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 $23,549,186 is required for this fund in FY 2013 including $7,428,281 in principal payments and $16,115,905 in interest payments associated with outstanding 2004, 2009 and planned 2012 Sewer Revenue Bonds, as well as $5,000 in fiscal agent fees. FY 2013 interest and principal payments reflect a decrease due to a reduction in bond funding requirements based on revenue received from the sale of capacity to Prince William County in FY 2011 as approved by the Board of Supervisors on January 25, 2011. This results in a reduction from $150 million to $110 million for the planned FY 2012 bond sale. Fiscal agent fees are included for the management of all sewer bond accounts. All debt service payments are supported by Sewer System Revenues.

	Principal	Interest	Fees	Total
Sewer Revenue Bonds:				
2004	$3,045,000	$3,655,000		$6,700,000
2009	2,659,167	7,053,942		9,713,109
2012	1,724,114	5,406,963		7,131,077
Subtotal-Debt Service	**$7,428,281**	**$16,115,905**		**$23,544,186**
Fiscal Agent Fees			$5,000	$5,000
Total	**$7,428,281**	**$16,115,905**	**$5,000**	**$23,549,186**

Changes to FY 2012 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2012 Revised Budget Plan since passage of the FY 2012 Adopted Budget Plan. Included are all adjustments made as part of the FY 2011 Carryover Review, FY 2012 Third Quarter Review, and all other approved changes through April 24, 2012.

- There have been no revisions to this fund since approval of the FY 2012 Adopted Budget Plan.

Fund 403
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FUND STATEMENT

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

	FY 2011 Actual	FY 2012 Adopted Budget Plan	FY 2012 Revised Budget Plan	FY 2013 Advertised Budget Plan	FY 2013 Adopted Budget Plan
Beginning Balance	**($2,773,887)**	**$23,582**	**$3,597,208**	**$3,022,363**	**$3,022,363**
Transfer In:					
Sewer Revenue (400)[1]	$22,650,000	$25,554,960	$25,554,960	$21,000,000	$21,000,000
Total Transfer In	$22,650,000	$25,554,960	$25,554,960	$21,000,000	$21,000,000
Total Available	**$19,876,113**	**$25,578,542**	**$29,152,168**	**$24,022,363**	**$24,022,363**
Expenditures:					
Principal Payment[2]	$5,215,000	$7,700,677	$7,700,677	$7,428,281	$7,428,281
Interest Payments[2,3]	11,035,789	18,399,128	18,399,128	16,115,905	16,115,905
Fiscal Agent Fees	3,116	5,000	5,000	5,000	5,000
Total Expenditures	$16,253,905	$26,104,805	$26,104,805	$23,549,186	$23,549,186
Non Appropriated:					
Amortization Expense[4]	$25,000	$25,000	$25,000	$25,000	$25,000
Total Disbursements	**$16,278,905**	**$26,129,805**	**$26,129,805**	**$23,574,186**	**$23,574,186**
Ending Balance[5, 6]	**$3,597,208**	**($551,263)**	**$3,022,363**	**$448,177**	**$448,177**

[1] This fund is supported by a transfer in from Fund 400, Sewer Revenue.

[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.

[3] The increase in both principal and interest in FY 2012 reflects estimates associated with the planned FY 2012 Bond sale of $150 million. FY 2013 is estimated based on the revised bond sale amount of $110 million. The Bond sale amount has been adjusted based on revenue received from the sale of capacity to Prince William County which was approved by the Board of Supervisors on January 25, 2011.

[4] In order to capitalize bond costs, this category is designated as an annual non-appropriated amortization expense. An amount of $25,000 includes the 2004 bond sales, FY 2009 bond series and the planned 2012 sewer revenue bond sale.

[5] 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.

[6] The FY 2012 negative balance resulted from an FY 2010 audit adjustment due to the timing of interest payments associated with the 2009 Bond sale. The bond sale took place on June 17, 2009 and the first payment was not due until July 15, 2010.