

FUND STATEMENT

Fund Type G40, Enterprise Funds

Fund 400, Sewer Revenue

	FY 2010 Estimate	FY 2010 Actual	Increase (Decrease) (Col. 2-1)	FY 2011 Adopted Budget Plan	FY 2011 Revised Budget Plan	Increase (Decrease) (Col. 5-4)
Beginning Balance	\$87,265,589	\$87,265,589	\$0	\$81,555,589	\$86,560,787	\$5,005,198
Revenue:						
Lateral Spur Fees	\$10,000	\$12,600	\$2,600	\$10,000	\$10,000	\$0
Sales of Service	7,500,000	8,888,800	1,388,800	8,000,000	8,000,000	0
Availability Charges	15,000,000	10,668,539	(4,331,461)	12,000,000	12,000,000	0
Connection Charges	50,000	28,980	(21,020)	50,000	50,000	0
Sewer Service Charges	107,500,000	117,550,994	10,050,994	125,775,000	125,775,000	0
Miscellaneous Revenue	150,000	200,360	50,360	150,000	150,000	0
Sale Surplus Property	30,000	47,503	17,503	30,000	30,000	0
Interest on Investments	3,000,000	847,422	(2,152,578)	2,000,000	2,000,000	0
Total Revenue	\$133,240,000	\$138,245,198	\$5,005,198	\$148,015,000	\$148,015,000	\$0
Total Available	\$220,505,589	\$225,510,787	\$5,005,198	\$229,570,589	\$234,575,787	\$5,005,198
Transfers Out:						
Sewer Operation and Maintenance (401)	\$90,000,000	\$90,000,000	\$0	\$98,800,000	\$98,800,000	\$0
Sewer Construction Improvements (402)	18,000,000	18,000,000	0	24,500,000	24,500,000	0
Sewer Bond Parity Debt Service (403)	6,650,000	6,650,000	0	19,850,000	19,850,000	0
Sewer Bond Subordinate Debt Service (407)	24,300,000	24,300,000	0	24,500,000	24,500,000	0
Total Transfers Out	\$138,950,000	\$138,950,000	\$0	\$167,650,000	\$167,650,000	\$0
Total Disbursements	\$138,950,000	\$138,950,000	\$0	\$167,650,000	\$167,650,000	\$0
Ending Balance¹	\$81,555,589	\$86,560,787	\$5,005,198	\$61,920,589	\$66,925,787	\$5,005,198
Management Reserves:						
Operating and Maintenance Reserve ²	\$45,000,000	\$45,000,000	\$0	\$30,000,000	\$35,000,000	\$5,000,000
New Customer Reserve ³ Virginia Resource Authority	22,846,287	22,846,287	0	23,000,000	23,000,000	0
Reserve ⁴	6,637,072	6,637,072	0	6,637,072	6,637,072	0
Total Reserves	\$74,483,359	\$74,483,359	\$0	\$59,637,072	\$64,637,072	\$5,000,000
Unreserved Balance	\$7,072,230	\$12,077,428	\$5,005,198	\$2,283,517	\$2,288,715	\$5,198

¹ The Wastewater Management Program maintains fund balances at adequate levels relative to projected debt service requirements, operation and maintenance expenses and capital improvements. These costs change annually and funding for sewer projects is carried forward each fiscal year; therefore, ending balances fluctuate, reflecting the carryover of these funds.

² The Operating and Maintenance Reserve provides for unforeseen expenses associated with sewer system emergencies. This reserve is targeted to be maintained at a level between \$25 and \$45 million. This level of reserve is based on industry practice to maintain existing customer reserves at a level which can support 30 and 180 days of working capital and approximately 50 percent of one year's requirements for rehabilitation and replacement of the current system's assets. In FY 2011, an amount of \$5,000,000 in higher than anticipated revenue received in FY 2010 has been allocated to the Operating and Maintenance Reserve to better achieve the targeted level.

³ The New Customer Reserve provides for debt service and administrative expenses associated with new customer debt, until such time as adjustments to availability charges can be accommodated. This reserve is targeted to be maintained at approximately \$22 million. This level of reserve is based on payment expenses associated with one year of debt service and administrative expenses associated with new customer debt.

⁴ The Virginia Resource Authority Reserve is a debt service reserve requirement for Virginia Resource Authority loans related to future treatment plant improvements.