

City of Chesapeake
 FY 2011-12 Operating Budget

Projected Fund Balance

Operating Funds	Beginning Fund Balance July 1, 2010	Revenue Budgeted FY 2010-11	Transfers In/(Out)	Expenses Budgeted FY 2010-11	Budgeted Fund Balance June 30, 2011
General Fund	130,013,199	484,769,274	(244,553,866)	245,103,539	125,125,068
Virginia Public Assistance Fund	6,535,304	15,139,628	675,403	21,076,781	1,273,554
Interagency Consortium	3,759,734	1,648,348	(1,909,457)	3,495,262	3,363
Fee Supported Activities	1,286,308	1,232,570	40,896	1,290,627	1,269,147
Community Services Board	6,986,867	12,307,308	4,374,810	17,558,162	6,110,823
Conference Center Fund	2,438,534	5,420,750	(1,000,000)	4,409,931	2,449,353
E-911 Operations Fund	5,700,327	5,800,691	-	5,929,061	5,571,957
Chesapeake Juvenile Services	1,531,284	3,709,042	638,120	5,377,609	500,837
Tax Increment Financing - Greenbrier	10,191,689	5,346,231	(1,847,546)	536,539	13,153,835
Open SpaceAgriculture Preservation	1,949,872	271,284	(64,430)	206,854	1,949,872
Tax Increment Financing - South Norfolk	10,464,012	4,590,771	(45,775)	500,000	14,509,008
Parks and Recreation	898,829	1,458,648	6,541,593	8,342,290	556,780
Grants Fund	6,809,734	2,900,722	(18,585)	3,137,978	6,553,893
Debt Service Fund	39,042,813	1,476,576	53,023,185	54,499,761	39,042,813
Public Utilities	67,632,438	57,449,140	-	56,672,012	68,409,566
Stormwater	5,618,752	14,431,471	(5,800,000)	8,630,559	5,619,664
Chesapeake Expressway	6,542,270	7,259,129	-	7,688,843	6,112,556
City Garage/Central Fleet	8,768,205	14,035,127	102,900	14,075,517	8,830,715
Information Technology	3,689,404	8,972,394	-	8,866,364	3,795,434
Risk Management	(16,742,503)	4,944,733	10,334,280	4,944,773	(6,408,263)
Termination Benefits	1,825,506	-	(1,825,506)	-	-
Mosquito control	5,447,086	3,641,210	-	4,773,201	4,315,095
Subtotal Operating Funds	310,389,664	656,805,047	(181,333,978)	477,115,663	308,745,070

Fund balance is a measure of the funds excess of assets over liabilities. For many funds such as Public Utilities, the Expressway and City Garage, this means that some infrastructure is free of debt and still has a useful life.

The General Fund fund balance also includes required reserves and the City and Schools lockboxes, which are used to pay future debt service payments.

City of Chesapeake
 FY 2011-12 Operating Budget

Projected Fund Balance

Operating Funds	Estimated Beginning July 1, 2011	Revenue Budgeted FY 2011-12	Transfers In/(Out)	Expenses Budgeted FY 2011-12	Budgeted Fund Balance June 30, 2012
General Fund	125,125,068	488,237,108	(244,816,552)	249,947,916	118,597,708
Virginia Public Assistance Fund	1,273,554	15,409,420	5,459,393	21,105,630	1,036,737
Interagency Consortium	3,363	1,992,420	1,744,982	3,738,702	2,063
Fee Supported Activities	1,269,147	967,280	-	1,058,176	1,178,252
Community Services Board	6,110,823	12,460,410	5,752,048	18,287,458	6,035,823
Conference Center Fund	2,449,353	5,646,760	(1,000,000)	4,646,760	2,449,353
E-911 Operations Fund	5,571,957	6,304,468	2,232,507	8,661,008	5,447,925
Chesapeake Juvenile Services	500,837	3,482,180	1,826,013	5,497,283	311,747
Tax Increment Financing - Greenbrier	13,153,835	4,241,940	(4,291,782)	528,348	12,575,645
Open SpaceAgriculture Preservation	1,949,872	271,284	(64,430)	250,750	1,905,976
Tax Increment Financing - South Norfolk	14,509,008	3,769,060	(2,270,469)	500,668	15,506,931
Parks and Recreation	556,780	1,458,220	7,129,748	8,587,968	556,780
Grants Fund	6,553,893	2,620,343	250,000	2,870,343	6,553,893
Debt Service Fund	39,042,813	471,328	49,083,571	54,869,283	33,728,429
Public Utilities	68,409,566	57,978,150	-	57,004,793	69,382,923
Stormwater	5,619,664	14,908,550	(6,000,000)	8,800,178	5,728,036
Chesapeake Expressway	6,112,556	10,001,034	-	10,001,034	6,112,556
City Garage/Central Fleet	8,830,715	13,533,696	-	15,533,696	6,830,715
Information Technology	3,795,434	8,960,996	-	8,960,996	3,795,434
Risk Management	(6,408,263)	7,239,203	-	7,239,203	(6,408,263)
Termination Benefits	-	-	-	-	-
Mosquito control	4,315,095	3,817,320	-	4,747,681	3,384,734
Subtotal Operating Funds	308,745,070	663,771,170	(184,964,971)	492,837,873	294,713,395

The ending fund balances include cash reservations as required by Charter and Council policy and current commitments for future capital projects.

Explanation of Projected Changes in Fund Balance

The previous schedule reflects the reversion of excess City transfers back to the General Fund as voted by the City Council on June 14, 2011. It includes \$10,334,280 transferred from the General Fund to the Risk Management fund to reduce the accumulated deficit. This reversion accounts for the change in fund balance for the following funds:

Virginia Public Assistance Fund	\$4,591,324
Interagency Consortium Fund	\$3,759,734
Community Services Board Fund	\$876,044
Chesapeake Juvenile Services Fund	\$1,030,447

The Tax Increment Financing Funds (Greenbrier and South Norfolk) are accumulating funds for future capital projects within each district. The accumulated funds will be used to reduce future debt financing. This is also true for the **Open Space Agriculture Preservation fund** and the **Fee Supported Activities fund**.

The following funds will be using accumulated fund balance for one time purposes:

The **Debt Service fund** received transfers in anticipation of debt service payments for bonds yet to be issued. Due to timing of issuance, a portion of the excess accumulation of available funds is being used in the 2011-12 fiscal year.

The **City Garage/Central Fleet** has also been funded for anticipated expenses and capital purchases that did not occur, thus accumulated fund balance will be used in FY 2011-12 to replace older vehicles.

The **General Fund** used fund balance for the FY 2011-12 budget that will be used for the following reasons: the pay increase for City employees; transfer to the E911 Operations fund to purchase 800Mhz radio equipment; to the Capital Projects fund for software upgrades; to the Schools operating funds for the Textbook fund, Food Service fund, and the Operating funds. The prior year, FY2010-11 used fund balance for an increase in expenditures related to the Economic Development Incentive program, debt expenses, and additional Risk Management expenses.

Risk Management fund has a negative fund balance at June 30, 2010 due to an actuarial assessed liability for future claims. In order to partially address the deficit, accumulated surpluses of several special revenue funds (mentioned above) are being moved to the Risk Management fund balance during FY 2010-11. This significantly reduces the fund deficit. Billings to departments will continue to cover cash outflows of the fund.

Mosquito Control Commission is continuing to use accumulated fund balance from prior years' operations when the Commission's real estate tax levy was 2 cents. The rate has been reduced to one cent, and operations continue to use the excess accumulated fund balance.