

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 \$25,550,727 is required for this fund in FY 2018, including \$10,018,537 in principal payments and \$15,522,190 in interest payments associated with outstanding 2009, 2012, 2014, 2016, and anticipated 2017 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	\$3,260,000	\$433,250		\$3,693,250
2012	1,680,000	1,712,125		3,392,125
2014	3,425,000	2,297,625		5,722,625
2016	0	6,697,181		6,697,181
2017	1,653,537	4,382,009		6,035,546
Subtotal-Debt Service	\$10,018,537	\$15,522,190		\$25,540,727
Fiscal Agent Fees			\$10,000	\$10,000
Total	\$10,018,537	\$15,522,190	\$10,000	\$25,550,727

Changes to FY 2017 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2017 Revised Budget Plan since passage of the FY 2017 Adopted Budget Plan. Included are all adjustments made as part of the FY 2016 Carryover Review, FY 2017 Third Quarter Review, and all other approved changes through April 30, 2017.

- ◆ There have been no adjustments to this fund since approval of the FY 2017 Adopted Budget Plan.

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FUND STATEMENT

Fund 69020, Sewer Bond Parity Debt Service

	FY 2016 Actual	FY 2017 Adopted Budget Plan	FY 2017 Revised Budget Plan	FY 2018 Advertised Budget Plan	FY 2018 Adopted Budget Plan
Beginning Balance	\$1,948,521	\$17,171	\$3,260,603	\$2,625,103	\$2,625,103
Transfer In:					
Sewer Revenue (69000) ¹	\$19,000,000	\$22,900,000	\$22,900,000	\$22,930,000	\$22,930,000
Total Transfer In	\$19,000,000	\$22,900,000	\$22,900,000	\$22,930,000	\$22,930,000
Total Available	\$20,948,521	\$22,917,171	\$26,160,603	\$25,555,103	\$25,555,103
Expenditures:					
Principal Payment ²	\$7,655,000	\$7,980,000	\$7,980,000	\$10,018,537	\$10,018,537
Interest Payments ²	9,394,300	15,120,500	15,120,500	15,522,190	15,522,190
Bond Issuance Costs	605,018	400,000	400,000	0	0
Fiscal Agent Fees	8,600	10,000	10,000	10,000	10,000
Total Expenditures	\$17,662,918	\$23,510,500	\$23,510,500	\$25,550,727	\$25,550,727
Non Appropriated:					
Amortization Expense ³	\$25,000	\$25,000	\$25,000	\$0	\$0
Total Disbursements	\$17,687,918	\$23,535,500	\$23,535,500	\$25,550,727	\$25,550,727
Ending Balance^{4,5}	\$3,260,603	(\$618,329)	\$2,625,103	\$4,376	\$4,376

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 (CAFR) will show these disbursements as "Construction in Progress" to be capitalized.

³ In order to capitalize bond costs, this category was designated as an annual non-appropriated amortization expense. An amount of \$25,000 included the 2009, 2012, 2014 and the planned 2017 sewer revenue bond sales. Starting in FY 2018, this category is no longer required based on the approval of the Governmental Accounting Standards Board Statement No. 65 that changed the way debt issuance costs are reported. These costs should be recognized as assets and reported in the year in which they were incurred. These costs should not be amortized.

⁴ 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.

⁵ The negative FY 2017 Adopted Budget Plan Ending Balance was due to an FY 2015 audit adjustment.