

FUND STATEMENT

Fund 40160, Energy/Resource Recovery Facility (E/RRF)

	FY 2013 Actual	FY 2014 Adopted Budget Plan	FY 2014 Revised Budget Plan	FY 2014 Third Quarter Estimate	Increase (Decrease) (Col. 5-4)
Beginning Balance	\$36,396,132	\$48,622,139	\$46,300,636	\$46,300,636	\$0
Revenue:					
Disposal Revenue ¹	\$27,095,091	\$31,193,600	\$31,193,600	\$27,423,371	(\$3,770,229)
Other Revenue:					
Interest on Investments	119,209	100,000	100,000	100,000	0
Miscellaneous ²	66,651	125,000	125,000	125,000	0
Subtotal Revenue	\$185,860	\$225,000	\$225,000	\$225,000	\$0
Total Revenue	\$27,280,951	\$31,418,600	\$31,418,600	\$27,648,371	(\$3,770,229)
Total Available	\$63,677,083	\$80,040,739	\$77,719,236	\$73,949,007	(\$3,770,229)
Expenditures:					
Personnel Services	\$894,742	\$916,309	\$927,289	\$927,289	\$0
Operating Expenses ³	16,481,705	20,535,512	20,535,512	20,535,512	0
Capital Equipment	0	0	0	0	0
Total Expenditures	\$17,376,447	\$21,451,821	\$21,462,801	\$21,462,801	\$0
Transfers Out:					
General Fund (10001) ⁴	\$0	\$42,000	\$42,000	\$42,000	\$0
Total Transfers Out:	\$0	\$42,000	\$42,000	\$42,000	\$0
Total Disbursements	\$17,376,447	\$21,493,821	\$21,504,801	\$21,504,801	\$0
Ending Balance⁵	\$46,300,636	\$58,546,918	\$56,214,435	\$52,444,206	(\$3,770,229)
Tipping Fee Reserve ⁶	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$0
Rate Stabilization Reserve ⁷	34,800,636	47,046,918	44,714,435	40,944,206	(3,770,229)
Operations and Maintenance Reserve ⁸	10,000,000	10,000,000	10,000,000	10,000,000	0
Unreserved Ending Balance	\$0	\$0	\$0	\$0	\$0
Disposal Rate/Ton	\$29	\$29	\$29	\$29	\$0

¹ The decrease in FY 2014 revenue reflects lower than projected disposal tonnage. The fund is absorbing this reduction through the use of reserves.

² Miscellaneous Revenue is generated by the excess amount that Covanta Fairfax, Inc. (CFI) charges for the disposal of Supplemental Waste.

³ In order to account for revenue and expenditures in the proper fiscal year, an audit adjustment in the amount of \$447,980.34 has been reflected as an increase to FY 2013 Operating Expenditures to accrue expenditures associated with the reimbursement of tipping fees due from Covanta. This audit adjustment has been included in the FY 2013 Comprehensive Annual Financial Report (CAFR). Details of the audit adjustment are included in the FY 2014 Third Quarter Package.

⁴ Funding in the amount of \$42,000 is transferred to the General Fund to partially offset central support services supported by the General Fund which benefit Fund 40160. These indirect costs include support services such as Human Resources, Purchasing, Budget and other administrative services.

⁵ Ending balance fluctuations are a result of operating and revenue requirements that change annually. Funding is carried forward each fiscal year to provide flexibility given the uncertainty of market conditions, tipping fee negotiations, and expenditure requirements.

⁶ The Tipping Fee Reserve is used to buffer against sharp annual changes in tipping fees. Potential changes could result from issues such as tax changes regarding energy sales, power deregulation, state or EPA environmental fees, and/or contract changes.

⁷ The Rate Stabilization Reserve (RSR) is maintained in order to buffer against significant increases in tipping fees charged to users of the E/RRF. This reserve is expected to peak in FY 2015 and will begin to be used in FY 2016 when the current Waste Disposal Agreement expires and disposal costs to the County are expected to rise. The reduction in FY 2014 is due to lower than projected Disposal Fee revenue. The reduction in FY 2014 is due to lower than projected disposal tonnage receipts.

⁸ The Operations and Maintenance Reserve is maintained for ongoing improvements and enhancements to the E/RRF including emissions control efforts. Future projects may include additional retrofits to the air pollution control systems for reductions in nitrogen oxides. The reserve will fund the County's share of the initial capital expenditures on the improvements.