FUND STATEMENT

Fund Type G10, Special Revenue Funds

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

	FY 2010 Actual	FY 2011 Adopted Budget Plan	FY 2011 Revised Budget Plan	FY 2011 Third Quarter Estimate	Increase (Decrease) (Col. 5-4)
Beginning Balance	**$26,787,307**	**$26,255,426**	**$21,578,204**	**$21,578,204**	**$0**
Revenue:					
Disposal Revenue	$29,978,605	$33,635,000	$31,514,056	$31,514,056	$0
Other Revenue:					
Interest on Investments	142,062	$218,508	218,508	218,508	0
Miscellaneous[1]	449,252	500,000	500,000	500,000	0
Subtotal Revenue	$591,314	$718,508	$718,508	$718,508	$0
Total Revenue	$30,569,919	$34,353,508	$32,232,564	$32,232,564	$0
Transfers In:					
General Fund (001)[2]	$1,722,908	$0	$1,745,506	$1,745,506	$0
Total Transfers In	$1,722,908	$0	$1,745,506	$1,745,506	$0
Total Available	**$59,080,134**	**$60,608,934**	**$55,556,274**	**$55,556,274**	**$0**
Expenditures:					
Personnel Services	$714,619	$734,811	$734,811	$734,811	$0
Operating Expenses[3]	36,787,311	31,204,598	33,008,205	33,008,205	0
Capital Equipment	0	36,500	36,500	36,500	0
Total Expenditures	$37,501,930	$31,975,909	$33,779,516	$33,779,516	$0
Total Disbursements	**$37,501,930**	**$31,975,909**	**$33,779,516**	**$33,779,516**	**$0**
Ending Balance[4]	**$21,578,204**	**$28,633,025**	**$21,776,758**	**$21,776,758**	**$0**
Tipping Fee Reserve[5]	$1,500,000	$1,500,000	$1,500,000	$1,500,000	$0
Rate Stabilization Reserve[6]	10,000,000	10,000,000	10,000,000	10,000,000	0
Operations and Maintenance Reserve[7]	10,078,204	17,133,025	10,276,758	10,276,758	0
Unreserved Ending Balance	**$0**	**$0**	**$0**	**$0**	**$0**
Disposal Rate/Ton[8]	$31/ton	$31/ton	$29/ton	$29/ton	$0

[1] Miscellaneous Revenue is generated by the excess amount that Covanta Fairfax, Inc. (CFI) charges for the disposal of Supplemental Waste.

[2] The General Fund Transfer offsets Covanta's tax liability to Fairfax County. An expenditure increase and the offsetting General Fund Transfer were funded for FY 2011 as part of the FY 2010 Carryover Review.

[3] In order to account for revenues and expenditures in the proper fiscal year, an audit adjustment in the amount of $3,248,440.82 has been reflected as an increase to FY 2010 expenditures to reflect the accrual of expenditures associated with the reimbursement of tipping fees from Covanta. The audit adjustment has been included in the FY 2010 Comprehensive Annual Financial Report (CAFR).

[4] Ending balance fluctuations are a result of operating and revenue requirements that change annually. Funding is carried forward each fiscal year to provide flexibility given the uncertainty of market conditions, tipping fee negotiations, and expenditure requirements.

[5] The Tipping Fee Reserve is used to buffer against sharp annual changes in tip fees. Potential changes could result from issues such as tax changes regarding energy sales, power deregulation, state or EPA environmental fees, and/or contract changes.

[6] The Rate Stabilization Reserve (RSR) is used to buffer against a long term adjustment to tip fees. It should be noted that the long-term arrangement for solid waste disposal is still being determined. The current disposal arrangement with Covanta extends until 2016. The County is currently exploring an option it has, through its agreement with Covanta, to purchase the facility. Other long term options include the extension of the current agreement for use of the ERRF or pursuit of alternate disposal options.

[7] The Operations and Maintenance Reserve is maintained for ongoing improvements and enhancements to the E/RRF including emissions control efforts. Future projects may include additional retrofits to the air pollution control systems for reductions in nitrogen oxides. The reserve will fund the County's share of the initial capital expenditures on the improvements.

[8] Subsequent to approval of the FY 2011 budget, disposal fees have been reduced from $31/ton to $29/ton due to increased revenues from electricity sales and metal recycling and the final payment being made on construction bonds for the facility.