# Fund 69040
# Sewer Bond Subordinate Debt Service

## Focus

Fund 69040 (formerly 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 Renew Enterprises 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 69000, 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 $28,419,768 will provide for the FY 2014 principal and interest requirements, including an amount of $21,782,696 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 2014.

| | Principal | Interest | Total |
|---|---|---|---|
| **UOSA PLANT EXPANSION:** | | | |
| 1995A | $0 | $1,568,697 | $1,568,697 |
| 2003 | 2,360,434 | 1,134,474 | 3,494,908 |
| 2004 | 4,874,008 | 499,658 | 5,373,666 |
| 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 | 664,811 | 1,847,837 | 2,512,648 |
| 2011 | 0 | 456,079 | 456,079 |
| 2012 | 0 | 542,146 | 542,146 |
| **Subtotal – UOSA** | **$7,899,253** | **$13,883,443** | **$21,782,696** |
| **VRA DEBT PAYMENTS:** | | | |
| FY 2001 VRA Loan | $2,189,971 | $809,313 | $2,999,284 |
| FY 2002 VRA Loan | 2,628,287 | 1,009,501 | 3,637,788 |
| **Subtotal – VRA** | **$4,818,258** | **$1,818,814** | **$6,637,072** |
| **Total** | **$12,717,511** | **$15,702,257** | **$28,419,768** |

## Changes to FY 2013 Adopted Budget Plan

*The following funding adjustments reflect all approved changes in the FY 2013 Revised Budget Plan since passage of the FY 2013 Adopted Budget Plan. Included are all adjustments made as part of the FY 2012 Carryover Review, FY 2013 Third Quarter Review, and all other approved changes through April 23, 2013.*

- There have been no adjustments to this fund since approval of the FY 2013 Adopted Budget Plan.

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## FUND STATEMENT

### Fund 69040, Sewer Bond Subordinate Debt Service

| | FY 2012 Actual | FY 2013 Adopted Budget Plan | FY 2013 Revised Budget Plan | FY 2014 Advertised Budget Plan | FY 2014 Adopted Budget Plan |
|---|---|---|---|---|---|
| Beginning Balance | $1,164,990 | $74,330 | $1,396,287 | $1,639,642 | $1,639,642 |
| Transfer In: | | | | | |
| Sewer Revenue (69000) | $25,633,624 | $27,000,000 | $27,000,000 | $27,500,000 | $27,500,000 |
| Total Transfer In | $25,633,624 | $27,000,000 | $27,000,000 | $27,500,000 | $27,500,000 |
| Total Available | $26,798,614 | $27,074,330 | $28,396,287 | $29,139,642 | $29,139,642 |
| Expenditures: | | | | | |
| Principal Payment[1] | $11,065,122 | $11,561,910 | $11,561,910 | $12,717,511 | $12,717,511 |
| Interest Payment[1,2] | 14,337,205 | 15,194,735 | 15,194,735 | 15,702,257 | 15,702,257 |
| Total Expenditures | $25,402,327 | $26,756,645 | $26,756,645 | $28,419,768 | $28,419,768 |
| Total Disbursements | $25,402,327 | $26,756,645 | $26,756,645 | $28,419,768 | $28,419,768 |
| Ending Balance[3] | $1,396,287 | $317,685 | $1,639,642 | $719,874 | $719,874 |

[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 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.

[3] 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.