

FUND STATEMENT

Fund 30020, Infrastructure Replacement and Upgrades

| | FY 2014 Estimate | FY 2014 Actual | Increase (Decrease) (Col. 2-1) | FY 2015 Adopted Budget Plan | FY 2015 Revised Budget Plan | Increase (Decrease) (Col. 5-4) |
|--------------------------------------|---------------------|---------------------|--------------------------------------|-----------------------------------|-----------------------------------|--------------------------------------|
| Beginning Balance¹ | (\$7,334,369) | (\$7,334,369) | \$0 | \$0 | \$12,560,795 | \$12,560,795 |
| Revenue: | | | | | | |
| Sale of Bonds ² | \$4,100,000 | \$4,100,000 | \$0 | \$0 | \$0 | \$0 |
| Short Term Borrowing ³ | 35,000,000 | 25,000,000 | (10,000,000) | 0 | 10,000,000 | 10,000,000 |
| MPSTOC Reimbursement ⁴ | 0 | 88,452 | 88,452 | 0 | 0 | 0 |
| Total Revenue | \$39,100,000 | \$29,188,452 | (\$9,911,548) | \$0 | \$10,000,000 | \$10,000,000 |
| Transfers In: | | | | | | |
| General Fund (10001) | \$5,000,000 | \$5,000,000 | \$0 | \$2,700,000 | \$5,550,000 | \$2,850,000 |
| Total Transfers In | \$5,000,000 | \$5,000,000 | \$0 | \$2,700,000 | \$5,550,000 | \$2,850,000 |
| Total Available | \$36,765,631 | \$26,854,083 | (\$9,911,548) | \$2,700,000 | \$28,110,795 | \$25,410,795 |
| Total Expenditures | \$36,765,631 | \$14,293,288 | (\$22,472,343) | \$2,700,000 | \$25,260,795 | \$22,560,795 |
| Total Disbursements | \$36,765,631 | \$14,293,288 | (\$22,472,343) | \$2,700,000 | \$25,260,795 | \$22,560,795 |
| Ending Balance⁵ | \$0 | \$12,560,795 | \$12,560,795 | \$0 | \$2,850,000 | \$2,850,000 |
| Capital Sinking Fund ⁶ | \$0 | \$0 | \$0 | \$0 | \$2,850,000 | \$2,850,000 |
| Unreserved Ending Balance | \$0 | \$12,560,795 | \$12,560,795 | \$0 | \$0 | \$0 |

¹ The FY 2014 Actual negative beginning balance was a result of a higher than anticipated amount of capital renewal projects reaching the construction phase and increased project activity in the spring of 2013. These projects included the planned repair and replacement of HVAC systems, elevators and emergency repairs and critical upgrading at various buildings and facilities throughout the County.

² The sale of bonds is presented here for planning purposes only. Actual bond sales are based on cash needs in accordance with Board policy. On November 7, 2006, the voters approved a \$125 million Public Safety Bond Referendum, of which \$14 million was designated for capital renewal purposes. An amount of \$4.1 million was sold in January 2014, completing the sale of all the bonds associated with this fund.

³ An amount up to \$35,000,000 using the County's short-term borrowing tools was planned in order to reduce existing capital renewal backlogs. Borrowing is based on actual project completion schedules and cash flow requirements as identified by staff. An amount of \$25 million was sold in December 2013 and the remaining \$10 million is anticipated to be sold in FY 2015.

⁴ A total of \$88,452 represents revenue received from the Virginia Department of Transportation (VDOT) and Virginia State Police associated with the state share of operating costs at the McConnell Public Safety and Transportation Operations Center (MPSTOC). These funding reimbursements will be held in capital renewal projects for future replacement requirements. Beginning in FY 2015 and beyond, state reimbursement will be based on actual operational expenditures, eliminating the need to reconcile estimates and actuals each year.

⁵ Capital projects are budgeted based on the total project costs. Most projects span multiple years, from design to construction completion. Therefore, funding for capital projects is carried forward each fiscal year, and ending balances fluctuate, reflecting the carryover of these funds.

⁶ The Capital Sinking Fund is established in accordance with the recommendations of the Infrastructure Financing Committee (IFC) as approved by the Board of Supervisors on March 25, 2014 and the School Board on April 10, 2014. In FY 2015, an amount of \$2,850,000 represents 20 percent of the County's unencumbered carryover balance after funding critical requirements. This funding will be available for prioritized critical infrastructure replacement and upgrades. Staff will develop a plan for the use of these sinking funds over the next several months.