

FUND STATEMENT

Fund Type G10, Special Revenue Funds

Fund 112, Energy/Resource Recovery Facility (E/RRF)

	FY 2004 Actual	FY 2005 Adopted Budget Plan	FY 2005 Revised Budget Plan	FY 2005 Third Quarter Estimate	Increase (Decrease) (Col. 5-4)
Beginning Balance	\$15,383,969	\$12,838,443	\$16,437,760	\$16,437,760	\$0
Revenue:					
Disposal Revenue:					
County of Fairfax ¹	\$24,883,954	\$26,605,312	\$26,605,312	\$30,468,440	\$3,863,128
District of Columbia ²	3,918,130	5,152,997	5,152,997	800,000	(4,352,997)
Waste Exchange Agreement ³	1,965,982	1,714,752	1,714,752	1,964,836	250,084
Wastewater Services ⁴	106,370	148,512	148,512	100,000	(48,512)
Non-Fairfax Waste ⁵	1,948,926	1,476,000	1,476,000	841,120	(634,880)
Supplemental Waste ⁶	99,051	183,820	183,820	103,872	(79,948)
Subtotal Revenue	\$32,922,413	\$35,281,393	\$35,281,393	\$34,278,268	(\$1,003,125)
Other Revenue:					
Interest on Investments	\$119,015	\$139,460	\$139,460	\$250,000	\$110,540
Miscellaneous ⁷	407,308	100,000	100,000	187,553	87,553
Subtotal Other Revenue	\$526,323	\$239,460	\$239,460	\$437,553	\$198,093
Total Revenue	\$33,448,736	\$35,520,853	\$35,520,853	\$34,715,821	(\$805,032)
Transfers In:					
General Fund (001) ⁸	\$1,763,704	\$0	\$2,014,489	\$2,014,489	\$0
Total Transfers In	\$1,763,704	\$0	\$2,014,489	\$2,014,489	\$0
Total Available	\$50,596,409	\$48,359,296	\$53,973,102	\$53,168,070	(\$805,032)
Expenditures:					
Personnel Services	\$503,332	\$593,967	\$593,967	\$593,967	\$0
Operating Expenses ⁹	33,635,974	32,083,367	36,951,441	33,656,038	(3,295,403)
Capital Equipment	19,343	99,000	99,000	99,000	0
Total Expenditures	\$34,158,649	\$32,776,334	\$37,644,408	\$34,349,005	(\$3,295,403)
Total Disbursements	\$34,158,649	\$32,776,334	\$37,644,408	\$34,349,005	(\$3,295,403)
Ending Balance	\$16,437,760	\$15,582,962	\$16,328,694	\$18,819,065	\$2,490,371
Tipping Fee Reserve	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$0
Rate Stabilization Reserve ¹⁰	8,951,851	8,317,769	10,118,148	\$11,852,128	1,733,980
Operations and Maintenance Reserve ¹¹	5,985,909	5,765,193	4,710,546	5,466,937	756,391
Unreserved Ending Balance	\$0	\$0	\$0	\$0	\$0
Disposal Rate/Ton	\$30/ton	\$32/ton	\$32/ton	\$32/ton	\$0

¹ The fee for the I-95 Energy/Resource Recovery Facility was \$30 per ton for FY 2004 and \$32 per ton in FY 2005.

² Based upon an anticipated contract with the District of Columbia government for residential waste only.

³ Prince William County waste is received at the E/RRF as a result of the Interjurisdictional Solid Waste Facility Use Agreement.

⁴ Wastewater Services includes the disposal of grit and screenings and other wastewater-related material from the Alexandria Sanitation Authority (ASA).

⁵ Non-Fairfax Waste is waste from other jurisdictions that is disposed by haulers with contracts with the County.

⁶ Supplemental Waste is being tracked separately from Spot Waste beginning in FY 2005 and is the basic fee to dispose of this waste. Additional fees that are paid above the basic fee are split between Covanta and the County and are reflected as Miscellaneous Revenue since tip fees vary depending upon the material types and market conditions. The Supplemental program has been under review by the Virginia Department of Environmental Quality which has resulted in decreased disposal.

⁷ Miscellaneous Revenue is generated by the excess amount that Covanta charges to dispose of Supplemental Waste.

⁸ Covanta Fairfax, Inc. now incurs an annual tax assessment, due to the transfer of the property in July 2003 from the federal government to Fairfax County. The tax expense is considered a pass through cost by the Covanta/Fairfax County contract and the General Fund will offset the tax liability by returning the amount paid by Covanta to Fund 112.

⁹ In order to account for revenues and expenditures in the proper fiscal year, an audit adjustment in the amount of \$1,763,704 has been reflected as an increase to FY 2004 expenditures to record the amount due to COVANTA for reimbursement of real estate taxes. This audit adjustment has been included in the FY 2004 Comprehensive Annual Financial Report (CAFR). Details of the FY 2004 audit adjustment are included in the FY 2005 Third Quarter Package.

¹⁰ The Rate Stabilization Reserve is used to buffer against sharp increases in tip fees annually. Potentially steep increases could result from issues such as tax changes regarding energy sales, power deregulation, and state or EPA environmental fees.

¹¹ The Operations and Maintenance Reserve is necessary for ongoing improvements and enhancements to the E/RRF including emissions control efforts. Planned work for FY 2006 includes a Cooling Water System Project. Future projects will include additional retrofits to the air pollution control systems. Additional reductions in nitrogen oxides are expected from regulatory authorities. The reserve will fund the initial capital expenditures of the improvement fund and absorb the associated operating and maintenance costs.