

FUND STATEMENT

Fund 69000, Sewer Revenue

	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	\$119,542,939	\$132,384,303	\$142,759,050	\$142,759,050	\$0
Revenue:					
Lateral Spur Fees	\$27,600	\$51,000	\$51,000	\$51,000	\$0
Sales of Service	9,886,546	10,727,717	10,727,717	10,727,717	0
Availability Charges	20,477,318	19,984,500	19,984,500	19,984,500	0
Connection Charges	348,983	76,250	76,250	76,250	0
Sewer Service Charges	163,052,021	171,473,020	171,473,020	171,473,020	0
Miscellaneous Revenue	238,480	150,000	150,000	150,000	0
Sale Surplus Property	187,421	30,000	30,000	30,000	0
Interest on Investments	747,742	485,000	485,000	485,000	0
Total Revenue	\$194,966,111	\$202,977,487	\$202,977,487	\$202,977,487	\$0
Total Available	\$314,509,050	\$335,361,790	\$345,736,537	\$345,736,537	\$0
Transfers Out:					
Sewer Operation and Maintenance (69010)	\$93,750,000	\$96,000,000	\$96,000,000	\$96,000,000	\$0
Sewer Bond Parity Debt Service (69020)	21,000,000	12,000,000	12,000,000	12,000,000	0
Sewer Bond Subordinate Debt Service (69040)	27,000,000	27,500,000	27,500,000	27,500,000	0
Sewer Construction Improvements (69300)	30,000,000	84,489,000	84,489,000	84,489,000	0
Total Transfers Out	\$171,750,000	\$219,989,000	\$219,989,000	\$219,989,000	\$0
Total Disbursements	\$171,750,000	\$219,989,000	\$219,989,000	\$219,989,000	\$0
Ending Balance¹	\$142,759,050	\$115,372,790	\$125,747,537	\$125,747,537	\$0
Management Reserves:					
Operating and Maintenance Reserve ²	\$45,000,000	\$45,000,000	\$45,000,000	\$45,000,000	\$0
New Customer Reserve ³	23,000,000	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
Capital Reinvestment Reserve ⁵	29,500,000	29,500,000	29,500,000	29,500,000	0
Total Reserves	\$104,137,072	\$104,137,072	\$104,137,072	\$104,137,072	\$0
Unreserved Balance	\$38,621,978	\$11,235,718	\$21,610,465	\$21,610,465	\$0

¹ The Wastewater Management Program maintains fund balances at adequate levels relative to projected debt service requirements, operation and maintenance expenses and capital improvements.

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 based on payment expenses associated with one year of debt service and administrative expenses associated with new customer debt. Based on the most recent Sewer Bond sale in 2012, the FY 2015 reserve is recommended at a level of approximately \$33 million.

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.

⁵ The Capital Reinvestment Reserve is intended to address both anticipated and unanticipated increases within the Capital Improvement Program. This reserve will provide for significant rehabilitation and replacement of emergency infrastructure repairs. In FY 2015, this reserve has reached an amount which is 3.0 percent of the total five year capital funding plan or \$30,000,000. A reserve of 3.0 percent of the five year capital plan is consistent with other utilities and is recommended by rating agencies.