

# FUND STATEMENT

## Fund 69000, Sewer Revenue

	FY 2015 Actual	FY 2016 Adopted Budget Plan	FY 2016 Revised Budget Plan	FY 2016 Third Quarter Estimate	Increase (Decrease) (Col. 5-4)
<b>Beginning Balance</b>	<b>\$135,490,922</b>	<b>\$117,757,503</b>	<b>\$113,352,458</b>	<b>\$113,352,458</b>	<b>\$0</b>
Revenue:					
Lateral Spur Fees	\$19,800	\$16,800	\$16,800	\$16,800	\$0
Water Reuse Charges	84,647	0	0	0	0
Sales of Service	10,065,272	10,644,343	10,644,343	10,644,343	0
Availability Charges	21,689,013	20,558,813	20,558,813	20,558,813	0
Connection Charges	459,157	34,200	34,200	34,200	0
Sewer Service Charges	176,557,687	190,328,746	190,328,746	190,328,746	0
Miscellaneous Revenue	352,291	150,000	150,000	150,000	0
Sale Surplus Property	77,180	100,000	100,000	100,000	0
Interest on Investments <sup>1</sup>	749,665	500,000	500,000	500,000	0
<b>Total Revenue</b>	<b>\$210,054,712</b>	<b>\$222,332,902</b>	<b>\$222,332,902</b>	<b>\$222,332,902</b>	<b>\$0</b>
<b>Total Available</b>	<b>\$345,545,634</b>	<b>\$340,090,405</b>	<b>\$335,685,360</b>	<b>\$335,685,360</b>	<b>\$0</b>
Transfers Out:					
Sewer Operation and Maintenance (69010)	\$92,000,000	\$92,150,000	\$89,200,000	\$89,200,000	\$0
Sewer Bond Parity Debt Service (69020)	18,500,000	18,500,000	18,500,000	19,000,000	500,000
Sewer Bond Subordinate Debt Service (69040)	25,000,000	23,500,000	23,500,000	23,500,000	0
Sewer Construction Improvements (69300)	96,693,176	86,389,000	86,389,000	86,389,000	0
Sewer Bond Construction (69310)	0	13,000,000	22,928,362	24,428,362	1,500,000
<b>Total Transfers Out</b>	<b>\$232,193,176</b>	<b>\$233,539,000</b>	<b>\$240,517,362</b>	<b>\$242,517,362</b>	<b>\$2,000,000</b>
<b>Total Disbursements</b>	<b>\$232,193,176</b>	<b>\$233,539,000</b>	<b>\$240,517,362</b>	<b>\$242,517,362</b>	<b>\$2,000,000</b>
<b>Ending Balance<sup>2</sup></b>	<b>\$113,352,458</b>	<b>\$106,551,405</b>	<b>\$95,167,998</b>	<b>\$93,167,998</b>	<b>(\$2,000,000)</b>
Management Reserves:					
Operating and Maintenance Reserve <sup>3</sup>	\$45,000,000	\$39,190,333	\$38,540,720	\$36,540,720	(\$2,000,000)
New Customer Reserve <sup>4</sup>	33,138,000	30,724,000	30,724,000	30,724,000	0
Virginia Resource Authority Reserve <sup>5</sup>	6,637,072	6,637,072	6,203,278	6,203,278	0
Capital Reinvestment Reserve <sup>6</sup>	28,577,386	30,000,000	19,700,000	19,700,000	0
<b>Total Reserves</b>	<b>\$113,352,458</b>	<b>\$106,551,405</b>	<b>\$95,167,998</b>	<b>\$93,167,998</b>	<b>(\$2,000,000)</b>
<b>Unreserved Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<sup>1</sup> In order to account for revenues in the proper fiscal year, an audit adjustment in the amount of \$123,350.96 has been reflected as an increase to FY 2015 Interest on Investments. The audit adjustment has been included in the FY 2015 Comprehensive Annual Financial Report (CAFR). Details of the audit adjustment are included in the FY 2016 Third Quarter package.

<sup>2</sup> The Wastewater Management Program maintains fund balances at adequate levels relative to projected debt service requirements, operation and maintenance expenses and capital improvements.

<sup>3</sup> 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.

<sup>4</sup> 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.

<sup>5</sup> 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.

<sup>6</sup> 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. A reserve of 3.0 percent of the five year capital plan is consistent with other utilities and is recommended by rating agencies. Based on the total five year capital plan, an amount of \$30 million would be required to reach 3.0 percent.