

FUND STATEMENT

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

	FY 2014 Actual	FY 2015 Adopted Budget Plan	FY 2015 Revised Budget Plan	FY 2015 Third Quarter Estimate	Increase (Decrease) (Col. 5-4)
Beginning Balance	\$46,300,636	\$52,444,206	\$56,718,645	\$56,718,645	\$0
Revenue:					
Disposal Revenue ¹	\$28,298,195	\$31,193,600	\$28,550,000	\$28,550,000	\$0
Other Revenue:					
Interest on Investments	42,854	150,000	53,811	53,811	0
Miscellaneous ²	0	125,000	125,000	125,000	0
Subtotal Revenue	\$42,854	\$275,000	\$178,811	\$178,811	\$0
Total Revenue	\$28,341,049	\$31,468,600	\$28,728,811	\$28,728,811	\$0
Total Available	\$74,641,685	\$83,912,806	\$85,447,456	\$85,447,456	\$0
Expenditures:					
Personnel Services	\$930,747	\$980,027	\$980,027	\$980,027	\$0
Operating Expenses ³	16,950,293	20,535,512	20,559,584	20,559,584	0
Total Expenditures	\$17,881,040	\$21,515,539	\$21,539,611	\$21,539,611	\$0
Transfers Out:					
General Fund (10001) ⁴	\$42,000	\$42,000	\$42,000	\$42,000	\$0
Total Transfers Out:	\$42,000	\$42,000	\$42,000	\$42,000	\$0
Total Disbursements	\$17,923,040	\$21,557,539	\$21,581,611	\$21,581,611	\$0
Ending Balance⁵	\$56,718,645	\$62,355,267	\$63,865,845	\$63,865,845	\$0
Tipping Fee Reserve ⁶	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$0
Rate Stabilization Reserve ⁷	45,218,645	50,855,267	51,356,555	51,356,555	0
Operations and Maintenance Reserve ⁸	10,000,000	10,000,000	11,009,290	11,009,290	0
Unreserved Ending Balance	\$0	\$0	\$0	\$0	\$0
Disposal Rate/Ton	\$29	\$29	\$29	\$29	\$0

¹ The decrease in FY 2015 revenue reflects lower disposal tonnage in line with FY 2014 actual experience. The fund is absorbing the reduction through a higher than projected beginning balance.

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 \$498,712.00 has been reflected as an increase to FY 2014 Operating Expenditures to accrue expenditures associated with the reimbursement of tipping fees due from Covanta. This audit adjustment has been included in the FY 2014 Comprehensive Annual Financial Report (CAFR). Details of the audit adjustment are included in the FY 2015 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 safeguard against significant increases in tipping fees charged to users of the E/RRF. This reserve peaked in FY 2015 and will begin to be used in FY 2016 as a result of the new Waste Disposal Agreement that increased disposal cost to the County.

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, future uses would include end-of-lease site management.