CARRYOVER BALANCES AND RESERVES

Table 5 provides a summary of carryover balances as of September 30, 2012, and anticipated claims on those balances.

Prudent operations require that a reserve be kept aside for other potential refunds. For that purpose a total of $700,000 is being set aside.

ADUFA II authorizes FDA to have up to three months of available carryover balance at the end of FY 2013. When fees were set for FY 2013, FDA estimated that it would take a total of $5,012,000 to operate for the first 3 months of FY 2014. FDA is setting that amount aside as a reserve for operations at the beginning of FY 2014. Subtracting these two reserve amounts from carryover balances leaves a total remaining carryover balance of $4,292,154. However, the current status of FDA's ability to access and obligate all of the funds remaining in the carryover balance remains uncertain.

TABLE 5
SUMMARY STATEMENT OF ANIMAL DRUG USER FEE CARRYOVER BALANCE AS OF SEPTEMBER 30, 2012

STATUS OF CARRYOVER FUNDS	AMOUNT
Total Carryover Balance	**$10,004,154**
Reserve for Refunds	($700,000)
3-months Reserve at beginning of FY 2014	($5,012,000)
Amount Potentially Available for Obligation	**$4,292,154**