

## Fund 407

### Sewer Bond Subordinate Debt Service

#### Focus

Fund 407, Sewer Bond Subordinate Debt Service, provides debt service funding for the Upper Occoquan Service Authority (UOSA) Bond Series and the Virginia Resources Authority (VRA) loans. 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.

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 \$26,756,645 will provide for the FY 2013 principal and interest requirements, including an amount of \$20,119,573 for the UOSA plant requirements, and \$6,637,072 for the VRA debt requirements. UOSA debt is structured so that no principal payments are made during the construction phase of the project. Interest is capitalized and principal payments begin once construction is substantially complete.

The following table identifies the payments required in FY 2013.

	Principal	Interest	Total
<b>UOSA PLANT EXPANSION:</b>			
1995A	\$0	\$1,568,697	\$1,568,697
2003	2,259,046	1,232,178	3,491,224
2004	4,667,564	709,699	5,377,263
2005	0	2,660,060	2,660,060
2007A	0	2,621,743	2,621,743
2007B	0	2,552,749	2,552,749
2010	0	1,847,837	1,847,837
<b>Subtotal – UOSA</b>	<b>\$6,926,610</b>	<b>\$13,192,963</b>	<b>\$20,119,573</b>
<b>VRA DEBT PAYMENTS:</b>			
FY 2001 VRA Loan	\$2,102,869	\$896,415	\$2,999,284
FY 2002 VRA Loan	2,532,431	1,105,357	3,637,788
<b>Subtotal – VRA</b>	<b>\$4,635,300</b>	<b>\$2,001,772</b>	<b>\$6,637,072</b>
<b>Total</b>	<b>\$11,561,910</b>	<b>\$15,194,735</b>	<b>\$26,756,645</b>

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#### **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 407

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### FUND STATEMENT

Fund Type G40, Enterprise Funds

Fund 407, Sewer Bond Subordinate  
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
<b>Beginning Balance</b>	<b>\$1,510,452</b>	<b>\$1,099,712</b>	<b>\$1,164,990</b>	<b>\$74,330</b>	<b>\$74,330</b>
Transfer In:					
Sewer Revenue (400)	\$24,500,000	\$25,633,624	\$25,633,624	\$27,000,000	\$27,000,000
<b>Total Transfer In</b>	<b>\$24,500,000</b>	<b>\$25,633,624</b>	<b>\$25,633,624</b>	<b>\$27,000,000</b>	<b>\$27,000,000</b>
<b>Total Available</b>	<b>\$26,010,452</b>	<b>\$26,733,336</b>	<b>\$26,798,614</b>	<b>\$27,074,330</b>	<b>\$27,074,330</b>
Expenditures:					
Principal Payment <sup>1</sup>	\$10,581,593	\$11,065,121	\$11,065,121	\$11,561,910	\$11,561,910
Interest Payment <sup>1,2</sup>	14,263,869	15,659,163	15,659,163	15,194,735	15,194,735
<b>Total Expenditures</b>	<b>\$24,845,462</b>	<b>\$26,724,284</b>	<b>\$26,724,284</b>	<b>\$26,756,645</b>	<b>\$26,756,645</b>
<b>Total Disbursements</b>	<b>\$24,845,462</b>	<b>\$26,724,284</b>	<b>\$26,724,284</b>	<b>\$26,756,645</b>	<b>\$26,756,645</b>
<b>Ending Balance<sup>3</sup></b>	<b>\$1,164,990</b>	<b>\$9,052</b>	<b>\$74,330</b>	<b>\$317,685</b>	<b>\$317,685</b>

<sup>1</sup> 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.

<sup>2</sup> The Wastewater Management Program makes principal and interest payments to the Upper Occoquan Service Authority (UOSA) in advance of the principal and interest due dates based on the original agreement with UOSA. UOSA credits the Wastewater Program any interest earning from the advanced payments; therefore the interest payment actuals are normally lower than anticipated.

<sup>3</sup> 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.