

# FUND STATEMENT

## Fund 69000, Sewer Revenue

	FY 2017 Actual	FY 2018 Adopted Budget Plan	FY 2018 Revised Budget Plan	FY 2018 Third Quarter Estimate	Increase (Decrease) (Col. 5-4)
<b>Beginning Balance</b>	<b>\$77,112,069</b>	<b>\$75,761,614</b>	<b>\$82,540,638</b>	<b>\$82,540,638</b>	<b>\$0</b>
Revenue:					
Lateral Spur Fees	\$4,200	\$16,800	\$16,800	\$16,800	\$0
Water Reuse Charges	93,818	164,606	164,606	164,606	0
Sales of Service	8,016,598	7,851,209	7,851,209	7,851,209	0
Availability Charges	25,206,124	12,595,035	12,595,035	12,595,035	0
Connection Charges	482,520	34,200	34,200	34,200	0
Sewer Service Charges	186,702,496	193,605,508	191,607,464	191,607,464	0
Miscellaneous Revenue	453,552	250,000	250,000	250,000	0
Sale Surplus Property	96,572	100,000	100,000	100,000	0
Interest on Investments <sup>1</sup>	922,689	779,000	779,000	779,000	0
<b>Total Revenue</b>	<b>\$221,978,569</b>	<b>\$215,396,358</b>	<b>\$213,398,314</b>	<b>\$213,398,314</b>	<b>\$0</b>
<b>Total Available</b>	<b>\$299,090,638</b>	<b>\$291,157,972</b>	<b>\$295,938,952</b>	<b>\$295,938,952</b>	<b>\$0</b>
Transfers Out:					
Sewer Operation and Maintenance (69010)	\$93,000,000	\$101,440,000	\$101,440,000	\$101,440,000	\$0
Sewer Bond Parity Debt Service (69020)	22,900,000	22,930,000	22,930,000	22,930,000	0
Sewer Bond Debt Reserve (69030)	0	0	5,556	5,556	0
Sewer Bond Subordinate Debt Service (69040)	26,000,000	25,725,000	25,725,000	25,725,000	0
Sewer Construction Improvements (69300)	74,650,000	69,339,663	69,339,663	69,339,663	0
<b>Total Transfers Out</b>	<b>\$216,550,000</b>	<b>\$219,434,663</b>	<b>\$219,440,219</b>	<b>\$219,440,219</b>	<b>\$0</b>
<b>Total Disbursements</b>	<b>\$216,550,000</b>	<b>\$219,434,663</b>	<b>\$219,440,219</b>	<b>\$219,440,219</b>	<b>\$0</b>
<b>Ending Balance<sup>2</sup></b>	<b>\$82,540,638</b>	<b>\$71,723,309</b>	<b>\$76,498,733</b>	<b>\$76,498,733</b>	<b>\$0</b>
Management Reserves:					
Operating and Maintenance Reserve <sup>3</sup>	\$33,697,160	\$26,919,045	\$27,655,255	\$27,655,255	\$0
New Customer Reserve <sup>4</sup>	30,000,000	30,000,000	30,000,000	30,000,000	0
Virginia Resource Authority Reserve <sup>5</sup>	5,974,892	5,974,892	5,974,892	5,974,892	0
Capital Reinvestment Reserve <sup>6</sup>	12,868,586	8,829,372	12,868,586	12,868,586	0
<b>Total Reserves</b>	<b>\$82,540,638</b>	<b>\$71,723,309</b>	<b>\$76,498,733</b>	<b>\$76,498,733</b>	<b>\$0</b>
<b>Unreserved Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<sup>1</sup> In order to account for revenues in the proper fiscal year, an audit adjustment in the amount of \$80,768.30 has been reflected as an increase to Interest on Investments in FY 2017. This audit adjustment is included in the FY 2017 Comprehensive Annual Financial Report (CAFR). Details of the audit adjustment are included in the FY 2018 Third Quarter package.

<sup>2</sup> The Wastewater Management Program maintains fund balances at adequate levels relative to projected debt service requirements, operation and maintenance expenses and capital improvements.

<sup>3</sup> 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 an industry practice to maintain existing customer reserves at a level that can support 30 and 180 days of working capital and approximately 50 percent of one year's requirements for rehabilitation and replacement of the current system's assets.

<sup>4</sup> 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 based on payment expenses associated with one year of debt service and administrative expenses associated with new customer debt.

<sup>5</sup> The Virginia Resource Authority Reserve was established in anticipation of debt service reserve requirements for Virginia Resource Authority loans related to future treatment plant issues.

<sup>6</sup> The Capital Reinvestment Reserve is intended to address both anticipated and unanticipated increases within the Capital Improvement Program. This reserve will provide for significant rehabilitation and replacement of emergency infrastructure repairs. A reserve of 3.0 percent of the five-year capital plan is consistent with other utilities and is recommended by rating agencies. Based on the total five-year capital plan, an amount of \$30 million would be required to reach 3.0 percent.