

## FUND STATEMENT

### Fund Type G40, Enterprise Funds

### Fund 400, Sewer Revenue

|  | FY 2008<br>Actual    | FY 2009<br>Adopted<br>Budget Plan | FY 2009<br>Revised<br>Budget Plan | FY 2009<br>Third Quarter<br>Estimate | Increase<br>(Decrease)<br>(Col. 5-4) |
|--|----------------------|-----------------------------------|-----------------------------------|--------------------------------------|--------------------------------------|
| <b>Beginning Balance</b>                         | <b>\$59,022,173</b>  | <b>\$107,656,786</b>              | <b>\$110,796,414</b>              | <b>\$110,796,414</b>                 | <b>\$0</b>                           |
| Revenue:   |                      |                                   |                                   |                                      |                                      |
| Lateral Spur Fees                                | \$9,000              | \$20,000                          | \$20,000                          | \$20,000                             | \$0                                  |
| Sales of Service                                 | 7,723,432            | 7,500,000                         | 7,500,000                         | 7,500,000                            | 0                                    |
| Availability Charges                             | 14,087,927           | 20,000,000                        | 20,000,000                        | 20,000,000                           | 0                                    |
| Connection Charges                               | 35,142               | 75,000                            | 75,000                            | 75,000                               | 0                                    |
| Sewer Service Charges                            | 92,086,866           | 100,500,000                       | 100,500,000                       | 100,500,000                          | 0                                    |
| Miscellaneous Revenue                            | 264,450              | 150,000                           | 150,000                           | 150,000                              | 0                                    |
| Sale Surplus Property                            | 60,673               | 30,000                            | 30,000                            | 30,000                               | 0                                    |
| Interest on Investments                          | 3,973,932            | 3,500,000                         | 3,500,000                         | 3,500,000                            | 0                                    |
| Sale of Purchase Capacity                        | 50,565,000           | 0                                 | 0                                 | 0                                    | 0                                    |
| <b>Total Revenue</b>                             | <b>\$168,806,422</b> | <b>\$131,775,000</b>              | <b>\$131,775,000</b>              | <b>\$131,775,000</b>                 | <b>\$0</b>                           |
| <b>Total Available</b>                           | <b>\$227,828,595</b> | <b>\$239,431,786</b>              | <b>\$242,571,414</b>              | <b>\$242,571,414</b>                 | <b>\$0</b>                           |
| Transfers Out:                                   |                      |                                   |                                   |                                      |                                      |
| Sewer Operation and Maintenance<br>(401)         | \$79,908,494         | \$88,500,000                      | \$88,500,000                      | \$88,500,000                         | \$0                                  |
| Sewer Construction Improvements (402)            | 13,550,000           | 23,500,000                        | 23,500,000                        | 23,500,000                           | 0                                    |
| Sewer Bond Parity Debt Service (403)             | 1,650,160            | 10,650,000                        | 10,650,000                        | 10,650,000                           | 0                                    |
| Sewer Bond Subordinate Debt Service<br>(407)     | 21,923,527           | 23,051,559                        | 23,051,559                        | 23,051,559                           | 0                                    |
| <b>Total Transfers Out</b>                       | <b>\$117,032,181</b> | <b>\$145,701,559</b>              | <b>\$145,701,559</b>              | <b>\$145,701,559</b>                 | <b>\$0</b>                           |
| <b>Total Disbursements</b>                       | <b>\$117,032,181</b> | <b>\$145,701,559</b>              | <b>\$145,701,559</b>              | <b>\$145,701,559</b>                 | <b>\$0</b>                           |
| <b>Ending Balance<sup>1</sup></b>                | <b>\$110,796,414</b> | <b>\$93,730,227</b>               | <b>\$96,869,855</b>               | <b>\$96,869,855</b>                  | <b>\$0</b>                           |
| Management Reserves:                             |                      |                                   |                                   |                                      |                                      |
| Operating and Maintenance Reserve <sup>2</sup>   | \$24,800,000         | \$22,125,000                      | \$26,000,000                      | \$26,000,000                         | \$0                                  |
| New Customer Reserve <sup>3</sup>                | 21,500,000           | 0                                 | 22,100,000                        | 22,100,000                           | 0                                    |
| Virginia Resource Authority Reserve <sup>4</sup> | 6,637,072            | 6,637,072                         | 6,637,072                         | 6,637,072                            | 0                                    |
| <b>Total Reserves</b>                            | <b>\$52,937,072</b>  | <b>\$28,762,072</b>               | <b>\$54,737,072</b>               | <b>\$54,737,072</b>                  | <b>\$0</b>                           |
| <b>Unreserved Balance</b>                        | <b>\$57,859,342</b>  | <b>\$64,968,155</b>               | <b>\$42,132,783</b>               | <b>\$42,132,783</b>                  | <b>\$0</b>                           |

<sup>1</sup> 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 is carried forward each fiscal year; therefore, ending balances fluctuate, reflecting the carryover of these funds.

<sup>2</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 to 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>3</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 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.

<sup>4</sup> The Future Debt Reserve was established in anticipation of debt service reserve requirements for Virginia Resource Authority loans related to future treatment plant issues.