

Fund 407 Sewer Bond Subordinate Debt Service

Board of Supervisors' Adjustments

The following funding adjustments reflect all changes to the FY 2007 Advertised Budget Plan, as approved by the Board of Supervisors on May 1, 2006:

- ◆ The Board of Supervisors made no adjustments to this fund.

Focus

Fund 407, Sewer Bond Subordinate Debt Service, provides debt service funding for the Upper Occoquan Sewage Authority (UOSA) Bond Series, the Virginia Resources Authority (VRA) loans and the Manassas Park debt payment. The UOSA Bond Series is based on the County's portion of the plant expansion from 27.6 million gallons per day (mgd) to 54 mgd. Two low-interest VRA loans from the State Revolving Fund Program were used to fund the County's share of construction costs for the Alexandria Sanitation Authority treatment plant upgrade for ammonia removal as required by the State Water Control Board. The Manassas Park Debt payment is represented for the first time in FY 2007 for accounting purposes to separately track the County's reimbursement to Manassas Park for the purchase of .06 mgd capacity and is based on debt payments associated with 1995B UOSA bond series.

All debt service payments are supported by Sewer System Revenues through a transfer from Fund 400, Sewer Revenue. Pursuant to the Sewer Bond resolution and respective agreements, these debt obligations are subordinate to the County's Sewer Revenue Bonds and therefore, the payments are made from this fund.

Funding in the amount of \$21,922,752 will provide for the FY 2007 principal and interest requirements, including an amount of \$36,204 for the Manassas Park debt payment, \$15,249,476 for the UOSA plant requirements, and \$6,637,072 for the VRA debt requirements.

The following table identifies the payments required in FY 2007.

	Principal	Interest	Total
MANASSAS PARK DEBT PAYMENT:	\$29,816	\$6,388	\$36,204
Subtotal - Manassas Park	\$29,816	\$6,388	\$36,204
UOSA PLANT EXPANSION:			
1995A	\$0	\$4,332,325	\$4,332,325
1995B	1,025,484	219,716	1,245,200
2003	1,714,087	1,780,559	3,494,646
2004	2,019,278	1,497,967	3,517,245
2005	0	2,660,060	2,660,060
Subtotal – UOSA	\$4,758,849	\$10,490,627	\$15,249,476
VRA DEBT PAYMENTS:			
FY 2001 VRA Loan	\$1,648,376	\$1,350,908	\$2,999,284
FY 2002 VRA Loan	2,026,404	1,611,384	3,637,788
Subtotal – VRA	\$3,674,780	\$2,962,292	\$6,637,072
Total	\$8,463,445	\$13,459,307	\$21,922,752

Fund 407

Sewer Bond Subordinate Debt Service

Changes to FY 2006 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2006 Revised Budget Plan since passage of the FY 2006 Adopted Budget Plan. Included are all adjustments made as part of the FY 2005 Carryover Review and all other approved changes through December 31, 2005:

- ◆ There have been no revisions to this fund since approval of the FY 2006 Adopted Budget Plan.

The following funding adjustments reflect all approved changes to the FY 2006 Revised Budget Plan from January 1, 2006 through April 24, 2006. Included are all adjustments made as part of the FY 2006 Third Quarter Review:

- ◆ The Board of Supervisors made no adjustments to this fund.

Fund 407

Sewer Bond Subordinate Debt Service

FUND STATEMENT

Fund Type G40, Enterprise Funds

Fund 407, Sewer Bond Subordinate
Debt Service

	FY 2005 Actual	FY 2006 Adopted Budget Plan	FY 2006 Revised Budget Plan	FY 2007 Advertised Budget Plan	FY 2007 Adopted Budget Plan
Beginning Balance	\$403,996	\$199,457	\$441,560	\$359,681	\$242,103
Transfer In:					
Sewer Revenue (400)	\$21,672,619	\$21,508,899	\$21,508,899	\$22,100,000	\$22,100,000
Total Transfer In	\$21,672,619	\$21,508,899	\$21,508,899	\$22,100,000	\$22,100,000
Total Available	\$22,076,615	\$21,708,356	\$21,950,459	\$22,459,681	\$22,342,103
Expenditures:					
Principal Payment ^{1,2}	\$7,233,788	\$7,642,724	\$7,642,724	\$8,463,445	\$8,463,445
Interest Payment ^{1,2}	14,401,267	14,055,632	14,055,632	13,459,307	13,459,307
Fiscal Agent Fees	0	10,000	10,000	0	0
Total Expenditures	\$21,635,055	\$21,708,356	\$21,708,356	\$21,922,752	\$21,922,752
Total Disbursements	\$21,635,055	\$21,708,356	\$21,708,356	\$21,922,752	\$21,922,752
Ending Balance³	\$441,560	\$0	\$242,103	\$536,929	\$419,351

¹ In order to account for expenditures in the proper fiscal year, an audit adjustment in the net amount of \$117,578 has been reflected as a increase to FY 2005 expenditures. Expenditures are increased \$182,375 to correctly record interest credited on debt service payments in advance, partially offset by a decrease of \$64,797 to reclassify Manassas Park principal payment to an operating expense in Fund 401, Sewer Operations and Maintenance. The audit adjustments have been included in the FY 2005 Comprehensive Annual Financial Report (CAFR).

² The bond principal and interest payments are shown here as expenditures. However, for accounting purposes, the Comprehensive Annual Financial Report will show these disbursements as "Construction in Progress" to be capitalized.

³ The Wastewater Management Program maintains fund balances at adequate levels relative to projected debt service requirements. These costs change annually and therefore, fund balances fluctuate from year to year based on actual debt service requirements.