Fund 407
Sewer Bond Subordinate Debt Service

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 UOSA plant expansion from 27.0 million gallons per day (mgd) to 54.0 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. In addition, in 1986, Fairfax County purchased 0.9 mgd of Manassas Park City's capacity at the UOSA plant. FY 2010 represents the final payment of debt service for this purchased capacity.

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 $24,333,391 will provide for the FY 2010 principal and interest requirements, including an amount of $36,260 for the Manassas Park debt payment, $17,660,059 for the UOSA plant requirements, and $6,637,072 for the VRA debt requirements.

The following table identifies the payments required in FY 2010.

	Principal	Interest	Total
MANASSAS PARK DEBT PAYMENT:	**$34,533**	**$1,727**	**$36,260**
UOSA PLANT EXPANSION:			
1995A	$0	$1,568,697	$1,568,697
1995B	1,187,744	59,387	1,247,131
2003	1,970,725	1,520,975	3,491,700
2004	2,261,204	1,256,775	3,517,979
2005	0	2,660,060	2,660,060
2007A	0	2,621,743	2,621,743
2007B	0	2,552,749	2,552,749
Subtotal – UOSA	**$5,419,673**	**$12,240,386**	**$17,660,059**
VRA DEBT PAYMENTS:			
FY 2001 VRA Loan	$1,861,805	$1,137,479	$2,999,284
FY 2002 VRA Loan	2,265,332	1,372,456	3,637,788
Subtotal – VRA	**$4,127,137**	**$2,509,935**	**$6,637,072**
Total	**$9,581,343**	**$14,752,048**	**$24,333,391**

Changes to FY 2009 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2009 Revised Budget Plan since passage of the FY 2009 Adopted Budget Plan. Included are all adjustments made as part of the FY 2008 Carryover Review, FY 2009 Third Quarter Review, and all other approved changes through April 20, 2009.

- There have been no revisions to this fund since approval of the FY 2009 Adopted Budget Plan.

Fund 407
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FUND STATEMENT

Fund Type G40, Enterprise Funds **Fund 407, Sewer Bond Subordinate Debt Service**

	FY 2008 Actual	FY 2009 Adopted Budget Plan	FY 2009 Revised Budget Plan	FY 2010 Advertised Budget Plan	FY 2010 Adopted Budget Plan
Beginning Balance	**$1,157,425**	**$1,157,425**	**$1,395,689**	**$1,395,689**	**$1,395,689**
Transfer In:					
Sewer Revenue (400)	$21,923,527	$23,051,559	$23,051,559	$24,300,000	$24,300,000
Total Transfer In	$21,923,527	$23,051,559	$23,051,559	$24,300,000	$24,300,000
Total Available	**$23,080,952**	**$24,208,984**	**$24,447,248**	**$25,695,689**	**$25,695,689**
Expenditures:					
Principal Payment[1]	$8,780,648	$9,166,234	$9,166,234	9,581,343	9,581,343
Interest Payment[1]	12,904,615	13,885,325	13,885,325	14,752,048	14,752,048
Total Expenditures	$21,685,263	$23,051,559	$23,051,559	$24,333,391	$24,333,391
Total Disbursements	**$21,685,263**	**$23,051,559**	**$23,051,559**	**$24,333,391**	**$24,333,391**
Ending Balance[2]	**$1,395,689**	**$1,157,425**	**$1,395,689**	**$1,362,298**	**$1,362,298**

[1] 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.

[2] 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.