

FUND STATEMENT

Fund Type G10, Special Revenue Funds

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

	FY 2006 Actual	FY 2007 Adopted Budget Plan	FY 2007 Revised Budget Plan	FY 2007 Third Quarter Estimate	Increase (Decrease) (Col. 5-4)
Beginning Balance	\$19,860,693	\$20,216,836	\$20,694,378	\$20,694,378	\$0
Revenue:					
Disposal Revenue ¹	\$34,066,143	\$36,078,901	\$36,078,901	\$36,078,901	\$0
Other Revenue:					
Interest on Investments	764,693	410,131	410,131	410,131	0
Miscellaneous ²	94,749	150,000	150,000	150,000	0
Subtotal Revenue	<u>\$859,442</u>	<u>\$560,131</u>	<u>\$560,131</u>	<u>\$560,131</u>	<u>\$0</u>
Total Revenue	\$34,925,585	\$36,639,032	\$36,639,032	\$36,639,032	\$0
Transfers In:					
General Fund (001) ³	\$1,578,057	\$0	\$1,365,637	\$1,365,637	\$0
Total Transfers In	\$1,578,057	\$0	\$1,365,637	\$1,365,637	\$0
Total Available	\$56,364,335	\$56,855,868	\$58,699,047	\$58,699,047	\$0
Expenditures:					
Personnel Services	\$544,881	\$647,371	\$647,371	\$647,371	\$0
Operating Expenses ⁴	35,125,076	38,897,589	38,897,589	38,897,589	0
Capital Equipment	0	0	0	0	0
Total Expenditures	<u>\$35,669,957</u>	<u>\$39,544,960</u>	<u>\$39,544,960</u>	<u>\$39,544,960</u>	<u>\$0</u>
Total Disbursements	\$35,669,957	\$39,544,960	\$39,544,960	\$39,544,960	\$0
Ending Balance	\$20,694,378	\$17,310,908	\$19,154,087	\$19,154,087	\$0
Tipping Fee Reserve	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$0
Rate Stabilization Reserve ⁵	13,466,155	10,415,821	12,259,000	12,259,000	0
Operations and Maintenance Reserve ⁶	5,728,223	5,395,087	5,395,087	5,395,087	0
Unreserved Ending Balance	\$0	\$0	\$0	\$0	\$0
Disposal Rate/Ton	\$33/Ton	\$33/Ton	\$33/Ton	\$33/Ton	\$0

¹ The fee for the I-95 Energy/Resource Recovery Facility will remain at \$33 per ton in FY 2007. It has remained at this level since being increased from \$32 per ton as part of the FY 2006 Adopted Budget Plan.

² Miscellaneous Revenue is generated by the excess amount that Covanta Fairfax, Inc. (CFI) charges to dispose of Supplemental Waste.

³ CFI 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, Inc./Fairfax County contract and the General Fund will offset the tax liability by returning the amount paid by CFI to Fund 112.

⁴ In order to account for revenues and expenditures in the proper fiscal year, an audit adjustment in the amount of \$1,376,482 has been reflected as a decrease to FY 2006 expenditures to reflect actual costs for waste disposal as compared to the agency's estimate for disposal costs. The audit adjustment has been included in the FY 2006 Comprehensive Annual Financial Report (CAFR).

⁵ 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.

⁶ The Operations and Maintenance Reserve is necessary for ongoing improvements and enhancements to the E/RRF including emissions control efforts. Planned work for FY 2007 includes a potential wastewater reuse project and a back-up power plan for the Fairfax Water Authority. 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.