

FUND STATEMENT

Fund Type G10, Special Revenue Funds

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

	FY 2011 Actual	FY 2012 Adopted Budget Plan	FY 2012 Revised Budget Plan	FY 2012 Third Quarter Estimate	Increase (Decrease) (Col. 5-4)
Beginning Balance	\$21,578,204	\$21,776,758	\$22,395,866	\$22,395,866	\$0
Revenue:					
Disposal Revenue	\$28,242,949	\$31,191,182	\$31,191,182	\$31,191,182	\$0
Other Revenue:					
Interest on Investments	86,247	357,067	357,067	357,067	0
Miscellaneous ¹	412,102	500,000	500,000	500,000	0
Subtotal Revenue	\$498,349	\$857,067	\$857,067	\$857,067	\$0
Total Revenue	\$28,741,298	\$32,048,249	\$32,048,249	\$32,048,249	\$0
Transfers In:					
General Fund (001) ²	\$1,745,506	\$0	\$0	\$0	\$0
Total Transfers In	\$1,745,506	\$0	\$0	\$0	\$0
Total Available	\$52,065,008	\$53,825,007	\$54,444,115	\$54,444,115	\$0
Expenditures:					
Personnel Services	\$793,569	\$736,968	\$745,604	\$745,604	\$0
Operating Expenses ^{3,4}	28,875,573	17,406,345	18,212,134	18,212,134	0
Capital Equipment	0	0	31,108	31,108	0
Total Expenditures	\$29,669,142	\$18,143,313	\$18,988,846	\$18,988,846	\$0
Total Disbursements	\$29,669,142	\$18,143,313	\$18,988,846	\$18,988,846	\$0
Ending Balance⁵	\$22,395,866	\$35,681,694	\$35,455,269	\$35,455,269	\$0
Tipping Fee Reserve ⁶	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$0
Rate Stabilization Reserve ⁷	10,895,866	24,181,694	23,955,269	23,955,269	0
Operations and Maintenance Reserve ⁸	10,000,000	10,000,000	10,000,000	10,000,000	0
Unreserved Ending Balance	\$0	\$0	\$0	\$0	\$0
Disposal Rate/Ton	\$29/ton	\$29/ton	\$29/ton	\$29/ton	\$0

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

²The 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*.

³In FY 2012, payments to Covanta Fairfax are significantly reduced due to construction bonds being paid off in FY 2011.

⁴In order to account for revenues and expenditures in the proper fiscal year, an audit adjustment in the amount of \$148,089.68 has been reflected as an increase to FY 2011 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 2011 Comprehensive Annual Financial Report (CAFR). Details of the audit adjustments are included in the FY 2012 Third Quarter package.

⁵Ending 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.

⁶The 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.

⁷The Rate Stabilization Reserve (RSR) is used to buffer against long term adjustments to tip fees. Although tipping fees are maintained at the current rate, future disposal needs are undetermined, therefore, this reserve continues to rise to prevent sharp rate increases in the future.

⁸The 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.