

Fund 69040: Sewer Bond Subordinate Debt Service

Focus

Fund 69040, Sewer Bond Subordinate Debt Service, provides debt service funding for the Upper Occoquan Service Authority (UOSA) Bond Series and the Stormwater/Wastewater Facility Economic Development Authority (EDA) revenue bonds. 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. The EDA revenue bonds were issued to finance the construction of a consolidated Stormwater and Wastewater Facility.

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 \$22,321,942 is provided for the FY 2024 principal and interest requirements, including an amount of \$20,784,567 for the UOSA plant requirements and \$1,537,375 for the Stormwater/Wastewater Facility. It should be noted that the UOSA debt for bond series 2016B 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. This helps level the debt service payments for all jurisdictions involved.

The following table identifies the payments required in FY 2024:

	Principal	Interest	Total
UOSA PLANT EXPANSION:			
2010B	\$921,124	\$979,681	\$1,900,805
2011A	127,787	14,954	142,741
2011B	288,167	39,259	327,426
2013A	11,860,838	837,391	12,698,229
2016B	0	690,313	690,313
2019A	418,495	681,632	1,100,127
2020	2,341,673	1,583,253	3,924,926
Subtotal – UOSA	\$15,958,084	\$4,826,483	\$20,784,567
STORMWATER/WASTEWATER FACILITY EDA REVENUE BONDS:			
Stormwater/Wastewater Facility	\$635,000	\$902,375	\$1,537,375
Total	\$16,593,084	\$5,728,858	\$22,321,942

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.

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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
Beginning Balance	\$938,621	\$249,016	\$2,557,095	\$2,398,212	\$2,398,212
Transfers In:					
Sewer Revenue (69000)	\$25,000,000	\$22,200,000	\$22,200,000	\$22,400,000	\$22,400,000
Total Transfers In	\$25,000,000	\$22,200,000	\$22,200,000	\$22,400,000	\$22,400,000
Total Available	\$25,938,621	\$22,449,016	\$24,757,095	\$24,798,212	\$24,798,212
Expenditures:					
Principal Payment ¹	\$17,336,725	\$16,188,219	\$16,188,219	\$16,593,084	\$16,593,084
Interest Payment ^{1,2}	6,044,801	6,170,664	6,170,664	5,728,858	5,728,858
Total Expenditures	\$23,381,526	\$22,358,883	\$22,358,883	\$22,321,942	\$22,321,942
Total Disbursements	\$23,381,526	\$22,358,883	\$22,358,883	\$22,321,942	\$22,321,942
Ending Balance³	\$2,557,095	\$90,133	\$2,398,212	\$2,476,270	\$2,476,270

¹ The bond principal and interest payments are shown here as expenditures. However, for accounting purposes, the Annual Comprehensive 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 Management Program any interest earnings 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.