

Fund 403

Sewer Bond Parity Debt Service

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.

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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
Beginning Balance¹	\$956,392	\$1,421,633	\$1,103,444	\$1,103,444
Revenue:				
Sale of Bonds	\$0	\$0	\$0	\$0
Total Revenue	\$0	\$0	\$0	\$0
Transfer In:				
Sewer Revenue (400)	\$6,720,045	\$11,474,701	\$11,474,701	\$6,650,160
Total Transfer In	\$6,720,045	\$11,474,701	\$11,474,701	\$6,650,160
Total Available	\$7,676,437	\$12,896,334	\$12,578,145	\$7,753,604
Expenditures:				
Principal Payment ²	\$2,320,000	\$3,528,000	\$3,528,000	\$2,560,000
Interest Payments ²	4,244,092	7,927,572	7,927,572	4,077,531
Fiscal Agent Fees	1,272	5,000	5,000	5,000
Total Expenditures	\$6,565,364	\$11,460,572	\$11,460,572	\$6,642,531
Non Appropriated:				
Amortization Expense ³	\$7,629	\$14,129	\$14,129	\$7,629
Total Disbursements	\$6,572,993	\$11,474,701	\$11,474,701	\$6,650,160
Ending Balance⁴	\$1,103,444	\$1,421,633	\$1,103,444	\$1,103,444

¹ The FY 2006 Actual beginning balance was adjusted to reflect the Comprehensive Annual Financial Report. Details of the adjustment will be included in the comprehensive audit adjustment package as a part of the FY 2007 Third Quarter Review Process.

² 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. Any necessary adjustments to the FY 2007 budget will be made at an upcoming quarterly review.

³ 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.

⁴ 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.