



THE AUDITOR OF PUBLIC ACCOUNTS LOCALITY STORMWATER UTILITY REPORTING FORM

The purpose of this form is to implement the following locality stormwater utility reporting requirement established by Paragraph D.1. of Item 2 of the Fiscal Year 2017-2018 State Budget ([Chapter 836](#) of the 2017 Acts of Assembly): *Each locality establishing a utility or enacting a system of service charges to support a local stormwater management program pursuant to §15.2-2114, Code of Virginia, shall provide to the Auditor of Public Accounts by October 1 of each year, in a format specified by the Auditor, a report as to each program funded by these fees and the expected nutrient and sediment reductions for each of these programs. For any specific stormwater outfall generating more than \$200,000 in annual fees, such report shall include identification of specific actions to remediate nutrient and sediment reduction from the specific outfall.*

Each locality subject to the reporting requirement set forth above shall complete and submit this report form each year to the Auditor of Public Accounts by October 1, in an electronic format emailed to LocalGovernment@apa.virginia.gov. **The report as of Fiscal Year 2018 (or applicable reporting period) is due by October 1, 2018.**

SECTION 1 – LOCALITY INFORMATION

Locality Name: City of Charlottesville

Contact Name/Title: Ms. Melissa Orndorff Stephens, Stormwater Utility Administrator

Contact Address: 305 4th Street, NW, Charlottesville, VA 22903

Contact Email: stephensm@charlottesville.org

Contact Phone: 434-970-3876

Report Completion Date: 10/1/2018

SECTION 2 - STORMWATER UTILITY FEES

For your stormwater utility fees provide the following information from your most recent audited annual financial report.

Financial Statement Fund Name: Enterprise Funds – Stormwater Fund
Fiscal year: 2017

Revenues	Expenditures	Ending Fund Balance or Net Position
\$1,908,584	\$619,026	\$5,144,548

Please provide any additional detail/clarification below about the financial information provided at Section 2, if needed.

- Financial information provided at Section 2 has been compiled from the City of Charlottesville's most recent audited Comprehensive Annual Financial Report, for the fiscal year ended on June 30, 2017 (Fiscal Year 2017).
- Specifically, data has been pulled from Exhibit E-2 of that document, which has been included as an attachment to this report.
- Revenues reported include \$19,090 collected in other, non-utility service charges (i.e., permit fees). Utility and other charges are combined in the Stormwater Fund and are audited together.
- Net position represents Capital Improvement Program funds which have been set aside to fund the City's Water Resources Protection Program (WRPP). The programs within the WRPP are explained in more detail in Section 3B of this report and include: the Stormwater Pipe and Structure Rehabilitation Program, the Neighborhood Drainage Program, and the Stormwater Master Planning Program.

SECTION 3 – FUNDED PROGRAMS AND OTHER MAJOR ACTIVITIES

Provide a brief description of each major program funded by the utility fee system and, where applicable, the expected nutrient and sediment reductions for each of these programs.

A. Operations & Maintenance Program

Not Applicable

B. Capital Improvement Program

Stormwater Pipe and Structure Rehabilitation Program – The Stormwater Pipe and Structure Rehabilitation Program is used to address aging infrastructure in the City. Through this program, older, compromised, or less efficient, pipes, especially those constructed from corrugated metal and vitrified clay and their associated structures are evaluated for needed repairs. Following evaluation, pipes and structures are lined, repaired, or replaced, as needed. Nutrient and sediment reductions are not estimated from this work.

Neighborhood Drainage Program – Supplemental funding is provided to the City's Neighborhood Development Services Department to fund the Neighborhood Drainage Program. This program is funded primarily out of City General Funds and is used to address small scale drainage concerns affecting private property. Nutrient and sediment reductions are not estimated from this work.

Stormwater Master Planning Program – The Stormwater Master Planning Program, using a decision support tool, identifies and prioritizes water quality and drainage improvement projects on both public and private properties across the City. Identified Master Plan projects typically achieve pollutant reductions required by the City's Municipal Separate Storm Sewer System (MS4) permit. Nutrient and sediment reductions will be quantified as applicable projects are implemented.

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2017**

	Business - Type Activities - Enterprise Funds						Internal Service Funds
	Water	Sewer	Gas	Stormwater	Golf	Total	
OPERATING REVENUES							
Utility charges	\$10,392,494	\$ 14,992,155	\$ 19,743,492	\$ 1,889,494	\$ -	\$ 47,017,635	\$ -
Other charges for services	237,578	119,206	371,618	19,090	781,479	1,528,971	26,150,339
Total operating revenues	<u>10,630,072</u>	<u>15,111,361</u>	<u>20,115,110</u>	<u>1,908,584</u>	<u>781,479</u>	<u>48,546,606</u>	<u>26,150,339</u>
OPERATING EXPENSES							
Purchases for resale	5,223,879	7,693,466	10,926,813	-	29,896	23,874,054	1,755,432
Personnel costs	1,133,542	1,041,163	4,992,632	350,275	455,702	7,973,314	3,257,957
Materials and supplies	396,473	83,823	790,203	9,359	129,835	1,409,693	955,830
Contractual services and charges	1,310,413	2,052,354	3,194,998	88,205	229,307	6,875,277	1,933,180
Depreciation	916,306	963,567	1,351,081	94,148	30,519	3,355,621	102,770
Claims incurred	-	-	-	-	-	-	15,337,654
Insurance premiums	3,605	-	-	-	-	3,605	2,503,489
Total operating expenses	<u>8,984,218</u>	<u>11,834,373</u>	<u>21,255,727</u>	<u>541,987</u>	<u>875,259</u>	<u>43,491,564</u>	<u>25,846,312</u>
Operating income (loss)	<u>1,645,854</u>	<u>3,276,988</u>	<u>(1,140,617)</u>	<u>1,366,597</u>	<u>(93,780)</u>	<u>5,055,042</u>	<u>304,027</u>
NONOPERATING REVENUES (EXPENSES)							
Gain/Loss on capital asset disposition	-	-	(5,064)	-	-	(5,064)	-
Interest expense	(347,058)	(765,994)	(20,065)	(18,249)	-	(1,151,366)	-
Interest income	15,163	9,877	62,943	13,053	-	101,036	25,274
Bond issuance expense	(19,008)	-	-	(8,829)	-	(27,837)	-
Capacity fees	418,350	695,260	-	-	-	1,113,610	-
Insurance recovery	-	-	-	-	-	-	1,190
Total nonoperating revenues (expenses), net	<u>67,447</u>	<u>(60,857)</u>	<u>37,814</u>	<u>(14,025)</u>	<u>-</u>	<u>30,379</u>	<u>26,464</u>
Income (loss) before contributions and transfers	1,713,301	3,216,131	(1,102,803)	1,352,572	(93,780)	5,085,421	330,491
Transfers in	-	-	-	-	115,783	115,783	216,356
Transfers out	(828,317)	(914,487)	(3,759,272)	(49,961)	-	(5,552,037)	-
Total transfers, net	<u>(828,317)</u>	<u>(914,487)</u>	<u>(3,759,272)</u>	<u>(49,961)</u>	<u>115,783</u>	<u>(5,436,254)</u>	<u>216,356</u>
Change in net position	884,984	2,301,644	(4,862,075)	1,302,611	22,003	(350,833)	546,847
Total net position - July 1, 2016	<u>8,487,343</u>	<u>8,738,930</u>	<u>28,567,209</u>	<u>3,841,937</u>	<u>1,287,509</u>	<u>50,922,928</u>	<u>11,029,914</u>
Total net position - June 30, 2017	<u>\$ 9,372,327</u>	<u>\$ 11,040,574</u>	<u>\$ 23,705,134</u>	<u>\$ 5,144,548</u>	<u>\$ 1,309,512</u>	<u>\$ 50,572,095</u>	<u>\$ 11,576,761</u>
Change in net positions						\$ (350,833)	
Warehouse external sales						49,481	
Expenses associated with warehouse external sales						(47,621)	
Total allocation of warehouse external sales						1,860	
Net internal service fund allocation						26,504	
Changes in net positions of business-type activities						<u>\$ (322,469)</u>	

The accompanying notes are an integral part of the basic financial statements.