

# FUND 403

## SEWER BOND PARITY DEBT SERVICE

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### ***Board of Supervisors' Adjustments***

*The following funding adjustments reflect all changes to the FY 2004 Advertised Budget Plan, as approved by the Board of Supervisors on April 28, 2003:*

- ◆ The Board of Supervisors made no changes to the FY 2004 Advertised Budget Plan.

*The following funding adjustments reflect all approved changes to the FY 2003 Revised Budget Plan from January 1, 2003 through April 21, 2003. Included are all adjustments made as part of the FY 2003 Third Quarter Review:*

- ◆ The Board of Supervisors made no adjustments to this fund.
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### ***County Executive Proposed FY 2004 Advertised Budget Plan***

#### **Purpose**

Fund 403, Sewer Bond Parity Debt Service, records debt service obligations incurred from bonds issued in accordance with the 1986 Sewer Bond Resolution. Bonds outstanding supported by this fund include \$61,358,511 of 1993 Series Refunding Bonds and \$7,243,493 of 1996 Series Refunding Bonds.

The bond proceeds are used to fund a portion of the treatment facility's expansion from 54 million gallons per day (MGD) to 67 MGD, as well as the construction of a nitrification process for the removal of ammonia nitrogen as required by the State Water Control Board. This removal of nitrogen will improve the quality of the effluent produced at the Noman M. Cole, Jr. Pollution Control Plant.

#### **FY 2004 Initiatives**

An amount of \$68,702,004 is required for this fund in FY 2004. Of this amount, \$61,358,511 will fund the recall of the 1993 Refunding Bonds. The recall of the 1993 Refunding Bonds is expected to produce a net savings to the program of approximately \$4.3 million over the next four years. The annual debt service payment for the 1996 Refunding Bonds totals \$7,243,493. An amount of \$100,000 is also required for fiscal agent fees. All debt service payments are supported by Sewer System Revenues.

#### **Funding Adjustments**

*The following funding adjustments reflect all approved changes to the FY 2003 Revised Budget Plan since passage of the FY 2003 Adopted Budget Plan. Included are all adjustments made as part of the FY 2002 Carryover Review and all other approved changes through December 31, 2002:*

- ◆ At the FY 2002 Carryover Review, a decrease of \$81,174 in the Transfer In was due to lower than anticipated interest payments and fiscal agent fees.

# FUND 403 SEWER BOND PARITY DEBT SERVICE

## FUND STATEMENT

Fund Type G40, Enterprise Funds                      Fund 403, Sewer Bond Parity Debt Service

	FY 2002 Actual	FY 2003 Adopted Budget Plan	FY 2003 Revised Budget Plan	FY 2004 Advertised Budget Plan	FY 2004 Adopted Budget Plan
<b>Beginning Balance</b>	<b>\$1,368,429</b>	<b>\$1,123,945</b>	<b>\$1,205,119</b>	<b>\$1,044,848</b>	<b>\$1,044,848</b>
Transfer In:					
Sewer Revenue (400)	\$13,207,577	\$13,528,282	\$13,447,108	\$68,702,004	\$68,702,004
<b>Total Transfer In</b>	<b>\$13,207,577</b>	<b>\$13,528,282</b>	<b>\$13,447,108</b>	<b>\$68,702,004</b>	<b>\$68,702,004</b>
<b>Total Available</b>	<b>\$14,576,006</b>	<b>\$14,652,227</b>	<b>\$14,652,227</b>	<b>\$69,746,852</b>	<b>\$69,746,852</b>
Expenditures:					
Principal Payment <sup>1</sup>	\$4,140,000	\$4,535,000	\$4,535,000	\$61,371,600	\$61,371,600
Interest Payments <sup>1</sup>	9,149,028	8,983,282	8,983,282	7,230,404	7,230,404
Fiscal Agent Fees	2,762	10,000	10,000	100,000	100,000
<b>Total Expenditures</b>	<b>\$13,291,790</b>	<b>\$13,528,282</b>	<b>\$13,528,282</b>	<b>\$68,702,004</b>	<b>\$68,702,004</b>
Non Appropriated:					
Amortization Expense <sup>2</sup>	\$79,097	\$79,097	\$79,097	\$79,097	\$79,097
<b>Total Disbursements</b>	<b>\$13,370,887</b>	<b>\$13,607,379</b>	<b>\$13,607,379</b>	<b>\$68,781,101</b>	<b>\$68,781,101</b>
<b>Ending Balance<sup>3</sup></b>	<b>\$1,205,119</b>	<b>\$1,044,848</b>	<b>\$1,044,848</b>	<b>\$965,751</b>	<b>\$965,751</b>

<sup>1</sup> The bond principal and interest payments are shown as expenditures. However, for accounting purposes, the Consolidated Annual Financial Report will show these disbursements as "Construction in Progress" to be capitalized.

<sup>2</sup> In order to capitalize these bond costs, \$79,097 has been designated as an annual non-appropriated amortization expense. The 1993 bonds are amortized at \$45,922 for 23 years, and the 1996 bonds are amortized at \$33,175 for 20 years.

<sup>3</sup> In FY 2004, the ending balance of \$965,751 will support the reserves required to cover the remaining amortization of issuance costs including \$551,061 for 1993 bonds and \$414,690 for 1996 bonds.