

# FUND STATEMENT

## Fund 40150, Refuse Disposal

	FY 2013 Actual	FY 2014 Adopted Budget Plan	FY 2014 Revised Budget Plan	FY 2014 Third Quarter Estimate	Increase (Decrease) (Col. 5-4)
<b>Beginning Balance</b>	\$15,322,032	\$7,346,358	\$11,034,057	\$11,034,057	\$0
Revenue:					
Interest on Investment	\$33,555	\$25,160	\$25,160	\$25,160	\$0
Refuse Disposal Revenue <sup>1</sup>	43,689,044	48,634,590	48,634,590	44,554,455	(4,080,135)
Miscellaneous Revenue:					
White Goods	\$655,342	\$800,000	\$800,000	800,000	0
Rent of Equipment, Space	244,268	280,000	280,000	280,000	0
Sale of Equipment	1,182,464	274,000	274,000	274,000	0
Licensing Fees	66,720	69,000	69,000	69,000	0
Miscellaneous	634,542	260,000	260,000	260,000	0
Subtotal Miscellaneous Revenue	\$2,783,336	\$1,683,000	\$1,683,000	\$1,683,000	\$0
<b>Total Revenue</b>	\$46,505,935	\$50,342,750	\$50,342,750	\$46,262,615	(\$4,080,135)
<b>Total Available</b>	\$61,827,967	\$57,689,108	\$61,376,807	\$57,296,672	(\$4,080,135)
Expenditures:					
Personnel Services	\$10,714,557	\$10,813,028	\$10,944,792	\$10,944,792	\$0
Operating Expenses	33,762,782	39,423,694	39,423,969	39,423,969	0
Capital Equipment	4,298,208	1,969,000	2,166,003	2,166,003	0
Recovered Costs	(594,996)	(778,337)	(778,337)	(778,337)	0
Capital Projects	113,359	0	2,240,964	2,240,964	0
<b>Total Expenditures</b>	\$48,293,910	\$51,427,385	\$53,997,391	\$53,997,391	\$0
Transfers Out:					
General Fund (10001) <sup>2</sup>	\$2,500,000	\$535,000	\$535,000	\$535,000	\$0
<b>Total Transfers Out</b>	\$2,500,000	\$535,000	\$535,000	\$535,000	\$0
<b>Total Disbursements</b>	\$50,793,910	\$51,962,385	\$54,532,391	\$54,532,391	\$0
<b>Ending Balance<sup>3</sup></b>	\$11,034,057	\$5,726,723	\$6,844,416	\$2,764,281	(\$4,080,135)
Reserves:					
Capital Equipment Reserve <sup>4</sup>	\$2,056,809	\$2,000,000	\$2,000,000	\$600,000	(\$1,400,000)
Operating Reserve <sup>5</sup>	2,279,779	751,277	1,868,970	188,835	(1,680,135)
Environmental Reserve <sup>6</sup>	2,000,000	2,000,000	2,000,000	1,000,000	(1,000,000)
Construction and Infrastructure Reserve <sup>7</sup>	1,009,770	975,446	975,446	975,446	0
<b>Unreserved Balance</b>	\$3,687,699	\$0	\$0	\$0	\$0
System Disposal Rate/Ton <sup>8</sup>	\$60	\$60	\$60	\$60	\$0
Discounted Disposal Rate/Ton <sup>9</sup>	\$53	\$54	\$54	\$54	\$0

<sup>1</sup> Reduced Refuse Disposal revenue in FY 2014 reflects decreases in refuse disposal receipts. Fund 40150 will be able to absorb this reduction through the use of its reserves.

<sup>2</sup> The FY 2013 Transfer Out to the General Fund represents an unused balance of an FY 2008 General Fund transfer into Fund 40150, Refuse Disposal. Moreover, funding in the amount of \$535,000 is transferred to the General Fund in FY 2015 to partially offset central support services supported by the General Fund which benefit Fund 40150. These indirect costs include support services such as Human Resources, Purchasing, Budget and other administrative services.

<sup>3</sup> 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.

<sup>4</sup> The Capital Equipment Reserve provides for the timely replacement of equipment required to operate the I-66 Transfer Station. Funds are transferred from Refuse Disposal revenue to the Capital Equipment Replacement Reserve, as are proceeds from the sale of equipment. Reserve needs are calculated based on individual vehicle age, anticipated retirement date, and anticipated replacement value. The reduction in FY 2014 is due to lower than projected refuse disposal receipts.

<sup>5</sup> The Operating Reserve provides funds to react to unanticipated events such as significant changes in waste quantities, increases in contract disposal rates at composting facilities and landfills, increases in fuel costs, significant reductions in revenues, etc. The reserve also acts as a rate stabilization reserve, allowing smooth transition to rate changes minimizing the impact on customers. The reduction in FY 2014 is due to lower than projected refuse disposal receipts.

<sup>6</sup> The Environmental Reserve is a contingency fund, assuring that the County has funds to implement unplanned actions to protect the environment or meet regulatory requirements related to the closed landfill at the I-66 Complex. Specific examples of current and future environmental projects are likely to include landfill gas control, groundwater protective measures, stormwater and wastewater management. The reduction in FY 2014 is due to lower than projected refuse disposal receipts.

<sup>7</sup> The Construction and Infrastructure Reserve provides for future improvements at the I-66 Transfer Station.

<sup>8</sup> The System Disposal rate is \$60 per ton.

<sup>9</sup> In August 1998 (FY 1999), Fairfax County implemented a contractual rate discount that was offered to any hauler that guaranteed all of its collected refuse or a specified tonnage amount would be delivered to the Energy/Resource Recovery Facility (E/RRF) or other County disposal sites. The System Disposal rate in FY 2014 will remain at \$54 per ton in order to maintain identified reserves and avoid significant increases in rates in the future.