

# FUND STATEMENT

## Fund Type G40, Enterprise Funds

## Fund 400, Sewer Revenue

	FY 2009 Estimate	FY 2009 Actual	Increase (Decrease) (Col. 2-1)	FY 2010 Adopted Budget Plan	FY 2010 Revised Budget Plan	Increase (Decrease) (Col. 5-4)
<b>Beginning Balance</b>	<b>\$110,796,414</b>	<b>\$110,796,414</b>	<b>\$0</b>	<b>\$96,869,855</b>	<b>\$87,265,589</b>	<b>(\$9,604,266)</b>
Revenue:						
Lateral Spur Fees	\$20,000	\$25,200	\$5,200	\$10,000	\$10,000	\$0
Sales of Service	7,500,000	8,039,915	539,915	7,500,000	7,500,000	0
Availability Charges	20,000,000	11,461,530	(8,538,470)	15,000,000	15,000,000	0
Connection Charges	75,000	39,600	(35,400)	50,000	50,000	0
Sewer Service Charges	100,500,000	100,493,512	(6,488)	107,500,000	107,500,000	0
Miscellaneous Revenue	150,000	124,871	(25,129)	150,000	150,000	0
Sale Surplus Property	30,000	48,613	18,613	30,000	30,000	0
Interest on Investments	3,500,000	1,937,493	(1,562,507)	3,000,000	3,000,000	0
Sale of Purchased Capacity	0	0	0	0	0	0
<b>Total Revenue</b>	<b>\$131,775,000</b>	<b>\$122,170,734</b>	<b>(\$9,604,266)</b>	<b>\$133,240,000</b>	<b>\$133,240,000</b>	<b>\$0</b>
<b>Total Available</b>	<b>\$242,571,414</b>	<b>\$232,967,148</b>	<b>(\$9,604,266)</b>	<b>\$230,109,855</b>	<b>\$220,505,589</b>	<b>(\$9,604,266)</b>
Transfers Out:						
Sewer Operation and Maintenance (401)	\$88,500,000	\$88,500,000	\$0	\$93,000,000	\$90,000,000	(\$3,000,000)
Sewer Construction Improvements (402)	23,500,000	23,500,000	0	18,000,000	18,000,000	0
Sewer Bond Parity Debt Service (403)	10,650,000	10,650,000	0	6,650,000	6,650,000	0
Sewer Bond Subordinate Debt Service (407)	23,051,559	23,051,559	0	24,300,000	24,300,000	0
<b>Total Transfers Out</b>	<b>\$145,701,559</b>	<b>\$145,701,559</b>	<b>\$0</b>	<b>\$141,950,000</b>	<b>\$138,950,000</b>	<b>(\$3,000,000)</b>
<b>Total Disbursements</b>	<b>\$145,701,559</b>	<b>\$145,701,559</b>	<b>\$0</b>	<b>\$141,950,000</b>	<b>\$138,950,000</b>	<b>(\$3,000,000)</b>
<b>Ending Balance<sup>1</sup></b>	<b>\$96,869,855</b>	<b>\$87,265,589</b>	<b>(\$9,604,266)</b>	<b>\$88,159,855</b>	<b>\$81,555,589</b>	<b>(\$6,604,266)</b>
Management Reserves:						
Operating and Maintenance Reserve <sup>2</sup>	\$26,000,000	\$26,000,000	\$0	\$45,000,000	\$45,000,000	\$0
New Customer Reserve <sup>3</sup> Virginia Resource Authority	22,100,000	22,100,000	0	22,846,287	22,846,287	0
Reserve <sup>4</sup>	6,637,072	6,637,072	0	6,637,072	6,637,072	0
<b>Total Reserves</b>	<b>\$54,737,072</b>	<b>\$54,737,072</b>	<b>\$0</b>	<b>\$74,483,359</b>	<b>\$74,483,359</b>	<b>\$0</b>
<b>Unreserved Balance</b>	<b>\$42,132,783</b>	<b>\$32,528,517</b>	<b>(\$9,604,266)</b>	<b>\$13,676,496</b>	<b>\$7,072,230</b>	<b>(\$6,604,266)</b>

<sup>1</sup> The Wastewater Management Program maintains fund balances at adequate levels relative to projected debt service requirements, operation and maintenance expenses and capital improvements. These costs change annually and funding for sewer projects is carried forward each fiscal year; therefore, ending balances fluctuate, reflecting the carryover of these funds.

<sup>2</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 industry practice to maintain existing customer reserves at a level which 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>3</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 targeted to be maintained at approximately \$22 million. This level of reserve is based on payment expenses associated with one year of debt service and administrative expenses associated with new customer debt.

<sup>4</sup> The Future Debt Reserve was established in anticipation of debt service reserve requirements for Virginia Resource Authority loans related to future treatment plant issues.