013/14. After 2013/14, the secondary assessed value is assumed to increase by two percent for two years, three percent for two years, and then four percent per year. As can be seen by examining Table 3, over the 10-year analysis period, the assessed value of the County increases only marginally – from \$9.86 billion to \$10.1 billion – or 2.4 percent.

X. New Debt Issuance Rate and Authorized General Obligation Bond Sales Per Fiscal Year

The rate at which authorized general obligation bond debt is issued has a direct impact on the ability to issue new debt and balance the interest and principal payments with the fixed and/or capped secondary property tax rate.

Over the last several years, the County has sold more bonds, while incurring more debt on an annual basis than existing debt being repaid. Over the last 10 years, the average amount of principal repayment on bonded indebtedness has been \$32.4 million. Over the last five years, the average size of new bond issues has been \$86.7 million, more than double the amount of principal repaid. This increase is primarily a result of significant expenditures in the Open Space Bond Program and several large capital bond projects now being implemented, including the Psychiatric Inpatient Hospital facilities and the Psychiatric Urgent Care Facilities, as well as the interoperable public safety radio system.

Another key variable in the amount of a future bond issue and annual debt issuance is the amount of new bonds that can be sold in any given year. New bonds, to the extent they increase indebtedness, means the amount of principal sold is greater than the amount of principal retired in a given year and increases the burden of repayment. For analysis purposes, I requested that our financial analysis include three different schedules for bond sales over a 12-year period: 1) a schedule for \$40 million per year, 2) another for \$60 million per year, and 3) one for \$80 million per year (Attachments 2, 3, and 4). The question then becomes given the maximum tax rate cap (\$0.815), probable interest rate upon sale (4.2 percent), and corresponding assessed value of the County in any given year during the next 12 years, which of these new, annual principal debt issuances can be supported given the constraints stated?

XI. Financial Forecast Associated with Future Bonded Indebtedness and Voter Authorized Debt

Given the three future bond sale scenarios, and after all 2004 and 2006 authorizations have been sold, Attachments 2, 3, and 4 illustrate various debt repayment schedules. Attachment 2 assumes a sale of \$40 million per year of new voter authorized debt. Attachment 3 assumes \$60 million per year authorized debt, and Attachment 4 assumes an issuance of \$80 million per year of debt. The primary constraint on the analysis is the secondary property tax rate cap of \$0.815 per \$100 of secondary net assessed value. The drop in secondary assessed value as now forecasted, along with the assumptions in assessed value growth recovery, also significantly impacts the analysis. This analysis assumes 1) a secondary cap of \$0.815 per \$100 of secondary net assessed value; 2) a bond issuance interest rate of 4.2 percent; 3) a 15-year straight-line amortization schedule for issued bond debt; 4) sale of the remaining 2004 and 2006 authorized bonds occurring before issuance of new debt; and 5) a fairly pessimistic view of the secondary assessed value of the County for the next 10 years, with a significant decline forecasted until 2013/2014 and a slow recovery scheduled over the next six years after 2013/14.

Attachment 4 for the sale of \$80 million of new debt per year, beginning in 2014/15, is not sustainable, since the rate cap is exceeded two years into the debt repayment schedule beginning in 2015/16, and it peaks at \$0.995 in 2021/22. Similarly, the sale of new debt at \$60 million per year causes the property tax rate cap to be exceeded in 2016/17 and to peak at \$0.8819 dollars in 2018/19. Given all of the assumptions, the most sustainable future annual debt schedule assumes a \$40 million per year debt sale. The property tax rate cap reaches \$0.8098 in fiscal year 2019/20 with increasing capacity at the end of the 12-year bond sale sequence. Based on this forecast, authorization of approximately \$600 million in bonds, with early sales limited to no more than \$40 million per year over the first seven years of the program, is sustainable given the assumptions contained in this analysis. Please note that the \$600 million can be exceeded and approach \$800 million; however, the sale period would need to be extended to 14 years or longer, unless the net assessed values increase sooner than expected.

CHH/mjk

c: The Honorable Chairman and Members of the
Pima County Board of Supervisors

PIMA COUNTY VOTER AUTHORIZATIONS BY ELECTION DATE
FY 1973-74 through FY 2008-09 (in 000's)

	General Obligation	Sewer Revenue	Street and Highway Revenue
<u>Election of February 5, 1974</u>			
Health care and treatment facilities	17,225		
Sewers and sewage disposal facilities	19,095		
Public safety	2,000		
Government buildings and facilities	3,275		
Streets and bridges	7,205		
Parks and recreational facilities	9,910		
Green belt and open spaces	4,500		
Total election of February 5, 1974	63,210	-	-
<u>Election of June 5, 1979</u>			
Correctional facilities	25,110		
Transportation improvements	18,100		
Highway safety	5,000		
Flood control improvements (FCD general obligation)	20,600		
Sewer improvements		21,500	
Total election of June 5, 1979	68,810	21,500	-
<u>Election of February 5, 1980</u>			
Highway safety	12,500		
Major highway improvements	47,500		
Sewer improvements		12,900	
Total election of February 5, 1980	60,000	12,900	-
<u>Election of November 2, 1982</u>			
Sanitary Landfills	9,100		
Sewer effluent reuse		10,000	
Total election of November 2, 1982	9,100	10,000	-
<u>Election of February 21, 1984</u>			
Flood repairs	63,800		
Total election of February 21, 1984	63,800	-	-
<u>Election of May 21, 1985</u>			
Traffic safety and transportation	5,000		
Sewer improvements and repairs		10,000	
Total election of May 21, 1985	5,000	10,000	-
<u>Election of May 6, 1986</u>			
Traffic safety and transportation	64,300		
Parks and recreation improvements	28,000		
Public facilities, courts and public safety	23,850		
Flood control improvements	24,900		
Libraries and public facilities	13,650		
Solid waste landfills and facilities	10,700		
Sewer improvements and repairs		54,000	
Total election of May 6, 1986	165,400	54,000	-

**PIMA COUNTY VOTER AUTHORIZATIONS BY ELECTION DATE
FY 1973-74 through FY 2008-09 (in 000's)**

Election of May 20, 1997

Juvenile detention and court facilities	42,000		
Public safety, law enforcement and superior court	50,000		
Parks	52,650		
Sonoran Desert open space and historic preservation	36,330		
Public health, safety and cultural facilities	42,000		
Flood control improvements	21,500		
Solid waste improvements	12,500		
Sewer system revenue bonds		105,000	
Total election of May 20, 1997	256,980	105,000	-

Election of November 4, 1997

Transportation and traffic safety improvements			350,000
Total election of November 4, 1997	-	-	350,000

Election of May 18, 2004

Sonoran Desert open space and habitat protection; preventing urban encroachment of DMAFB	174,300		
Public health and community facilities	81,800		
Public safety and justice facilities	183,500		
Parks and recreational facilities	96,450		
River parks and flood control improvements	46,200		
Sewer system revenue bonds		150,000	
Total election of May 18, 2004	582,250	150,000	-

Election of May 16, 2006

Psychiatric care facilities	54,000		
Total election of May 16, 2006	54,000	-	-

**Pima County, Arizona
General Obligation Bonding Program**

\$40 Million

Fiscal Year	Projected Secondary Assessed Value ⁽¹⁾	Aggregate Debt Service	Projected Tax Rate	Prior Auth	New Bond Sales New Auth	Total
2009 - 10	9,860,980,900	70,647,091	\$0.72	90,000,000		90,000,000
2010 - 11	9,472,135,836	69,367,325	\$0.73	75,000,000		75,000,000
2011 - 12	8,987,287,213	68,233,675	\$0.76	60,000,000		60,000,000
2012 - 13	8,701,095,935	68,157,885	\$0.78	60,000,000		60,000,000
2013 - 14	8,460,584,492	64,926,669	\$0.77	18,681,000	21,319,000	40,000,000
2014 - 15	8,629,786,182	63,289,011	\$0.73		40,000,000	40,000,000
2015 - 16	8,802,392,105	68,846,883	\$0.78		40,000,000	40,000,000
2016 - 17	9,066,463,869	72,465,926	\$0.80		40,000,000	40,000,000
2017 - 18	9,338,457,785	74,344,236	\$0.80		40,000,000	40,000,000
2018 - 19	9,711,996,096	78,073,594	\$0.80		40,000,000	40,000,000
2019 - 20	10,100,475,940	81,796,536	\$0.81		40,000,000	40,000,000
2020 - 21	10,605,499,737	82,748,406	\$0.78		90,000,000	90,000,000
2021 - 22	11,135,774,724	89,037,106	\$0.80		90,000,000	90,000,000
2022 - 23	11,358,490,218	91,427,756	\$0.80		90,000,000	90,000,000
2023 - 24	11,585,660,023	93,162,020	\$0.80		90,000,000	90,000,000
2024 - 25	11,817,373,223	95,308,310	\$0.81		90,000,000	90,000,000
2025 - 26	12,053,720,688	97,344,461	\$0.81		88,681,000	88,681,000
2026 - 27	12,294,795,101	93,377,022	\$0.76			
		Total				
				<u>\$303,681,000</u>	<u>\$800,000,000</u>	<u>\$1,103,681,000</u>

(1) Secondary Assessed Value for FY 2009/10 is actual. For FY 2010/11 through 2013/14 the estimates were based on the County's Economic Forecasts.

For FY 2014/15 and 2015/16, we assumed 2% growth.

For FY 2016/17 and 2017/18, we assumed 3% growth.

For FY 2018/19 and 2019/20, we assumed 4% growth.

For FY 2020/21 and 2021/22, we assumed 5% growth.

For each year thereafter, SAV is assumed to grow at 2% annually.

Pima County, Arizona
General Obligation Bonding Program

\$60 Million

Fiscal Year	Projected Secondary Assessed Value ⁽¹⁾	Aggregate Debt Service	Projected Tax Rate	Prior Auth	NewBond Sales New Auth	Total
2009 - 10	9,860,980,900	70,647,091	0.72	90,000,000		90,000,000
2010 - 11	9,472,135,836	69,367,325	0.73	75,000,000		75,000,000
2011 - 12	8,997,287,213	68,233,675	0.76	60,000,000		60,000,000
2012 - 13	8,701,095,935	68,157,885	0.78	60,000,000		60,000,000
2013 - 14	8,460,584,492	65,346,669	0.77	18,681,000	41,319,000	60,000,000
2014 - 15	8,629,796,182	64,549,011	0.75		60,000,000	60,000,000
2015 - 16	8,802,392,105	70,946,883	0.81		60,000,000	60,000,000
2016 - 17	9,066,463,869	76,405,926	0.84		60,000,000	60,000,000
2017 - 18	9,338,457,785	78,082,236	0.84		60,000,000	60,000,000
2018 - 19	9,711,996,098	85,651,594	0.88		60,000,000	60,000,000
2019 - 20	10,100,475,940	88,088,536	0.87		60,000,000	60,000,000
2020 - 21	10,605,499,737	88,788,406	0.84		60,000,000	60,000,000
2021 - 22	11,135,774,724	94,775,106	0.85		60,000,000	60,000,000
2022 - 23	11,358,490,218	87,041,756	0.77		60,000,000	60,000,000
2023 - 24	11,585,660,023	83,040,780	0.72		60,000,000	60,000,000
2024 - 25	11,817,373,223	80,731,750	0.68		60,000,000	60,000,000
2025 - 26	12,053,720,688	80,069,840	0.66		60,000,000	60,000,000
2026 - 27	12,294,795,101	80,705,051	0.66		38,681,000	38,681,000
		Total		\$303,681,000	\$800,000,000	\$1,103,681,000

(1) Secondary Assessed Value for FY 2009/10 is actual. For FY 2010/11 through 2013/14 the estimates were based on the County's Economic Forecasts.

For FY 2014/15 and 2015/16, we assumed 2% growth.

For FY 2016/17 and 2017/18, we assumed 3% growth.

For FY 2018/19 and 2019/20, we assumed 4% growth.

For FY 2020/21 and 2021/22, we assumed 5% growth.

For each year thereafter, SAV is assumed to grow at 2% annually.

Pima County, Arizona
General Obligation Bonding Program

\$80 Million

Fiscal Year	Projected Secondary Assessed Value ⁽¹⁾	Aggregate Debt Service	Projected Tax Rate	Prior Auth	New Bond Sales New Auth	Total
2009 - 10	9,860,980,900	70,647,091	\$0.72	90,000,000		90,000,000
2010 - 11	9,472,135,836	69,367,325	\$0.73	75,000,000		75,000,000
2011 - 12	8,997,287,213	68,233,675	\$0.76	60,000,000		60,000,000
2012 - 13	8,701,095,935	68,157,885	\$0.78	60,000,000		60,000,000
2013 - 14	8,460,584,492	63,671,669	\$0.75	18,681,000	61,319,000	80,000,000
2014 - 15	8,629,796,182	68,752,001	\$0.80		80,000,000	80,000,000
2015 - 16	8,802,392,105	75,444,963	\$0.86		80,000,000	80,000,000
2016 - 17	9,066,463,869	82,691,946	\$0.91		80,000,000	80,000,000
2017 - 18	9,338,457,785	86,167,096	\$0.92		80,000,000	80,000,000
2018 - 19	9,711,996,096	95,568,884	\$0.98		80,000,000	80,000,000
2019 - 20	10,100,475,940	99,848,486	\$0.99		80,000,000	80,000,000
2020 - 21	10,605,499,737	102,423,726	\$0.97		80,000,000	80,000,000
2021 - 22	11,135,774,724	110,299,936	\$0.99		80,000,000	80,000,000
2022 - 23	11,358,490,218	104,482,296	\$0.92		80,000,000	80,000,000
2023 - 24	11,585,660,023	101,336,961	\$0.87		18,681,000	18,681,000
2024 - 25	11,817,373,223	94,304,022	\$0.80			
2025 - 26	12,053,720,688	88,497,002	\$0.73			
2026 - 27	12,294,795,101	84,385,732	\$0.69			
Total						
					\$303,681,000	\$1,103,681,000

(1) Secondary Assessed Value for FY 2009/10 is actual. For FY 2010/11 through 2013/14 the estimates were based on the County's Economic Forecasts.

For FY 2014/15 and 2015/16, we assumed 2% growth.

For FY 2016/17 and 2017/18, we assumed 3% growth.

For FY 2018/19 and 2019/20, we assumed 4% growth.

For FY 2020/21 and 2021/22, we assumed 5% growth.

For each year thereafter, SAV is assumed to grow at 2% annually.

ATTACHMENT 9

ATTACHMENT 9
Current Construction Projects - 2009
(Represents projects with estimates over \$100,000)

Project Description	Total Contract Award	Arch/Eng Estimate	Project Savings/ (Deficit)	ARRA Funds	Jobs Created -PC
Marana Fuel Station Renovation - Tank Replacement	\$ 303,445	\$ 445,000	\$ 141,555		4
Thomas Jay Park Improvements (2 JOCs)	\$ 853,503	\$ 853,503	\$ -		9
Green Valley WWTF-Screens, Washer & Compactors (JOC)	\$ 946,306	\$ 946,306	\$ -		10
Pima Motorsports Park Rock Crawling Track - Design-Build Services (Ratification by BOS on 03-17-09)	\$ 311,000	\$ 311,000	\$ -		3
Agua Caliente Safe Routes to School (JOC)	\$ 359,706	\$ 789,103	\$ 429,397		4
Construction Manager At Risk Services for the Roger Road Wastewater Treatment Plant to Ina Road Water Pollution Control Facility Plant Interconnect	\$ 25,197,276	\$ 22,500,000	\$ (2,697,276)	2,000,000	270
Marana WRF Sludge Loading (JOC)	\$ 201,115	\$ 201,115	\$ -		2
Rose Neighborhood Pedestrian Bridge Over Rodeo Wash (4TNRRB)	\$ 215,280	\$ 265,000	\$ 49,720		2
Construction Services for the Continental Family Medical Center Pediatric Health Clinic Addition	\$ 487,116	\$ 760,000	\$ 272,884		6
Pima County Downtown Central Plant Transformer Upgrade	\$ 180,262	\$ 315,000	\$ 134,738		2
Air Handler Coil Replacement	\$ 98,587	\$ 275,000	\$ 217,220		1
Construction of the I-19 East Frontage Road: Canoa Road to Continental Road (4INFRC)	\$ 15,584,908	\$ 18,804,335	\$ 3,219,427		156
Rio Vista Natural Resource Park (COT) - IGA	\$ 1,500,000	\$ 1,180,964	\$ (319,036)		16
Marana Rattlesnake Park - Continental Ranch (Marana) - IGA	\$ 487,500	\$ 487,500	\$ -		5
Camino Loma Alta:Old Spanish Trail to Clossal Cave Rd	\$ 990,930	\$ 2,177,942	\$ 1,187,012		11
Pima County Administration Building 9th Floor Tenant Improvements	\$ 410,000	\$ 600,000	\$ 190,000		4
Kino Coalition/Hidalgo Park (JOC)	\$ 477,909	\$ 477,909	\$ -		5
Continental Rd Bike Lanes:Camino Del Sol to La Cañada (JOC)	\$ 141,500	\$ 60,000	\$ (81,500)		2
Continental Sidewalks-La Cañada to PCC entrance (JOC)	\$ 83,605	\$ 100,000	\$ 16,395		1
Mission View Wash (CMAR)	\$ 5,321,419	\$ 5,321,419	\$ -		58
Midtown Neighborhood Sidewalk Improvements (JOC)	\$ 455,500	\$ 455,500	\$ -		5
Camino Verde/Valencia Rd Intersection Improvements	\$ 406,863	\$ 900,000	\$ 493,137		4
North Dodge Improvement Project, Phase II (JOC)	\$ 266,600	\$ 266,600	\$ -		3
Escalante Bike Lanes: Houghton-Old Spanish Trail (JOC)	\$ 240,087	\$ 599,879	\$ 359,792		3
TB Clinic Relocation Project	\$ 249,990	\$ 268,000	\$ 18,010		3
Psychiatric Hospital & Crisis Response Center	\$ 32,144,227	\$ 52,500,000	\$ 22,183,000		349
Site Improvements Pima County Wastewater Management Field Office Phase II	\$ 456,450	\$ 600,000	\$ 143,550		5
Camino Loma Alta: Via Rancho Del Lago to Via Sedan (4CLAST) Project	\$ 990,930	\$ 2,169,117	\$ 1,178,187		11
Freeman Rd Bike Lanes-Broadway to Old Spanish Trail (JOC)	\$ 358,204	\$ 702,834	\$ 344,630		4
GMP 2 Gravity Belt Thickener and Odor Control Equipment Purchase (ROMP) - Ina	\$ 635,000	\$ 635,000	\$ -		7

ATTACHMENT 9
Current Construction Projects - 2009
(Represents projects with estimates over \$100,000)

Project Description	Total Contract Award	Arch/Eng Estimate	Project Savings/ (Deficit)	ARRA Funds	Jobs Created -PC
Low Income Weatherization Assistance Conventional Homes [Note: 3 Job Order contracts, \$330,000 ea.]	\$ 990,000	\$ -	\$ -	990,000	11
Low Income Weatherization Assistance Mobile Homes (Job Order)	\$ 350,000	\$ -	\$ -	350,000	4
Sunrise Drive: Craycroft Road to Kolb Road (4SRCRA)	\$ 7,385,570	\$ 11,193,658	\$ 3,808,089		80
Dunbar School Historic Rehabilitation	\$ 821,600	\$ 980,000	\$ 158,400		9
Regional Public Safety Communications System	\$ 60,837,050	\$ 59,368,800	\$ 11,874,078		661
Catalina Community Services	\$ 904,900	\$ 765,000	\$ (53,700)	399,459	10
Camino del Sol Continental Roundabout	\$ 641,650	\$ 1,003,535	\$ 361,885		7
Pantano River Park, 22nd St. to Michael Perry Park Construction Project	\$ 2,405,500	\$ 3,300,000	\$ 894,500		26
GMP 3 Gravity Belt Thickener and Odor Control Installation (ROMP) - Ina	\$ 1,540,000	\$ 1,540,000	\$ -		17
GMP 4 Interim Biosolids (ROMP) - Ina	\$ 20,000,000	\$ 20,000,000	\$ -		217
Roy Place Commercial Building Restoration	\$ 604,243	\$ 428,557	\$ 7,157		7
GMP 5 Earthwork (ROMP) - Ina	\$ 4,300,000	\$ 4,300,000	\$ -		47
GMP 6 Commodities (ROMP) - Ina	\$ 4,500,000	\$ 4,500,000	\$ -		49
La Cañada: Ina Road to Calle Concordia	\$ 13,199,885	\$ 18,500,000	\$ 5,300,115		143
Hohokam Middle School Bike & Ped Improvements	\$ 235,267	\$ 435,241	\$ 199,974	525,000	3
La Cholla, River to Ruthrauff	\$ 8,332,613	\$ 19,863,000	\$ 11,530,387		
Pantano Wash Bank Stabilization	\$ 2,979,929	\$ 4,884,175	\$ 1,904,246		
Wilmot Branch Library (FM4.46)	\$ 2,464,065	\$ 3,275,855	\$ 811,790		
Arivaca Community Project	\$ 222,093	\$ 218,554	\$ (3,539)		
TOTAL	\$ 223,069,582	\$ 270,524,401	\$ 64,274,223	\$ 4,264,459	2231
Estimates on projects procured using Job-Order Contracting, Design-Build and Construction Manager At Risk are the same as the contract award.					
*Total contract value will be determined upon project completion.					
GMP 2, 3, 4, 5 & 6 are GMP amendments to the ROMP CMAR Contract w/ MWH Contractors for a total value to date of \$29,708,802					

ATTACHMENT 10

ATTACHMENT 10

General Obligation Bond Borrowing Cost (Ten-year History)

Series	Date of Issuance	Amount of Issuance (000's)	Net Interest Cost
1998	05/01/1998	\$42,420	4.5990000
1999	10/01/1999	50,000	4.9394000
2000	08/01/2000	50,000	4.7344000
2002	01/01/2002	20,000	4.0624142
2003	01/15/2003	50,000	3.6966789
2004	06/01/2004	65,000	4.2617917
2005	05/01/2005	65,000	3.9421915
2007	01/01/2007	95,000	4.0282944
2008	02/15/2008	100,000	3.6623000
2009	04/22/2009	75,000	3.8966000
Total Bonds Issued		\$612,420	
Weighted Average Interest Rate			4.1136535

ATTACHMENT 11

ATTACHMENT 11

ESTIMATE OF INTEREST SAVINGS

Series	Debt Issuance	Interest Rate	Total Interest Paid
2007	95,000,000	4.028%	\$ 30,180,488
2008	100,000,000	3.662%	33,343,139
2009	75,000,000	3.896%	18,803,866
		Total Interest	82,327,493

Same amounts at 1980s interest rates

Debt Issuance	Interest Rate	Total Interest
95,000,000	8.000%	49,240,000
100,000,000	8.000%	52,000,000
75,000,000	8.000%	39,000,000
	Total Interest	140,240,000
	Savings	<u>\$ 57,912,507</u>

This assumes that 80 percent of the debt will be paid off in the first ten years. It further assumes that the principal payments will be even for this time period.