

Components of General Fund Balance

	Fund Balance 07/01/14	Transactions FY 2015	Fund Balance 06/30/15	Transactions FY 2016	Fund Balance 06/30/16
Fund Balance	\$ 147,750,361	\$ (16,062,487)	\$ 131,687,873	\$ 3,337,237	\$ 135,025,110
Less Fund Restrictions, Commitments, and Assignments:					
Non-spendable fund balances	\$ 1,189,121	\$ -	\$ 1,189,121	\$ -	\$ 1,189,121
Restricted by City Charter	31,310,247	632,182	31,942,429	190,283	32,132,712
Restricted for Oak Grove Connector	700,071	-	700,071	-	700,071
Committed to Open Space and Agricultural Preservation	1,105,050	(1,105,050)	-	-	-
Committed to Public Safety	726,534	-	726,534	-	726,534
Committed to Solid Waste	1,638,341	(600,000)	1,038,341	(600,000)	438,341
Committed to Development & Permits	274,691	68,225	342,916	67,100	410,016
Committed to School lockbox	6,432,047	(4,990,307)	1,441,740	3,756,547	5,198,287
Committed to City lockbox	885,781	3,654,343	4,540,124	5,507,327	10,047,451
Committed to litigation liabilities	1,339,208	-	1,339,208	-	1,339,208
Committed to Treasurer	2,240,171	(184,286)	2,055,885	(314,966)	1,740,919
Assigned to Parks and Recreation	400,000	(400,000)	-	-	-
Assigned to Public Works (bridges)	833,536	252,508	1,086,044	438,900	1,524,944
Assigned to Economic Development Incentive Program	179,842	-	179,842	-	179,842
Assigned to School operations	3,968,464	(3,369,585)	598,879	(598,000)	879
Assigned to Clerk of Circuit Court	109,893	-	109,893	-	109,893
Assigned to temporary jail facility	194,641	(194,641)	-	-	-
Other commitments and assignments	834,354	(782,512)	51,842	(14,500)	37,342
Total restrictions, commitments and assignments	\$ 54,361,992	\$ (7,019,123)	\$ 47,342,869	\$ 8,432,691	\$ 55,775,560
Unassigned Fund Balance	\$ 93,388,369	\$ (9,043,364)	\$ 84,345,004	\$ (5,095,454)	\$ 79,249,550

Notes:

Fund Balance as of July 1, 2014 is reduced by outstanding purchase orders funded with prior year appropriations (\$5.8 million). These purchase orders are stated as commitments on the annual financial reports.

The Unassigned Fund Balance at July 1, 2014 is restated to include emergency reserves that were formerly considered committed. A revision in the Fund Balance policy eliminated the emergency commitments. The revision requires the City to budget for an Unassigned Fund Balance equal to 12% of General Fund revenue.

The fund balance is increased or decreased based on budgeted revenue, expenditures, and transfers to/from other funds.

Summary of overall increases and decreases in General Fund Balance:

	<u>FY 2015 *</u>	<u>FY 2016</u>
Operating revenues, expenditures and transfers:		
Projected revenues	\$ 516,075,741	\$ 526,095,903
Budgeted expenditures (appropriations)	(276,553,951)	(287,820,712)
Net transfers to school operating funds	(179,463,697)	(183,222,000)
Net transfers to other operating funds	(61,590,626)	(45,801,898)
Anticipated savings from vacant positions	7,500,000	7,500,000
Anticipated savings in non-payroll accounts	-	-
Projected operating results	\$ 5,967,467	\$ 16,751,293
Transfers to capital projects funds	(22,029,954)	(13,414,056)
Net increase (decrease) in Fund Balance	<u>\$ (16,062,487)</u>	<u>\$ 3,337,237</u>

* Operating revenues, expenditures and transfers for FY 2015 reflect budget transfers and adjustments since the July 1, 2014 and revised spending projected for the remainder of FY 2015.

City Charter Reserves and Council Policy on Unassigned Fund Balance

The City Charter requires the maintenance of cash reserves equivalent to six percent (6%) of annual General Fund revenue. The City Council also adopted a budget policy to project an unassigned fund balance of at least twelve percent (12%). This schedule includes the Charter and policy reserve requirements. For FY 2016, 18% of the revenue growth in the Greenbrier and South Norfolk TIF districts will be transferred to the General Fund. Since the General Fund reserves and unassigned fund balance already exceed policy and Charter requirements, no further increases in the reserve is required for the General Fund.

FY 2016 Revenue Projection

General Fund	\$ 526,095,903
South Norfolk TIF	3,957,700
Greenbrier TIF	5,491,600
Total Applicable FY 2016 Revenue	<u>\$ 535,545,203</u>

	<u>Charter</u>	<u>Unassigned Fund Balance</u>	<u>Total Reserves</u>
Charter reserve requirement - must retain reserve equal to 6% of general fund revenue	\$ 32,132,712		
Policy reserve target - unassigned fund balance will be at least 10% of General Fund Revenue; recommended budgeting at 12%		\$ 64,265,424	
Total reserve requirements	<u>\$ 32,132,712</u>	<u>\$ 64,265,424</u>	<u>\$ 96,398,137</u>
Funds available to meet reserve requirements:			
Fund Balances at June 30, 2014:			\$ 129,632,204
Restricted for cash flow (charter)	\$ 31,310,247		
Committed for operating emergencies		\$ 26,091,873	
Emergency events contingency (Core)		20,000,000	
Unassigned fund balance		52,230,084	
Increased reserves planned in FY 2015 budget	632,182	526,818	1,159,000
Release of committed fund balances (1)		771,489	771,489
Anticipated uses of Unassigned Fund Balance <i>see details on following page</i>	-	(21,268,391)	(21,268,391)
FY 2016 increased reserve requirements			
From South Norfolk TIF	12,178	24,257	36,435
From Greenbrier TIF	4,300	8,600	12,900
From Unassigned Fund Balance	173,805	(173,805)	-
Total available to address reserve requirements	<u>\$ 32,132,712</u>	<u>\$ 78,210,925</u>	<u>\$ 110,343,637</u>
Excess (deficiency) of reserves over requirements	<u>\$ -</u>	<u>\$ 13,945,500</u>	<u>\$ 13,945,500</u>

Note 1 - on June 23, 2015, City Council released commitments established in FY 2011 for rising energy costs and unemployment compensation costs related to displaced employees. The commitments established in FY 2011 were never appropriated as funding was available in the subsequent operating budgets.

**City Charter Reserves and
 Council Policy on Unassigned Fund Balance**

<u><i>Anticipated uses of Unassigned Fund Balance:</i></u>	<u><i>Charter</i></u>	<u><i>Unassigned Fund Balance</i></u>	<u><i>Total Reserves</i></u>
School revenue sharing from FY 2013 used in 2015	\$ -	\$ (3,297,449)	\$ (3,297,449)
School revenue sharing from FY 2014 used in 2016	-	(598,879)	(598,879)
City payroll conversion - FY 2016	-	(3,466,000)	(3,466,000)
Other changes in fund balances	-	(102,693)	(102,693)
Transfers to Capital Projects from Fund Balance (2)			
FY 2015		(9,835,050)	(9,835,050)
FY 2016		(3,968,320)	(3,968,320)
Total anticipated uses of Unassigned Fund Balance	\$ -	\$ (21,268,391)	\$ (21,268,391)

Note 2 - Total transfers from the General Fund to Capital Projects Funds totaled \$19.94 million in FY 2015 and \$13.41 million in FY 2016. Of that amount, \$9.84 million and \$3.97 million was provided during FY 2015 and FY 2016 respectively from the GF unassigned fund balance. The remainder was funded from the capital lockboxes.

Fund Balance Schedules

100	General Fund	FY 2013-14	FY 2014-15	FY 2015-16
	Beginning Fund Balance	\$ 140,433,863	\$ 147,750,361	\$ 131,687,874
	Revenue collections	507,063,860	516,075,741	526,095,903
	Restatement of Mowing internal service charges (see Fund 601)	518,114	-	-
	Restatement of Jail Principal and Interest payments	2,528,058	-	-
	Transfers from other funds	1,349,137	1,584,360	3,633,695
	Total funds available	\$ 651,893,032	\$ 665,410,462	\$ 661,417,472
	Expenditures	(252,157,680)	(276,553,951)	(287,820,712)
	Encumbrance adjustments after close of year	4,215	-	-
	Transfers to Chesapeake Public Schools	(178,417,342)	(179,391,561)	(183,222,000)
	School Reversion (FY 2014)	72,136	(72,136)	-
	Transfers to Capital Fund	(12,677,588)	(20,347,501)	(13,414,056)
	Transfers to other operating funds	(60,966,412)	(63,174,986)	(49,435,593)
	Amendments during FY 2014-15	-	(1,682,453)	-
	Estimated vacancy savings	-	7,500,000	7,500,000
	Ending Fund Balance	\$ 147,750,361	\$ 131,687,874	\$ 135,025,111

Special Revenue Funds

201	Virginia Public Assistance	FY 2013-14	FY 2014-15	FY 2015-16
	Beginning Fund Balance	\$ 1,353,927	\$ 2,275,694	\$ 2,275,694
	Revenue collections	12,749,871	13,906,103	13,475,310
	Transfers from other funds	5,987,943	7,200,982	7,294,708
	Total funds available	\$ 20,091,741	\$ 23,382,779	\$ 23,045,712
	Expenditures	(17,780,781)	(21,085,921)	(21,618,827)
	Transfers to other operating funds	(35,266)	(21,164)	(21,191)
	Ending Fund Balance	\$ 2,275,694	\$ 2,275,694	\$ 1,405,694

203	Interagency Consortium	FY 2013-14	FY 2014-15	FY 2015-16
	Beginning Fund Balance	\$ 623,805	\$ 990,633	\$ 990,633
	Revenue collections	1,910,046	2,061,264	2,011,958
	Transfers from other funds	1,744,745	1,790,646	1,450,979
	Total funds available	\$ 4,278,596	\$ 4,842,543	\$ 4,453,570
	Expenditures	(3,286,471)	(3,851,910)	(3,812,937)
	Transfers to other operating funds	(1,492)	-	-
	Ending Fund Balance	\$ 990,633	\$ 990,633	\$ 640,633

City of Chesapeake, Virginia
 FY 2015-16 Operating Budget

Fund Balance Schedules

204	<u>Fee Supported Activities</u>	FY 2013-14	FY 2014-15	FY 2015-16
	Beginning Fund Balance	\$ 628,303	\$ 1,050,455	\$ 647,834
	Revenue collections	501,800	815,541	734,000
	Transfers from other funds	-	-	-
	Total funds available	\$ 1,130,103	\$ 1,865,996	\$ 1,381,834
	Expenditures	(77,562)	(1,018,162)	(982,041)
	Use of Fund Balance approved for Demolition program		(200,000)	
	Transfers to other operating funds	(2,086)	-	-
	Ending Fund Balance	\$ 1,050,455	\$ 647,834	\$ 399,793

205	<u>Integrated Behavioral Healthcare</u>	FY 2013-14	FY 2014-15	FY 2015-16
	Beginning Fund Balance	\$ 6,385,410	\$ 6,347,791	\$ 5,604,291
	Revenue collections	13,785,845	15,078,358	15,352,685
	Transfers from other funds	6,019,030	7,342,301	7,805,913
	Total funds available	\$ 26,190,285	\$ 28,768,450	\$ 28,762,889
	Expenditures	(19,083,876)	(22,399,059)	(22,867,948)
	Transfers to Capital Fund	(750,000)	(765,100)	-
	Transfers to other operating funds	(8,618)	-	(290,650)
	Ending Fund Balance	\$ 6,347,791	\$ 5,604,291	\$ 5,604,291

206	<u>Conference Center Fund</u>	FY 2013-14	FY 2014-15	FY 2015-16
	Beginning Fund Balance	\$ 3,297,862	\$ 3,707,718	\$ 3,324,809
	Revenue collections	5,145,505	5,267,774	5,262,541
	Transfers from other funds	-	-	-
	Total funds available	\$ 8,443,367	\$ 8,975,492	\$ 8,587,350
	Expenditures	(3,635,635)	(3,777,683)	(3,757,541)
	Transfers to Capital Fund	(95,000)	(873,000)	(505,000)
	Transfers to other operating funds	(1,005,014)	(1,000,000)	(1,000,000)
	Ending Fund Balance	\$ 3,707,718	\$ 3,324,809	\$ 3,324,809

207	<u>E-911 Operations Fund</u>	FY 2013-14	FY 2014-15	FY 2015-16
	Beginning Fund Balance	\$ 1,333,485	\$ 1,982,576	\$ 2,254,178
	Revenue collections	6,182,679	6,184,371	6,321,569
	Transfers from other funds	18,297	-	-
	Total funds available	\$ 7,534,461	\$ 8,166,947	\$ 8,575,747
	Expenditures	(5,548,061)	(5,895,723)	(6,264,668)
	Transfers to other operating funds	(3,824)	-	-
	Use of Fund Balance for Cell Tower Repairs	-	(17,046)	-
	Ending Fund Balance	\$ 1,982,576	\$ 2,254,178	\$ 2,311,079

City of Chesapeake, Virginia
 FY 2015-16 Operating Budget

Fund Balance Schedules

208	<u>Juvenile Services</u>	FY 2013-14	FY 2014-15	FY 2015-16
	Beginning Fund Balance	\$ 503,015	\$ 786,181	\$ 786,181
	Revenue collections	3,803,752	3,624,310	4,294,033
	Transfers from other funds	1,869,660	2,381,970	2,412,027
	Total funds available	\$ 6,176,427	\$ 6,792,461	\$ 7,492,241
	Expenditures	(5,389,087)	(6,006,280)	(6,777,081)
	Transfers to other operating funds	(1,159)	-	-
	Ending Fund Balance	\$ 786,181	\$ 786,181	\$ 715,160

209	<u>Tax Increment Financing - Greenbrier</u>	FY 2013-14	FY 2014-15	FY 2015-16
	Beginning Fund Balance	\$ 13,770,600	\$ 16,879,140	\$ 14,775,115
	Revenue collections	4,847,817	5,420,000	5,491,600
	Transfers from other funds	-	-	-
	Total funds available	\$ 18,618,417	\$ 22,299,140	\$ 20,266,715
	Expenditures	(1,246)	(450,000)	(12,000)
	Transfers to Capital Fund	-	(5,236,618)	-
	Transfers to Debt Service Fund	(1,460,558)	(1,543,747)	(1,471,088)
	Transfers to other operating funds	(277,473)	(293,660)	(2,306,560)
	Ending Fund Balance	\$ 16,879,140	\$ 14,775,115	\$ 16,477,067

212	<u>Tax Increment Financing - South Norfolk</u>	FY 2013-14	FY 2014-15	FY 2015-16
	Beginning Fund Balance	\$ 7,316,446	\$ 6,598,944	\$ 6,180,518
	Revenue collections	3,556,302	3,755,360	3,957,700
	Transfers from other funds	-	-	-
	Total funds available	\$ 10,872,748	\$ 10,354,304	\$ 10,138,218
	Expenditures	(2,652)	(400,000)	(75,000)
	Transfers to Capital Fund	(2,550,000)	(1,934,300)	-
	Transfers to Debt Service Fund	(608,147)	(723,786)	(604,215)
	Transfers to other operating funds	(1,113,005)	(1,115,700)	(1,152,135)
	Ending Fund Balance	\$ 6,598,944	\$ 6,180,518	\$ 8,306,868

800	<u>Mosquito Control Commission</u>	FY 2013-14	FY 2014-15	FY 2015-16
	Beginning Fund Balance	\$ 4,494,684	\$ 4,630,550	\$ 2,780,051
	Revenue collections	4,041,220	3,946,338	4,057,776
	Transfers from other funds	-	-	-
	Total funds available	\$ 8,535,904	\$ 8,576,888	\$ 6,837,827
	Expenditures	(3,905,354)	(4,546,837)	(4,421,125)
	Transfers to Capital Fund	-	(1,250,000)	-
	Transfers to other operating funds	-	-	-
	Ending Fund Balance	\$ 4,630,550	\$ 2,780,051	\$ 2,416,702

Fund Balance Schedules

401	<u>Debt Service Fund</u>	FY 2013-14	FY 2014-15	FY 2015-16
	Beginning Fund Balance	\$ 33,241,774	\$ 29,198,170	\$ 23,247,594
	Revenue collections	2,673,993	1,090,569	1,005,491
	Tranfers from General Fund	45,000,141	44,459,087	30,466,966
	Transfers from other funds	4,331,700	3,331,963	3,430,383
	Adjustment from TIF transfers for Interest reimbursements		(2,141)	-
	Total funds available	\$ 85,247,608	\$ 78,079,789	\$ 58,150,434
	Expenditures	(56,061,644)	(53,437,514)	(39,402,840)
	Transactions budgeted as expenditures	12,206	-	-
	Transfers to School Lockbox for VPSA refunding	-	(1,394,681)	-
	Ending Fund Balance	\$ 29,198,170	\$ 23,247,594	\$ 18,747,594

Internal Service Funds

601	<u>City Garage/Central Fleet</u>	FY 2013-14	FY 2014-15	FY 2015-16
	Beginning Fund Balance	\$ 4,949,303	\$ 2,657,729	\$ 2,622,283
	Revenue collections	15,211,569	14,788,891	15,435,231
	Restatement of Sheriff mowing revenue from the General Fund	(518,114)	-	-
	Other transactions	123,764		
	Purchase of capital assets from grants	48,923		
	Transfers from other funds	229,187	-	-
	Total funds available	\$ 20,044,632	\$ 17,446,620	\$ 18,057,514
	Expenditures	(17,379,329)	(14,788,891)	(15,432,731)
	Transfers to other operating funds	(7,574)	-	-
	Appropriation from Fund Balance for shop tools destroyed in fire		(35,446)	
	Ending Fund Balance	\$ 2,657,729	\$ 2,622,283	\$ 2,624,783

603	<u>Information Technology</u>	FY 2013-14	FY 2014-15	FY 2015-16
	Beginning Fund Balance	\$ 5,858,248	\$ 5,680,456	\$ 4,608,886
	Revenue collections	8,955,319	9,887,679	9,904,731
	Transfers from other funds	-	-	-
	Total funds available	\$ 14,813,567	\$ 15,568,135	\$ 14,513,617
	Expenditures	(9,102,040)	(9,887,679)	(9,907,581)
	Transfers to other operating funds	(31,071)	-	-
	Transfers to Capital Funds	-	(380,000)	(1,274,043)
	Budget amendments for transfer to Capital Funds	-	(691,570)	-
	Ending Fund Balance	\$ 5,680,456	\$ 4,608,886	\$ 3,331,993

Fund Balance Schedules

606	<u>Risk Management</u>	FY 2013-14	FY 2014-15	FY 2015-16
	Beginning Fund Balance	\$ (3,325,634)	\$ (3,101,535)	\$ (3,101,535)
	Revenue collections	10,543,275	8,066,848	8,501,899
	Transfers from other funds		-	-
	Total funds available	\$ 7,217,641	\$ 4,965,313	\$ 5,400,364
	Expenditures	(10,319,176)	(8,066,848)	(8,501,899)
	Transfers to Capital Funds	-	-	-
	Ending Fund Balance	\$ (3,101,535)	\$ (3,101,535)	\$ (3,101,535)

Enterprise Funds

501	<u>Public Utilities - Operating Funds</u>	FY 2013-14	FY 2014-15	FY 2015-16
	Beginning Fund Balance	\$ 67,851,173	\$ 82,824,028	\$ 83,996,586
	Revenue collections	67,424,597	63,259,140	69,432,832
	Other transactions	4,094,299	-	-
	Transfers from other funds	-	-	-
	Total funds available	\$ 139,370,069	\$ 146,083,168	\$ 153,429,418
	Expenditures - Operations	(54,284,366)	(61,136,582)	(64,299,471)
	Transfers to Capital Fund	(2,261,675)	(950,000)	(3,298,834)
	Transfers to other operating funds	-	-	-
	Ending Fund Balance	\$ 82,824,028	\$ 83,996,586	\$ 85,831,113

520	<u>Stormwater - Operating Fund</u>	FY 2013-14	FY 2014-15	FY 2015-16
	Beginning Fund Balance	\$ 7,508,494	\$ 9,681,056	\$ 9,181,800
	Revenue collections	15,344,239	15,305,996	15,630,700
	Other transactions	29	-	-
	Transfers from other funds	10,000	-	-
	Total funds available	\$ 22,862,762	\$ 24,987,052	\$ 24,812,500
	Expenditures	(7,331,706)	(10,369,087)	(14,567,289)
	Transfers to Capital Fund	(5,850,000)	(4,936,165)	(5,066,000)
	Appropriation from Fund Balance for Street Sweepers		(500,000)	-
	Transfers to other operating funds	-	-	-
	Ending Fund Balance	\$ 9,681,056	\$ 9,181,800	\$ 5,179,211

Fund Balance Schedules

525	Chesapeake Transportation System	FY 2013-14	FY 2014-15	FY 2015-16
	Beginning Fund Balance	\$ 32,552,887	\$ 18,209,997	\$ 23,383,742
	Revenue collections	10,534,624	10,684,513	11,634,924
	Transfers from other funds	-	-	-
	Total funds available	\$ 43,087,511	\$ 28,894,510	\$ 35,018,666
	Expenditures	(7,996,687)	(4,820,768)	(5,330,848)
	Transfers to Capital Funds	-	(690,000)	(830,103)
	Capitalizable payments from operating fund	(16,880,827)	-	-
	Transfers to other operating funds	-	-	-
	Ending Fund Balance	\$ 18,209,997	\$ 23,383,742	\$ 28,857,715

900	Chesapeake Public Schools	FY 2013-14	FY 2014-15	FY 2015-16
	Beginning Fund Balance	\$ 39,249,331	\$ 30,263,913	\$ 19,663,885
	Revenue collections	241,682,398	256,166,155	259,848,292
	Other transactions including Self Insurance fund	2,528,673	-	-
	Transfers from other funds	178,345,206	179,463,697	183,222,000
	Total funds available	\$ 461,805,608	\$ 465,893,765	\$ 462,734,177
	Expenditures	(431,541,695)	(446,229,880)	(453,473,904)
	Transfers to Capital Funds	-	-	-
	Ending Fund Balance	\$ 30,263,913	\$ 19,663,885	\$ 9,260,273

Fund Recap

Beginning Fund Balances				
	General Fund	\$ 140,433,863	\$ 147,750,361	\$ 131,687,874
	Special Revenue Funds	39,707,537	45,249,682	39,619,304
	Debt Service Fund	33,241,774	29,198,170	23,247,594
	Internal Service Funds	7,481,917	5,236,650	4,129,634
	Enterprise Funds	107,912,554	110,715,081	116,562,128
	Chesapeake Public Schools Funds	39,249,331	30,263,913	19,663,885
	Total Beginning Fund Balances	\$ 368,026,976	\$ 368,413,857	\$ 334,910,419

Ending Fund Balances				
	General Fund	\$ 147,750,361	\$ 131,687,874	\$ 135,025,111
	Special Revenue Funds	45,249,682	39,619,304	41,633,950
	Debt Service Fund	29,198,170	23,247,594	18,747,594
	Internal Service Funds	5,236,650	4,129,634	2,855,241
	Enterprise Funds	110,715,081	116,562,128	119,868,039
	Chesapeake Public Schools Funds	30,263,913	19,663,885	9,260,273
	Total Ending Fund Balances	\$ 368,413,857	\$ 334,910,419	\$ 327,390,208