

FUND STATEMENT

Fund 40160, Energy/Resource Recovery Facility (E/RRF)

	FY 2016 Actual	FY 2017 Adopted Budget Plan	FY 2017 Revised Budget Plan	FY 2017 Third Quarter Estimate	Increase (Decrease) (Col. 5-4)
Beginning Balance	\$66,425,583	\$66,410,045	\$65,768,001	\$65,768,001	\$0
Revenue:					
Disposal Revenue ^{1,2}	23,217,177	18,871,000	18,871,000	18,871,000	\$0
Interest on Investments	371,483	53,811	53,811	53,811	0
Miscellaneous ³	0	792,000	792,000	792,000	0
Total Revenue	\$23,588,660	\$19,716,811	\$19,716,811	\$19,716,811	\$0
Total Available	\$90,014,243	\$86,126,856	\$85,484,812	\$85,484,812	\$0
Expenditures:					
Personnel Services	805,169	1,017,126	1,017,126	1,017,126	\$0
Operating Expenses ⁴	23,392,073	25,788,423	25,801,785	28,801,785	3,000,000
Total Expenditures	\$24,197,242	\$26,805,549	\$26,818,911	\$29,818,911	\$3,000,000
Transfers Out:					
General Fund (10001) ⁵	49,000	49,000	49,000	49,000	\$0
Total Transfers Out:	\$49,000	\$49,000	\$49,000	\$49,000	\$0
Total Disbursements	\$24,246,242	\$26,854,549	\$26,867,911	\$29,867,911	\$3,000,000
Ending Balance⁶	\$65,768,001	\$59,272,307	\$58,616,901	\$55,616,901	(\$3,000,000)
Tipping Fee Reserve ⁷	1,500,000	\$0	\$0	\$0	\$0
Rate Stabilization Reserve ⁸	53,268,001	48,272,307	47,616,901	47,616,901	0
Operations and Maintenance Reserve ⁹	11,000,000	11,000,000	11,000,000	8,000,000	(3,000,000)
Unreserved Ending Balance	\$0	\$0	\$0	\$0	\$0
Disposal Rate/Ton	\$29	\$29	\$29	\$29	\$0

¹ The decrease in FY 2017 revenue reflects lower disposal tonnage associated with the new Waste Disposal Agreement (WDA). The fund will absorb the reduction through use of available balance.

² In order to account for revenues in the proper fiscal year, an audit adjustment in the amount of \$71,227.89 has been reflected as an increase to FY 2016 Disposal Revenue. The audit adjustment has been included in the FY 2016 Comprehensive Annual Financial Report (CAFR). Details of the audit adjustment are included in the FY 2017 Third Quarter package.

³ Miscellaneous revenue is generated by the excess amount that Covanta Fairfax, Inc. (CFI) charges for the disposal of Supplemental Waste.

⁴ Operating Expenses increased in FY 2016 as a result of the new Waste Disposal Agreement. In addition, Operating Expenses are increased as part of the *FY 2017 Third Quarter Review* to support projected increases in transportation and disposal costs associated with the fire at the CFI facility.

⁵ FY 2017 funding in the amount of \$49,000 is transferred to the General Fund to partially offset central support services supported by the General Fund, which benefit Fund 40160. These indirect costs include support services such as Human Resources, Purchasing, Budget and other administrative services.

⁶ 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.

⁷ The Tipping Fee Reserve was used to buffer against sharp annual changes in tipping 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. In FY 2017, the remaining balance in this reserve was redirected to the Rate Stabilization Reserve to help address the new Waste Disposal Agreement.

⁸ The Rate Stabilization Reserve (RSR) is maintained in order to safeguard against significant increases in tipping fees charged to users of the E/RRF.

⁹ The Operations and Maintenance Reserve is maintained for ongoing improvements and enhancements to the E/RRF, including emissions control efforts.