

Annual Bond Debt Service Suspense Accounts

WIFA Policy #: V.8

Purpose:

Restrict the use of revenues from qualified pledged loans and earnings from the Financial Assistance Accounts for bond debt service payments.

Policy:

Section 1: Annual Debt Service Suspense Accounts

Fiscal Services shall maintain within the Clean Water Revolving Fund (CWRF) and the Drinking Water Revolving Fund (DWRF) the following accounts:

- Annual Debt Service Account – Leveraged (ADSA_L)
- Annual Debt Service Account – State Match (ADSA_{SM})

Section 2: Deposits to Annual Debt Service Accounts

Upon receipt of loan repayments, Fiscal Services shall deposit:

- Principal Repayments from qualified pledged borrowers to the ADSA_L.
- Interest Payments from qualified pledged borrowers to the ADSA_{SM}.
- Any earnings will be deposited in the account from which they were produced.

Section 3: Withdraws from Annual Debt Service Accounts

From funds deposited in accordance with Section 2, Fiscal Services shall withdraw funds from the ADSA_L and ADSA_{SM}, in amounts equal to debt service payable, for transfer to WIFA's trustee. Funds will be transferred in accordance with bond debt service payment requirements.

Section 4: Release of Balances from Annual Debt Service Accounts

Following transfers to the trustee for the leveraged portion of debt service payments (Section 3) and prior to additional deposits (Section 2), Fiscal Services may transfer the balance of the ADSA_L to the respective Financial Assistance Account (CWRF or DWRF).

Section 5: Annual Deposits and Debt Service Payments

In accordance with Policy V.4 – Commitment Balances and within the Commitment Balances review by the Board, Fiscal Services shall:

- Project annual revenues to be deposited to the ADSA_L and ADSA_{SM} in accordance with Section 2 by fiscal year.
- Project the bond debt service payments to be paid from balances within the ADSA_L and ADSA_{SM} in accordance with Section 3 by fiscal year.

Responsibility: Controller

Statutory Reference: A.R.S. Title 49, Chapter 8

Rule Reference: N/A

Original Issue Date: December 13, 2001

Previous Amendment Date(s): June 21, 2006

Most Recent Amendment Date: August 17, 2011 (*Replaces All Previous Versions*)

Approval:



Executive Director



Date