

## 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
<b>UOSA PLANT EXPANSION:</b>			
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
<b>Subtotal – UOSA</b>	<b>\$7,899,253</b>	<b>\$13,883,443</b>	<b>\$21,782,696</b>
<b>VRA DEBT PAYMENTS:</b>			
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
<b>Subtotal – VRA</b>	<b>\$4,818,258</b>	<b>\$1,818,814</b>	<b>\$6,637,072</b>
<b>Total</b>	<b>\$12,717,511</b>	<b>\$15,702,257</b>	<b>\$28,419,768</b>

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### **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, and all other approved changes through December 31, 2012:*

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

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## Sewer Bond Subordinate Debt Service

### 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
<b>Beginning Balance</b>	\$1,164,990	\$74,330	\$1,396,287	\$1,639,642
Transfer In:				
Sewer Revenue (69000)	\$25,633,624	\$27,000,000	\$27,000,000	\$27,500,000
<b>Total Transfer In</b>	\$25,633,624	\$27,000,000	\$27,000,000	\$27,500,000
<b>Total Available</b>	\$26,798,614	\$27,074,330	\$28,396,287	\$29,139,642
Expenditures:				
Principal Payment <sup>1</sup>	\$11,065,122	\$11,561,910	\$11,561,910	\$12,717,511
Interest Payment <sup>1,2</sup>	14,337,205	15,194,735	15,194,735	15,702,257
<b>Total Expenditures</b>	\$25,402,327	\$26,756,645	\$26,756,645	\$28,419,768
<b>Total Disbursements</b>	\$25,402,327	\$26,756,645	\$26,756,645	\$28,419,768
<b>Ending Balance<sup>3</sup></b>	\$1,396,287	\$317,685	\$1,639,642	\$719,874

<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.