

FUND STATEMENT

Fund Type G40, Enterprise Funds

Fund 400, Sewer Revenue

	FY 2010 Actual	FY 2011 Adopted Budget Plan	FY 2011 Revised Budget Plan	FY 2011 Third Quarter Estimate	Increase (Decrease) (Col. 5-4)
Beginning Balance	\$87,265,589	\$81,555,589	\$86,560,787	\$86,560,787	\$0
Revenue:					
Lateral Spur Fees	\$12,600	\$10,000	\$10,000	\$10,000	\$0
Sales of Service	8,888,800	8,000,000	8,000,000	8,000,000	0
Availability Charges	10,668,539	12,000,000	12,000,000	12,000,000	0
Connection Charges	28,980	50,000	50,000	50,000	0
Sewer Service Charges	117,550,994	125,775,000	125,775,000	125,775,000	0
Miscellaneous Revenue	200,360	150,000	150,000	150,000	0
Sale Surplus Property	47,503	30,000	30,000	30,000	0
Interest on Investments	847,422	2,000,000	2,000,000	1,000,000	(1,000,000)
Total Revenue	\$138,245,198	\$148,015,000	\$148,015,000	\$147,015,000	(\$1,000,000)
Total Available	\$225,510,787	\$229,570,589	\$234,575,787	\$233,575,787	(\$1,000,000)
Transfers Out:					
Sewer Operation and Maintenance (401)	\$90,000,000	\$98,800,000	\$98,800,000	\$73,400,000	(\$25,400,000)
Sewer Construction Improvements (402)	18,000,000	24,500,000	24,500,000	24,500,000	0
Sewer Bond Parity Debt Service (403)	6,650,000	19,850,000	19,850,000	22,650,000	2,800,000
Sewer Bond Subordinate Debt Service (407)	24,300,000	24,500,000	24,500,000	24,500,000	0
Total Transfers Out	\$138,950,000	\$167,650,000	\$167,650,000	\$145,050,000	(\$22,600,000)
Total Disbursements	\$138,950,000	\$167,650,000	\$167,650,000	\$145,050,000	(\$22,600,000)
Ending Balance¹	\$86,560,787	\$61,920,589	\$66,925,787	\$88,525,787	\$21,600,000
Management Reserves:					
Operating and Maintenance Reserve ²	\$45,000,000	\$30,000,000	\$35,000,000	\$45,000,000	\$10,000,000
New Customer Reserve ³	22,846,287	23,000,000	23,000,000	23,000,000	0
Virginia Resource Authority Reserve ⁴	6,637,072	6,637,072	6,637,072	6,637,072	0
Total Reserves	\$74,483,359	\$59,637,072	\$64,637,072	\$74,637,072	\$10,000,000
Unreserved Balance	\$12,077,428	\$2,283,517	\$2,288,715	\$13,888,715	\$11,600,000

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 are 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.

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 was established in anticipation of debt service reserve requirements for Virginia Resource Authority loans related to future treatment plant issues.