

Fund 69020

Sewer Bond Parity Debt Service

Focus

Fund 69020, 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 \$20,906,350 is required for this fund in FY 2016 including \$7,655,000 in principal payments and \$13,241,350 in interest payments associated with outstanding 2009, 2012 and 2014 Sewer Revenue Bonds, as well as \$10,000 in fiscal agent fees. 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:				
2009	\$2,950,000	\$6,701,150		\$9,651,150
2012	1,530,000	4,026,950		5,556,950
2014	3,175,000	2,513,250		5,688,250
Subtotal-Debt Service	\$7,655,000	\$13,241,350		\$20,896,350
Fiscal Agent Fees			\$10,000	\$10,000
Total	\$7,655,000	\$13,241,350	\$10,000	\$20,906,350

Changes to FY 2015 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2015 Revised Budget Plan since passage of the FY 2015 Adopted Budget Plan. Included are all adjustments made as part of the FY 2014 Carryover Review, and all other approved changes through December 31, 2014.

- ◆ **Carryover Adjustments** **(\$1,462,713)**
 As part of the FY 2014 Carryover Review, the Board of Supervisors approved a decrease of \$1,462,713 due to savings associated with the refunding of the Series 2004 Bonds on April 1, 2014.

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FUND STATEMENT

Fund 69020, Sewer Bond Parity Debt Service

	FY 2014 Actual	FY 2015 Adopted Budget Plan	FY 2015 Revised Budget Plan	FY 2016 Advertised Budget Plan
Beginning Balance	\$13,621,947	\$3,639,640	\$4,484,883	\$2,513,502
Transfer In:				
Sewer Revenue (69000) ¹	\$12,000,000	\$18,500,000	\$18,500,000	\$18,500,000
Total Transfer In	\$12,000,000	\$18,500,000	\$18,500,000	\$18,500,000
Total Available	\$25,621,947	\$22,139,640	\$22,984,883	\$21,013,502
Expenditures:				
Principal Payment ²	\$7,265,000	\$7,615,000	\$7,615,000	\$7,655,000
Interest Payments ²	13,497,742	14,289,094	12,826,381	13,241,350
Bond Issuance Costs ³	343,229	0	0	0
Fiscal Agent Fees	6,093	5,000	5,000	10,000
Total Expenditures	\$21,112,064	\$21,909,094	\$20,446,381	\$20,906,350
Non Appropriated:				
Amortization Expense ⁴	\$25,000	\$25,000	\$25,000	\$25,000
Total Disbursements	\$21,137,064	\$21,934,094	\$20,471,381	\$20,931,350
Ending Balance⁵	\$4,484,883	\$205,546	\$2,513,502	\$82,152

¹ This fund is supported by a transfer in from Fund 69000, 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. In addition, the interest payments were reduced as part of the *FY 2015 Revised Budget Plan* due to savings from the refunding of the Series 2004 Bonds on April 1, 2014.

³ Represents costs associated with the refunding of the Series 2004 Bonds on April 1, 2014.

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 2009, 2012 and 2014 sewer revenue bond sales.

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.