

# 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 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 \$40,104,264 is required for this fund in FY 2024, including \$16,100,000 in principal payments and \$22,260,481 in interest payments associated with outstanding 2014, 2016, 2017, 2021A, 2021B and the planned 2024 Sewer Revenue Bonds, as well as \$30,000 in fiscal agent fees and \$1,713,783 in Bond Issuance Costs for the planned 2024 Sewer Revenue Bonds. Fiscal agent fees are included for the management of all sewer bond accounts. All debt service payments are supported by Sewer System Revenues.

Sewer Revenue Bonds				
	Principal	Interest	Fees	Total
<b>Debt Service</b>				
2014	\$4,735,000	\$1,082,875		\$5,817,875
2016	6,615,000	5,944,856		12,559,856
2017	1,620,000	3,890,000		5,510,000
2021A	3,130,000	8,647,100		11,777,100
2021B	0	895,650		895,650
2024 (anticipated)	0	1,800,000		1,800,000
<b>Subtotal</b>	<b>\$16,100,000</b>	<b>\$22,260,481</b>		<b>\$38,360,481</b>
Bond Issuance Cost			\$1,713,783	\$1,713,783
Fiscal Agent Fees			\$30,000	\$30,000
<b>Total</b>	<b>\$16,100,000</b>	<b>\$22,260,481</b>	<b>\$1,743,783</b>	<b>\$40,104,264</b>

## Changes to FY 2023 Adopted Budget Plan

*The following funding adjustments reflect all approved changes in the FY 2023 Revised Budget Plan since passage of the FY 2023 Adopted Budget Plan. Included are all adjustments made as part of the FY 2022 Carryover Review, FY 2023 Third Quarter Review, and all other approved changes through April 30, 2023.*

**There have been no adjustments to this fund since approval of the FY 2023 Adopted Budget Plan.**

# Fund 69020: Sewer Bond Parity Debt Service

## FUND STATEMENT

Category	FY 2022 Actual	FY 2023 Adopted Budget Plan	FY 2023 Revised Budget Plan	FY 2024 Advertised Budget Plan	FY 2024 Adopted Budget Plan
<b>Beginning Balance</b>	<b>\$6,942,778</b>	<b>\$5,547,043</b>	<b>\$5,695,796</b>	<b>\$692,539</b>	<b>\$692,539</b>
<b>Transfers In:</b>					
Sewer Revenue (69000) <sup>1</sup>	\$32,000,000	\$27,000,000	\$28,500,000	\$38,400,000	\$38,400,000
Sewer Bond Construction (69310) <sup>2</sup>	0	0	0	1,713,783	1,713,783
<b>Total Transfers In</b>	<b>\$32,000,000</b>	<b>\$27,000,000</b>	<b>\$28,500,000</b>	<b>\$40,113,783</b>	<b>\$40,113,783</b>
<b>Total Available</b>	<b>\$38,942,778</b>	<b>\$32,547,043</b>	<b>\$34,195,796</b>	<b>\$40,806,322</b>	<b>\$40,806,322</b>
<b>Expenditures:</b>					
Principal Payments <sup>3</sup>	\$11,745,000	\$12,320,000	\$12,320,000	\$16,100,000	\$16,100,000
Interest Payments <sup>3</sup>	21,498,032	21,163,257	21,163,257	22,260,481	22,260,481
Bond Issuance Costs	0	0	0	1,713,783	1,713,783
Fiscal Agent Fees	3,950	20,000	20,000	30,000	30,000
<b>Total Expenditures</b>	<b>\$33,246,982</b>	<b>\$33,503,257</b>	<b>\$33,503,257</b>	<b>\$40,104,264</b>	<b>\$40,104,264</b>
<b>Total Disbursements</b>	<b>\$33,246,982</b>	<b>\$33,503,257</b>	<b>\$33,503,257</b>	<b>\$40,104,264</b>	<b>\$40,104,264</b>
<b>Ending Balance<sup>4,5</sup></b>	<b>\$5,695,796</b>	<b>(\$956,214)</b>	<b>\$692,539</b>	<b>\$702,058</b>	<b>\$702,058</b>

<sup>1</sup> This fund is supported by a Transfer In from Fund 69000, Sewer Revenue.

<sup>2</sup> A Transfer In from Fund 69310, Sewer Bond Construction, is necessary in FY 2024 as this reflects the Underwriter's Discount expense associated with the planned 2024 Sewer Revenue Bonds to be paid from bond proceeds, which are reported as revenue in Fund 69310, Sewer Bond Construction.

<sup>3</sup> The bond principal and interest payments are shown as expenditures. However, for accounting purposes, the Annual Comprehensive Financial Report will show these disbursements as "Construction in Progress" to be capitalized.

<sup>4</sup> 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.

<sup>5</sup> The FY 2023 Adopted Budget Plan Ending Balance was projected to be negative due to year-end accruals on the 2014 Sewer Refunding Bonds, 2016 Sewer Refunding Bonds, 2017 Sewer Revenue Bonds, 2021A Sewer Revenue Bonds and 2021B Sewer Refunding Bonds, as the impact of these accruals carried over into FY 2023. The resulting negative balance was addressed as part of the *FY 2022 Carryover Review*.