

Fund 403 Sewer Bond Parity Debt Service

Board of Supervisors' Adjustments

The following funding adjustments reflect all changes to the FY 2008 Advertised Budget Plan, as approved by the Board of Supervisors on April 30, 2007:

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

Focus

Fund 403, Sewer Bond Parity Debt Service, records debt service obligations incurred from bonds issued in accordance with the 1986 Sewer Bond Resolution. Bond proceeds are used to fund capital improvement requirements in the Wastewater Management Program including upgrades to the treatment facilities serving the County, and construction of nutrient removal facilities for the removal of nitrogen as required by the State Water Control Board. The removal of nitrogen will improve the quality of the effluent produced at all of the treatment plants.

An amount of \$6,642,531 is required for this fund in FY 2008 including \$2,560,000 in principal payments and \$4,077,531 in interest payments for the outstanding 2004 Sewer Revenue Refunding Bonds, and \$5,000 in fiscal agent fees. Fiscal agent fees are included for the maintenance of all sewer bond accounts. All debt service payments are supported by Sewer System Revenues.

| | Principal | Interest | Total |
|-----------------------------|--------------------|--------------------|--------------------|
| Sewer Revenue Bonds: | | | |
| 2004 | \$2,560,000 | \$4,077,531 | \$6,637,531 |
| Total | \$2,560,000 | \$4,077,531 | \$6,637,531 |

Changes to FY 2007 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2007 Revised Budget Plan since passage of the FY 2007 Adopted Budget Plan. Included are all adjustments made as part of the FY 2006 Carryover Review and all other approved changes through December 31, 2006:

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

The following funding adjustments reflect all approved changes to the FY 2007 Revised Budget Plan from January 1, 2007 through April 23, 2007. Included are all adjustments made as part of the FY 2007 Third Quarter Review:

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

Fund 403

Sewer Bond Parity Debt Service

FUND STATEMENT

Fund Type G40, Enterprise Funds

Fund 403, Sewer Bond Parity Debt Service

| | FY 2006 Actual | FY 2007 Adopted Budget Plan | FY 2007 Revised Budget Plan | FY 2008 Advertised Budget Plan | FY 2008 Adopted Budget Plan |
|-----------------------------------|--------------------|-----------------------------------|-----------------------------------|--------------------------------------|-----------------------------------|
| Beginning Balance | \$956,392 | \$1,421,633 | \$1,103,444 | \$1,103,444 | \$1,103,444 |
| Revenue: | | | | | |
| Sale of Bonds | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Revenue | \$0 | \$0 | \$0 | \$0 | \$0 |
| Transfer In: | | | | | |
| Sewer Revenue (400) | \$6,720,045 | \$11,474,701 | \$11,474,701 | \$6,650,160 | \$6,650,160 |
| Total Transfer In | \$6,720,045 | \$11,474,701 | \$11,474,701 | \$6,650,160 | \$6,650,160 |
| Total Available | \$7,676,437 | \$12,896,334 | \$12,578,145 | \$7,753,604 | \$7,753,604 |
| Expenditures: | | | | | |
| Principal Payment ¹ | \$2,320,000 | \$3,528,000 | \$3,528,000 | \$2,560,000 | \$2,560,000 |
| Interest Payments ¹ | 4,244,092 | 7,927,572 | 7,927,572 | 4,077,531 | 4,077,531 |
| Fiscal Agent Fees | 1,272 | 5,000 | 5,000 | 5,000 | 5,000 |
| Total Expenditures | \$6,565,364 | \$11,460,572 | \$11,460,572 | \$6,642,531 | \$6,642,531 |
| Non Appropriated: | | | | | |
| Amortization Expense ² | \$7,629 | \$14,129 | \$14,129 | \$7,629 | \$7,629 |
| Total Disbursements | \$6,572,993 | \$11,474,701 | \$11,474,701 | \$6,650,160 | \$6,650,160 |
| Ending Balance³ | \$1,103,444 | \$1,421,633 | \$1,103,444 | \$1,103,444 | \$1,103,444 |

¹ The bond principal and interest payments are shown as expenditures. However, for accounting purposes, the Comprehensive Annual Financial Report will show these disbursements as "Construction in Progress" to be capitalized. The increase in bond principal payments between FY 2006 and FY 2007 was due to the planned 2007 Sewer Revenue Bonds. However, based on revised project schedules and financing options, the 2007 bond series is no longer anticipated, resulting in the decrease between FY 2007 and FY 2008.

² In order to capitalize the bond costs, this category is designated as an annual non-appropriated amortization expense. A total of \$14,129 in FY 2007 issuance costs included \$7,629 for the 2004 bond series which began in FY 2006 and \$6,500 for the planned 2007 bond series. However, based on revised project schedules and financing options, the 2007 bond series is no longer anticipated. As a result, \$7,629 is included in FY 2008 associated with only the 2004 bond series.

³ The Wastewater Management Program maintains fund balances at adequate levels relative to projected debt service requirements. Fund Balances fluctuate from year to year based on actual debt requirements and are used to cover amortization of issuance costs.