Fund 69000: Sewer Revenue

FUND STATEMENT

Category	FY 2021 Actual	FY 2022 Adopted Budget Plan	FY 2022 Revised Budget Plan	FY 2022 Third Quarter Estimate	Increase (Decrease) (Col. 5-4)
Beginning Balance	**$121,830,460**	**$101,451,228**	**$131,425,356**	**$131,425,356**	**$0**
Revenue:					
Lateral Spur Fees	$7,200	$10,000	$10,000	$10,000	$0
Water Reuse Charges[1]	279,066	175,000	175,000	175,000	0
Sales of Service[1]	9,316,050	10,635,500	10,635,500	10,635,500	0
Availability Charges[1]	34,714,848	22,517,000	22,517,000	22,517,000	0
Connection Charges	417,928	176,000	176,000	176,000	0
Sewer Service Charges	205,801,851	219,781,000	219,781,000	219,781,000	0
Miscellaneous Revenue[1]	625,675	650,000	650,000	650,000	0
Sale Surplus Property	55,287	100,000	100,000	100,000	0
Interest on Investments[1]	726,991	1,100,000	1,100,000	1,100,000	0
Total Revenue	**$251,944,896**	**$255,144,500**	**$255,144,500**	**$255,144,500**	**$0**
Total Available	**$373,775,356**	**$356,595,728**	**$386,569,856**	**$386,569,856**	**$0**
Transfers Out:					
Sewer Operation and Maintenance (69010)	$109,250,000	$116,400,000	$116,713,000	$116,713,000	$0
Sewer Bond Parity Debt Service (69020)	31,000,000	32,000,000	32,000,000	32,000,000	0
Sewer Bond Subordinate Debt Service (69040)	25,100,000	25,000,000	25,000,000	25,000,000	0
Sewer Construction Improvements (69300)	77,000,000	86,000,000	86,000,000	86,000,000	0
Total Transfers Out	**$242,350,000**	**$259,400,000**	**$259,713,000**	**$259,713,000**	**$0**
Total Disbursements	**$242,350,000**	**$259,400,000**	**$259,713,000**	**$259,713,000**	**$0**
Ending Balance[2]	**$131,425,356**	**$97,195,728**	**$126,856,856**	**$126,856,856**	**$0**
Management Reserves:					
Operating and Maintenance Reserve[3]	$45,000,000	$43,000,000	$45,000,000	$45,000,000	$0
New Customer Reserve[4]	30,000,000	30,000,000	30,000,000	30,000,000	0
Virginia Resource Authority Reserve[5]	5,974,892	0	0	0	0
Capital Reinvestment Reserve[6]	50,450,464	24,195,728	51,856,856	51,856,856	0
Total Reserves	**$131,425,356**	**$97,195,728**	**$126,856,856**	**$126,856,856**	**$0**
Unreserved Balance	**$0**	**$0**	**$0**	**$0**	**$0**

[1] In order to account for revenues and expenditures in the proper fiscal year, audit adjustments were reflected as a decrease of $90,172.44 to FY 2021 revenues to properly record revenue in the proper fiscal period. The Annual Comprehensive Financial Report (ACFR) reflects all audit adjustments in FY 2021. Details of the audit adjustments were found in Attachment VI of the *FY 2022 Mid-Year Review*.

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

[3] 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 $25.0 and $45.0 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.

[4] 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.

[5] 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. The reserve will be used to cover the final year of scheduled debt service for FY 2022.

[6] 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 $30.0 million would be required to reach 3.0 percent.