

FUND STATEMENT

Fund Type G40, Enterprise Funds

Fund 400, Sewer Revenue

	FY 2008 Estimate	FY 2008 Actual	Increase (Decrease) (Col. 2-1)	FY 2009 Adopted Budget Plan	FY 2009 Revised Budget Plan	Increase (Decrease) (Col. 5-4)
Beginning Balance	\$59,022,173	\$59,022,173	\$0	\$107,656,786	\$110,796,414	\$3,139,628
Revenue:						
Lateral Spur Fees	\$20,000	\$9,000	(\$11,000)	\$20,000	\$20,000	\$0
Sales of Service	7,000,000	7,723,432	723,432	7,500,000	7,500,000	0
Availability Charges	13,000,000	14,087,927	1,087,927	20,000,000	20,000,000	0
Connection Charges	75,000	35,142	(39,858)	75,000	75,000	0
Sewer Service Charges	92,326,794	92,086,866	(239,928)	100,500,000	100,500,000	0
Miscellaneous Revenue	150,000	264,450	114,450	150,000	150,000	0
Sale Surplus Property	30,000	60,673	30,673	30,000	30,000	0
Interest on Investments	2,500,000	3,973,932	1,473,932	3,500,000	3,500,000	0
Sale of Purchased Capacity	50,565,000	50,565,000	0	0	0	0
Total Revenue	\$165,666,794	\$168,806,422	\$3,139,628	\$131,775,000	\$131,775,000	\$0
Total Available	\$224,688,967	\$227,828,595	\$3,139,628	\$239,431,786	\$242,571,414	\$3,139,628
Transfers Out:						
Sewer Operation and Maintenance (401)	\$79,908,494	\$79,908,494	\$0	\$88,500,000	\$88,500,000	\$0
Sewer Construction Improvements (402)	13,550,000	13,550,000	0	23,500,000	23,500,000	0
Sewer Bond Parity Debt Service (403)	1,650,160	1,650,160	0	10,650,000	10,650,000	0
Sewer Bond Subordinate Debt Service (407)	21,923,527	21,923,527	0	23,051,559	23,051,559	0
Total Transfers Out	\$117,032,181	\$117,032,181	\$0	\$145,701,559	\$145,701,559	\$0
Total Disbursements	\$117,032,181	\$117,032,181	\$0	\$145,701,559	\$145,701,559	\$0
Ending Balance¹	\$107,656,786	\$110,796,414	\$3,139,628	\$93,730,227	\$96,869,855	\$3,139,628
Management Reserves:						
Operating and Maintenance Reserve ²	\$21,225,000	\$24,800,000	\$3,575,000	\$22,125,000	\$26,000,000	\$3,875,000
New Customer Reserve ³	0	21,500,000	21,500,000	0	22,100,000	22,100,000
VRA Reserve ⁴	6,637,072	6,637,072	0	6,637,072	6,637,072	0
Total Reserves	\$27,862,072	\$52,937,072	\$25,075,000	\$28,762,072	\$54,737,072	\$25,975,000
Unreserved Balance	\$79,794,714	\$57,859,342	(\$21,935,372)	\$64,968,155	\$42,132,783	(\$22,835,372)

¹ 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.

² 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% of one year's requirements for rehabilitation and replacement of the current system's assets.

³ 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.

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