

GOVERNMENTAL-TYPE FUNDS

The City's adopted budget contains appropriations for four major and nine non-major governmental-type funds. The General Fund, Capital Improvement Fund, Debt Service Fund, and the Economic Development Fund are all considered major governmental-type funds. Of the nine non-major governmental-type funds, only four are appropriated and presented in this budget: Community Development Block Grant (CDBG), Stormwater Management and the two Community Development Authorities - the Peninsula Town Center and the H2O. The modified accrual basis is used to budget all governmental-type funds.

A description which explains the purpose of each of the funds listed in the Manager's Recommended Budget are presented in the order which they appear in the document.

General Fund

The General Fund is the City's primary operating Fund. The General Fund accounts for all revenues and expenditures of the City, which are not accounted for in other Funds. Revenues are primarily derived from general property taxes, other local taxes, revenue from other governmental units and recovered costs. A significant part of the General Fund's revenue is transferred to other Funds, principally to fund the operations of the Hampton City Schools and debt service requirements of the City. Expenditures include, among other things, those for general government, public safety, highways and streets, culture and recreation and health and human services.

Debt Service Fund

The Debt Service Fund accounts for and reports financial resources that are restricted, committed or assigned to expenditure for principal and interest. Primary resources of the Debt Service Fund are derived from transfers from the General Fund and the proceeds from the issuance of refunding bonds.

Capital Improvement Fund

The Capital Projects Fund accounts for all general City and School construction projects and reports financial resources that are restricted, committee or assigned to expenditures for capital outlays which are financed through general obligation debt and general operating funds, with the exception of projects related to Enterprise and Internal Service Funds.

PROPRIETARY-TYPE FUNDS

The departments within these Funds are accounted for on a similar basis as a private business. The City maintains two types of propriety funds; Internal Service and Enterprise Funds. These funds are budgeted using the full accrual basis for budgeting.

Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost reimbursement basis. The Internal Service Fund departments include the Equipment Replacement Fund, Fleet Services Fund, Information Technology Fund and Risk Management.

- **Equipment Replacement Fund** accounts for the costs of replacing the City's vehicles and certain equipment.
- **Fleet Services Fund** accounts for the operations of the City's central automotive maintenance and major vehicle service facility.
- **Information Technology Fund** accounts for the costs of providing the following services: computer technical support, internet and telecommunications services.
- **Risk Management Fund** accounts for the costs of providing insurance coverage and certain self-insured liabilities of the City and the School Board.

Enterprise Funds

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that costs of operating and providing services to the general public are completely or partially financed from user fees; or (b) where the governing body has determined the periodic determination of net operations is appropriate for management control and accountability. The City's Enterprise Funds account for the operation of the Hampton Coliseum and Arts Commission, the Hampton Roads Convention Center, the Hamptons Golf Course and the Woodlands Golf Course. Revenues for these Funds are derived from user fees and meal and lodging taxes.

- **Hampton Coliseum/Arts Commission Fund** accounts for revenues generated and expenses associated with shows, meetings, civic/community events and other activities provided by the Hampton Coliseum and Arts Commission.
- **Hampton Roads Convention Center Fund** accounts for the revenues and expenses associated with the activities conducted at the Convention Center
- **The Hamptons Golf Course Fund** accounts for the operations of three 9-hole golf courses, snack bar, pro shop and miscellaneous rental revenues.
- **The Woodlands Golf Course Fund** accounts for the operations of an 18-hole golf course, snack bar, pro shop and miscellaneous rental revenues

Also included under the Enterprise Fund model is the Solid Waste Management Fund, the Refuse-Steam Plant Fund and the Wastewater Management Fund. The Stormwater Management Fund, which is technically a Special Revenue Fund, is also included in the *Public Works Fund* grouping. Revenues for these Funds are derived from user fees.

Public Works Funds

- **Solid Waste Management Fund** is an Enterprise Fund which pays for such services as refuse collection and recycling. Revenue for this fund is derived from commercial tipping fees and residential user fees.
- **Steam Plant Fund** is an Enterprise Fund that accounts for the City's steam generating plant operations. Revenues are derived from solid waste disposal fee (tipping fee) charged to the Solid Waste Fund, the sale of steam to the United States Government and user fees charged to other external customers.
- **Stormwater Management Fund** is a Special Revenue Fund that accounts for those services that improve the City's storm drainage system. The revenues for this fund are derived primarily from Stormwater user fees.
- **Wastewater Management Fund** is an Enterprise Fund, created in FY 2000, earmarks sewer revenues for sewer line upgrades. Revenue for this fund comes from the sewer user fee and new connections fees.

Special Revenue Funds

Revenues in this fund are restricted for a specific purpose. Examples of special revenue funds are the Community Development Block Grant (CDBG) Fund and the Economic Development Fund.

- **Community Development Block Grant (CDBG) Fund** is the depository for the funds that are awarded to the City annually from the Department of Housing and Urban Development. CDBG funds are used to complement other resources in the implementation of the Healthy Neighborhoods Initiative.
- **Economic Development Fund** was established to finance the costs of capital investments, improvement, expenditure and any other approved expenditure, which will assist economic development and improve the physical appearance of the City. Revenues are earned from unrestricted land sales, special assessments, projects financed by the Fund and unrestricted rental receipts.



SUMMARY OF BUDGETED FUNDS Fiscal Year 2018

Revenues

Expenditures

General Fund

General Property Taxes	\$182,526,046	Constitutional, Judicial & Electoral	\$15,932,825
Other Local Taxes	78,949,938	Economic Vitality & Neighborhoods	7,876,421
License, Permit & Privilege Fees	1,364,600	Infrastructure	18,600,997
Fines and Forfeitures	1,616,270	Leisure Services	7,089,857
Revenue from Use of Money/Property	1,034,950	Public Safety	49,067,185
Charges for Services	9,236,130	Quality Government	16,734,536
Miscellaneous Revenue	5,490,153	Youth and Families	28,158,391
Unrestricted State Revenue	829,828	Retirement and Employee Benefits	42,864,268
State Revenue for City/State Depts.	24,297,060	Contribution to Agencies	21,132,043
State Revenue for City Departments	24,115,845	Debt Service	33,392,972
Federal Funding for City Departments	30,500	Transfer to Capital Budget	14,038,105
General Fund Balance Transfers	5,728,989	Transfer to Other Funds	9,296,293
Transfer from Hampton City Schools	2,000,000		
	337,220,309		
Sub-total City Operations		Sub-total City Operations	264,183,893

School Operations

State Funds	92,303,250
State Lottery	13,154,824
Share 1% Sales Tax	21,603,117
Federal Projects	940,000
Other Funds	2,622,500
	130,623,691
Sub-total School Operations	130,623,691
Total General Fund	\$467,844,000

School Operations

State Funds	127,061,191
Federal Funds	940,000
Miscellaneous Revenues	2,622,500
Required Local Contribution	37,233,502
Requirements	35,802,914
	203,660,107
Sub-total School Operations	203,660,107
Total General Fund	\$467,844,000

Capital Improvement Fund

General Fund Balance Transfer	\$3,624,401	Economic Growth Projects	\$3,210,500
General Fund Operating/Revenue Sharing - City	3,058,866	Educated and Engaged Citizenry Projects	6,459,803
Dedicated Tax Rate Increase - School System	1,000,000	Good Government Projects	14,719,882
Urban Maintenance Contribution	6,354,838	Living with Water Projects	5,088,130
Economic Development Fund	187,500	Place Making Projects	3,515,241
General Obligation Bond Proceeds - City	7,314,418	Safe and Clean Community Projects	4,638,681
General Obligation Bond Proceeds - School	5,287,500		
Pearl Young Bench Grant	23,355		
Stormwater Management Fund	3,080,030		
Stormwater Management Fund - Fund Balance	1,453,100		
VDOT Highway Safety Improvement Program	75,044		
VDOT Revenue Sharing State Match	760,185		
VDOT Smart Scale Funding	1,023,000		
Wastewater Management Fund	4,390,000		
	\$37,632,237		
Total Capital Improvement Fund	\$37,632,237	Total Capital Improvement Fund	\$37,632,237

Revenues

Expenditures

Internal Service Funds

Fleet Services Fees	\$7,841,325	Fleet Services	\$7,841,325
Fleet Equipment Replacement Fund	3,072,330	Fleet Equipment Replacement Fund	3,072,330
Information Technology Fees	2,788,742	Information Technology	2,788,742
Insurance/Workers Comp. Fees	8,597,651	Risk Management	8,597,651
Total Internal Service Funds	<u>\$22,300,048</u>	Total Internal Service Funds	<u>\$22,300,048</u>

Enterprise Funds

Coliseum Charges	\$6,799,163	Hampton Coliseum ~ Arts Commission	\$6,799,163
Convention Center Revenues and Transfers	10,071,532	Hampton Roads Convention Center	10,071,532
The Hamptons Golf Course Fees, Rentals and Transfers	1,073,103	The Hamptons Golf Course	1,073,103
The Woodlands Golf Course Fees and Rentals	836,107	The Woodlands Golf Course	836,107
Total Enterprise Funds	<u>\$18,779,905</u>	Total Enterprise Funds	<u>\$18,779,905</u>

Public Works Funds

Solid Waste Management Fund	\$15,980,634	Solid Waste Management Fund	\$15,980,634
Steam Plant	7,957,775	Steam Plant	7,957,775
Stormwater Management Fund	11,134,807	Stormwater Management Fund	11,134,807
Wastewater Management Fund	10,592,589	Wastewater Management Fund	10,592,589
Total Public Works Funds	<u>\$45,665,805</u>	Total Public Works Funds	<u>\$45,665,805</u>

Special Revenue Funds

Community Development Block Grant (CDBG)

CDBG Program	\$1,164,801	Community Development Block Grant	\$1,289,801
CDBG Estimated Program Income	25,000	HOME Grant	542,800
CDBG Reimbursement	100,000		
HOME Investment Partnership Program	372,800		
HOME Program Income	170,000		
Sub-Total - CDBG	<u>1,832,601</u>	Sub-Total - CDBG	<u>1,832,601</u>

Economic Development Fund

Rental Income	\$201,576	Centers of Excellence	\$245,000
Economic Development Fund Balance	305,924	NASA Aeronautics Support Team	75,000
		Transfer to Capital Projects Fund	187,500
Sub-Total - Economic Development Fund	<u>507,500</u>	Sub-Total - Economic Development Fund	<u>507,500</u>
Total Special Revenue Funds	<u>\$2,340,101</u>	Total Special Revenue Funds	<u>\$2,340,101</u>

**SUMMARY OF REVENUES,
EXPENDITURES AND CHANGES
IN FUND BALANCE
Fiscal Years 2015-2018**

General Fund					
Revenues	FY 2015 Actual	FY 2016 Actual	FY 2017 Budget	FY 2017 Adjusted	FY 2018 Budget
General Property Taxes	\$175,164,110	\$180,355,534	\$180,647,876	\$180,647,876	\$182,526,046
Other Local Taxes	75,405,819	77,912,842	78,309,567	78,309,567	78,949,938
License, Permit & Privilege Fees	1,298,883	1,408,572	1,296,144	1,296,144	1,364,600
Fines and Forfeitures	1,967,230	1,549,731	1,640,293	1,640,293	1,616,270
Revenue from Use of Money/Property	454,139	558,308	438,592	438,592	1,034,950
Charges for Services	9,232,118	9,329,554	9,147,513	9,147,513	9,236,130
Miscellaneous Revenue	5,382,424	5,400,099	5,533,584	5,533,584	5,490,153
Unrestricted State Revenue	821,467	854,445	813,825	813,825	829,828
State Revenue for City/State Depts.	22,549,174	23,681,761	24,227,362	24,227,362	24,297,060
State Revenue for City Departments	22,779,822	23,565,316	23,846,193	23,846,193	24,115,845
Education Pass-thru Funds Federal and State	123,477,722	123,684,054	128,979,001	128,979,001	130,623,691
Federal Funding for City Departments	47,324	15,139	30,500	30,500	30,500
Total Revenues	438,580,232	448,315,355	454,910,450	454,910,450	460,115,011
Expenditures					
Constitutional, Judicial & Electoral	15,394,253	16,091,634	15,691,685	15,862,417	15,932,825
Economic Vitality & Neighborhoods	7,339,002	7,552,128	7,788,296	7,958,697	7,876,421
Infrastructure	17,412,525	18,171,288	18,188,951	18,493,814	18,600,997
Leisure Services	6,633,561	6,811,709	6,822,603	7,143,020	7,089,857
Public Safety	45,588,406	47,526,405	47,248,223	48,589,657	49,067,185
Quality Government	14,380,211	13,459,865	16,732,133	16,983,441	16,734,536
Youth and Families	26,012,893	26,434,065	27,925,272	28,052,986	28,158,391
Retirement and Employee Benefits	38,050,998	38,230,743	43,028,612	40,341,743	42,864,268
Contributions to Outside Agencies	17,461,913	20,971,799	20,655,161	20,655,161	21,132,043
Education Local Contribution	71,112,223	71,112,223	71,471,416	71,471,416	73,036,416
Education Pass-thru Funds	123,477,722	123,684,054	128,979,001	128,979,001	130,623,691
Total Expenditures Before Transfers	382,863,707	390,045,913	404,531,353	404,531,353	411,116,630
Excess (deficiency) of revenues over (under) expenditures	55,716,525	58,269,442	50,379,097	50,379,097	48,998,381
Other Financing Sources (Uses)					
Transfers from Schools	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Transfers In/(Out)	117,460	230,625	-	-	-
Transfer to Debt Service Fund	(33,395,324)	(33,237,203)	(33,392,972)	(33,392,972)	(33,392,972)
Transfer to Capital Improvement Fund	(12,958,989)	(15,959,882)	(15,913,623)	(15,913,623)	(14,038,105)
Transfer to Other Funds	(9,937,414)	(9,445,247)	(9,356,158)	(9,356,158)	(9,296,293)
Total Other Financing Sources (Uses)	(54,174,267)	(56,411,707)	(56,662,753)	(56,662,753)	(54,727,370)
Net Changes in Fund Balance*	1,542,258	1,857,735	(6,283,656)	(6,283,656)	(5,728,989)
Fund Balance at Beginning of Year	91,775,935	93,318,193	93,318,193	93,318,193	87,034,537
Fund Balance at Begin. of Year, as restated	-	93,607,599	-	-	-
Fund Balance at End of Year	\$93,318,193	\$95,465,334	\$87,034,537	\$87,034,537	\$81,305,548

*for budgeted years, this is the expected appropriation from Fund Balance

**SUMMARY OF REVENUES,
EXPENDITURES AND CHANGES
IN FUND BALANCE
Fiscal Years 2014-2018**

Debt Service Fund

Revenues	FY 2015 <u>Actual</u>	FY 2016 <u>Actual</u>	FY 2017 <u>Budget</u>	FY 2017 <u>Adjusted</u>	FY 2018 <u>Budget</u>
Intergovernmental Revenues:					
From the Federal Government	\$251,711	\$253,069	\$0	\$0	\$0
Revenues from Use of Money and Property	408	766	0	0	0
Miscellaneous	8,624	0	0	0	0
Recovered Costs	0	0	0	0	0
Total Operating Revenues	260,743	253,835	0	0	0
Expenditures					
Debt Service:					
Principal Retirement	23,152,483	22,336,163	22,336,163	22,336,163	21,973,166
Interest and Fiscal Charges	10,899,116	11,153,768	11,056,809	11,056,809	11,419,806
Bond Issuance Costs	519,407	2,535	0	0	0
Total Operating Expenses	34,571,006	33,492,466	33,392,972	33,392,972	33,392,972
Excess (deficiency) of revenues over (under) expenditures	(34,310,263)	(33,238,631)	(33,392,972)	(33,392,972)	(33,392,972)
Other Financing Sources and Uses					
Refunding bonds issued	56,250,000	0	0	0	0
Premium on bonds issued	14,425,435	0	0	0	0
Redemption of refunded bonds	0	0	0	0	0
Payment to refunded bond escrow agent	(70,150,935)	0	0	0	0
Transfers In	33,799,820	33,237,203	33,392,972	33,392,972	33,392,972
Net Other Financing Sources (Uses)	34,324,320	33,237,203	33,392,972	33,392,972	33,392,972
Net Changes in Fund Balance	14,057	(1,428)	0	0	0
Fund Balance at Beginning of Year	\$502,261	\$516,318	\$514,890	\$514,890	\$514,890
Fund Balance at End of Year	\$516,318	\$514,890	\$514,890	\$514,890	\$514,890

*Fund balance beginning of year as restated. Steam Plant bonds payable were reported in the Steam Plant Fund.

**SUMMARY OF REVENUES,
EXPENDITURES AND
CHANGES IN FUND BALANCE
Fiscal Years 2014-2018**

Capital Projects Fund

Revenues	FY 2015 <u>Actual</u>	FY 2016 <u>Actual</u>	FY 2017 <u>Budget</u>	FY 2017 <u>Adjusted</u>	FY 2018 <u>Budget</u>
Intergovernmental Revenues					
From Commonwealth of Virginia	\$1,672,277	\$3,099,924	\$5,989,423	\$5,989,423	\$1,858,229
From Federal Government	4,399,750	6,336,895	0	0	0
Revenues from use of money and property	57,413	181,954	0	0	0
Miscellaneous Revenues	134,984	10,000	0	0	0
Total Revenues	\$6,264,424	\$9,628,773	\$5,989,423	\$5,989,423	\$1,858,229
Expenditures					
Capital Improvements	\$48,448,547	\$56,297,747	\$44,540,620	\$44,540,620	\$37,632,237
Bond Issuance Costs	0	0	0	0	0
Total Expenditures	\$48,448,547	\$56,297,747	\$44,540,620	\$44,540,620	\$37,632,237
Excess (deficiency) of revenues over (under) expenditures	(\$42,184,123)	(\$46,668,974)	(\$38,551,197)	(\$38,551,197)	(\$35,774,008)
Other Financing Sources and (Uses)					
Proceeds from Debt Issuances and Capital Lease:					
General Obligation Bond Proceeds	\$10,135,000	\$20,465,700	\$9,715,104	\$9,715,104	\$7,314,418
General Obligation Bond for Schools	5,287,500	5,287,500	5,287,500	5,287,500	5,287,500
Capital Leases	0	0	0	0	0
Premium on bonds issued	7,258,679	0	0	0	0
Discount on bond issue	0	0	0	0	0
Transfer In/(Out)	13,430,106	16,799,956	23,361,093	23,361,093	23,361,093
Net Other Financing Sources (Uses)	\$67,458,785	\$16,799,956	\$38,363,697	\$38,363,697	\$38,363,697
Net Changes in Fund Balance	\$25,274,662	(\$29,869,018)	(\$187,500)	(\$187,500)	(\$187,500)
Fund Balance at Beginning of Year	42,178,522	67,453,184	37,584,166	37,584,166	37,396,666
Fund Balance at End of Year	\$67,453,184	\$37,584,166	\$37,396,666	\$37,396,666	\$37,209,166

Internal Service Funds

	Fleet Services					Equipment Repla		
	FY 2015 <u>Actual</u>	FY 2016 <u>Actual</u>	FY 2017 <u>Budget</u>	FY 2017 <u>Adjusted</u>	FY 2018 <u>Budget</u>	FY 2015 <u>Actual</u>	FY 2016 <u>Actual</u>	FY 2017² <u>Budget</u>
Operating Revenues								
Charges for Services	\$8,211,350	\$7,867,662	\$7,367,377	\$7,367,377	\$7,841,325	\$1,812,611	\$1,983,409	\$2,344,065
Other	\$1,749	\$4,926				\$0	\$0	\$0
Total Operating Revenues	8,213,099	7,872,588	7,367,377	7,367,377	7,841,325	1,812,611	1,983,409	2,344,065
Operating Expenditures								
Personnel Services	1,281,354	1,345,703	1,361,041	1,361,041	1,486,274	0	0	0
Operating Expenses	7,299,526	6,751,449	5,888,862	5,888,862	6,293,577	192,244	76,646	90,000
Capital Outlay	85,766	53,972	117,474	117,474	61,474	1,905,418	2,220,839	1,410,000
Total Operating Expenses	8,666,646	8,151,124	7,367,377	7,367,377	7,841,325	2,097,662	2,297,485	1,500,000
Operating Income (Loss)	(453,547)	(278,536)	0	0	0	(285,051)	(314,076)	844,065
Nonoperating Revenues (Expenses)								
Interest Income	0	0	0	0	0	6,200	6,075	0
Interest and fiscal charges	(1,901)	(321)	0	0	0	(100,984)	(78,665)	0
Other	11,325	80,623	0	0	0	21,354	6,233	0
Gain (Loss) on Sale of Capital Asset	0	0	0	0	0	380,262	209,333	0
Total Nonoperating Revenues (Expenses)	9,424	80,302	0	0	0	306,832	142,976	0
Income (Loss) before Transfers and Contributed Capital								
Contributed Capital	(444,123)	(198,234)	0	0	0	21,781	(171,100)	844,065
Transfer In (Out)	0	65,098	0	0	0	0	(65,098)	(67,303)
Change in Net Position	(444,123)	(133,136)	0	0	0	21,781	(233,929)	776,762
Net Position, (Deficit) beginning of year	(355,201)	(799,324)	(932,460)	(932,460)	(932,460)	18,253,972	18,275,753	18,041,824
Net Position, (Deficit) end of year	(\$799,324)	(\$932,460)	(\$932,460)	(\$932,460)	(\$932,460)	\$18,275,753	\$18,041,824	\$18,818,586

¹ Includes Hampton City School portion

² TBD (Budget for funds began FY2018)

**STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN NET
POSITION
Fiscal Year 2015 - 2018**

Internal Service Funds

Information Technology							Risk Management¹				
FY 2017² Adjusted	FY 2018 Budget	FY 2015 Actual	FY 2016 Actual	FY 2017 Budget	FY 2017 Adjusted	FY 2018 Budget	FY 2015 Actual	FY 2016 Actual	FY 2017 Budget	FY 2017 Adjusted	FY 2018 Budget
\$2,344,065	\$2,989,135	\$1,967,464	\$2,450,908	\$2,557,930	\$2,557,930	\$2,788,742	\$8,711,003	\$8,381,538	\$8,561,608	\$8,561,608	\$8,597,651
0	0										
2,344,065	2,989,135	1,967,464	2,450,908	2,557,930	2,557,930	2,788,742	8,711,003	8,381,538	8,561,608	8,561,608	8,597,651
0	0	173,094	229,204	225,367	225,367	238,291	270,401	311,027	268,740	268,740	317,833
90,000	90,000	1,891,236	1,940,047	2,089,118	2,089,118	2,266,451	17,563,051	4,750,713	8,291,868	8,291,868	8,279,818
1,410,000	1,452,300	104,481	109,909	284,000	284,000	284,000	1,962	1,564	1,000	1,000	0
1,500,000	1,542,300	2,168,811	2,279,160	2,598,485	2,598,485	2,788,742	17,835,414	5,063,304	8,561,608	8,561,608	8,597,651
844,065	1,446,835	(201,347)	171,748	(40,555)	(40,555)	0	(9,124,411)	3,318,234	0	0	0
0	0	436	1,512	0	0	0	24,518	56,365	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	436	1,512	0	0	0	24,518	56,365	0	0	0
844,065	1,446,835	(200,911)	173,260	(40,555)	(40,555)	0	(9,099,893)	3,374,599	0	0	0
0	0						0	0	0	0	0
(67,303)	(70,565)	0	0	0	0	0	0	0	0	0	0
776,762	1,376,270	(200,911)	173,260	(40,555)	(40,555)	0	(9,099,893)	3,374,599	0	0	0
18,041,824	18,818,586	1,033,601	832,690	1,005,950	1,005,950	965,395	16,331,281	9,353,916	12,728,515	12,728,515	12,728,515
\$18,818,586	\$20,194,856	\$832,690	\$1,005,950	\$965,395	\$965,395	\$965,395	\$7,231,388	\$12,728,515	\$12,728,515	\$12,728,515	\$12,728,515

Enterprise Funds

	Hampton Coliseum					Hampton Roads Convention Center			
	FY 2015 Actual	FY 2016 Actual	FY 2017 Budget	FY 2017 Adjusted	FY 2018 Budget	FY 2015 Actual	FY 2016 Actual	FY 2017 Budget	FY 2017 Adjusted
Operating Revenues									
Charges for Services	\$13,410,801	\$9,660,008	\$8,501,549	\$8,501,549	\$6,799,163	\$2,530,390	\$2,471,330	\$2,776,480	\$2,776,480
Miscellaneous	2,609	2,945	0	0	0	0		0	0
Total Operating Revenues	13,413,410	9,662,953	8,501,549	8,501,549	6,799,163	2,530,390	2,471,330	2,776,480	2,776,480
Operating Expenditures									
Personnel Services	1,388,236	1,335,559	1,582,743	1,582,743	1,635,681	1,180,726	1,270,711	1,366,696	1,366,696
Operating Expenses	11,001,158	8,404,402	4,541,149	4,541,149	4,535,825	5,132,536	4,911,428	2,292,796	2,292,796
Capital Outlay	566,893	568,435	2,377,657	2,377,657	627,657	0	0	0	0
Total Operating Expenses	12,956,287	10,308,396	8,501,549	8,501,549	6,799,163	6,313,262	6,182,139	3,659,492	3,659,492
Operating Income (Loss)	457,123	(645,443)	0	0	0	(3,782,872)	(3,710,809)	(883,012)	(883,012)
Nonoperating Revenues (Expenses)									
Interest Income	1,776	0	0	0	0	799,712	802,241	123,747	123,747
Debt service and fiscal charges	0	0	0	0	0	(4,122,752)	(4,010,667)	(6,475,735)	(6,475,735)
Other	0	0	0	0	0	0	0	0	0
Gain (loss) on sale of capital assets	0	(108)	0	0	0	0	0	0	0
Net Increase (Decrease) in Fair Market Value of Investments	0	0	0	0	0	139,815	74,071	0	0
Total Nonoperating Revenues (Expenses)	1,776	(108)	0	0	0	(3,183,225)	(3,134,355)	(6,351,988)	(6,351,988)
Income (Loss) before Transfers									
Contributed Capital	458,899	(645,551)	0	0	0	(6,966,097)	(6,845,164)	(7,235,000)	(7,235,000)
Contributed Capital	0	0	0	0	0	0	0	0	0
Transfer In (Out)	934,827	926,102	0	0	0	7,243,656	7,259,653	7,235,000	7,235,000
Change in Net Position	1,393,726	280,551	0	0	0	277,559	414,489	0	0
Net Position at Beginning of Year	7,191,253	8,584,979	8,584,979	8,584,979	8,865,530	4,739,173	5,016,732	4,739,173	4,739,173
Net Position (Deficit) End of Year	\$8,584,979	\$8,865,530	\$8,584,979	\$8,584,979	\$8,865,530	\$5,016,732	\$5,431,221	\$4,739,173	\$4,739,173

**STATEMENT OF REVENUES,
EXPENSES AND
CHANGES IN NET POSITION
Fiscal Years 2015 -2018**

Enterprise Funds

FY 2018 Budget	The Hamptons Golf Course					The Woodlands Golf Course				
	FY 2015 Actual	FY 2016 Actual	FY 2017 Budget	FY 2017 Adjusted	FY 2018 Budget	FY 2015 Actual	FY 2016 Actual	FY 2017 Budget	FY 2017 Budget	FY 2018 Budget
\$2,719,149	\$771,413	\$764,265	\$1,073,743	\$1,073,743	\$1,073,103	605,072	645,290	822,062	822,062	\$836,107
37,435	0	0	0	0	0	0	0	0	0	0
2,756,584	771,413	764,265	1,073,743	1,073,743	1,073,103	605,072	645,290	822,062	822,062	836,107
1,421,611	385,576	417,533	482,745	482,745	482,745	325,600	329,219	427,900	427,900	427,900
2,175,233	748,818	508,213	590,998	590,998	590,358	421,269	227,101	394,162	394,162	408,207
0	110,853	58,350	0	0	0	86,619	83,248	0	0	0
3,596,844	1,245,247	984,096	1,073,743	1,073,743	1,073,103	833,488	639,568	822,062	822,062	836,107
(840,260)	(473,834)	(219,831)	0	0	0	(228,416)	5,722	0	0	0
144,807	0	0	0	0	0	0	0	0	0	0
(6,474,688)	(11,482)	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
(6,329,881)	(11,482)	0	0	0	0	0	0	0	0	0
(7,170,141)	(485,316)	(219,831)	0	0	0	(228,416)	5,722	0	0	0
0	58,437	383,625	0	0	0	0	126,192	0	0	0
7,170,141	430,000	11,000	0	0	0	0	0	0	0	0
0	3,121	174,794	0	0	0	(228,416)	131,914	0	0	0
5,431,221	(3,407,646)	(3,404,525)	(3,058,931)	(3,058,931)	(3,229,731)	612,001	383,585	383,585	383,585	\$515,499
5,431,221	(3,404,525)	(3,229,731)	(3,058,931)	(3,058,931)	(3,229,731)	383,585	515,499	383,585	383,585	\$515,499

Public Works Funds

	Solid Waste Fund				
	FY 2015	FY 2016	FY 2017	FY 2017	FY 2018
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Adjusted</u>	<u>Budget</u>
Operating Revenues					
Charges for Services	\$9,451,099	\$13,636,354	\$15,220,328	\$15,220,328	\$15,980,634
Miscellaneous	0	0	0	0	0
Total Operating Revenues	\$9,451,099	\$13,636,354	\$15,220,328	\$15,220,328	\$15,980,634
Operating Expenditures					
Personnel Services	2,119,070	2,230,899	2,336,915	2,336,915	2,507,837
Operating Expenses	7,174,769	7,406,867	9,753,413	9,753,413	10,284,524
Capital Outlay	1,296,988	1,223,087	3,130,000	3,130,000	3,188,273
Debt Service					
Total Operating Expenses	10,590,827	10,860,853	15,220,328	15,220,328	15,980,634
Operating Income (Loss)	(1,139,728)	2,775,501	0	0	0
Nonoperating Revenues (Expenses)					
Interest Income	0	0	0	0	0
Interest and fiscal charges	0	0	0	0	0
Other	0	0	0	0	0
Net Unrealized Gain (Loss) on Sale of Capital Assets	(41,361)	(41,186)	0	0	0
Total Nonoperating Revenues (Expenses)	(41,361)	(41,186)	0	0	0
Income (Loss) before Transfers and Contributed Capital	(1,181,089)	2,734,315	0	0	0
Contributed Capital	0	0	0	0	0
Transfer In (Out)	(171,000)	(171,000)	0	0	0
Change in Net Position	(1,352,089)	2,563,315	0	0	0
Net Position, (Deficit) beginning of year	5,930,468	4,578,379	7,141,694	7,141,694	7,141,694
Net Position, (Deficit) end of year	4,578,379	7,141,694	7,141,694	7,141,694	7,141,694

**SUMMARY OF REVENUES,
EXPENDITURES AND CHANGES IN
NET POSITION
Fiscal Year 2014 - 2018**

Public Works Funds

Steam Plant Fund					Wastewater Fund				
FY 2015 Actual	FY 2016 Actual	FY 2017 Budget	FY 2017 Adjusted	FY 2018 Budget	FY 2015 Actual	FY 2016 Actual	FY 2017 Budget	FY 2017 Adjusted	FY 2018 Budget
\$7,129,875	\$7,713,641	\$7,915,000	\$7,915,000	\$7,957,775	\$8,791,809	\$8,736,396	\$12,287,988	\$12,287,988	\$10,592,589
0	0	0	0	0	975	0	0	0	0
\$7,129,875	\$7,713,641	\$7,915,000	\$7,915,000	\$7,957,775	\$8,792,784	\$8,736,396	\$12,287,988	\$12,287,988	\$10,592,589
1,815,543	1,851,666	2,150,485	2,150,485	2,193,516	1,873,417	2,082,861	2,916,969	2,916,969	3,119,867
4,668,364	4,064,661	4,824,515	4,824,515	4,924,259	3,567,963	3,824,056	7,541,165	7,541,165	6,407,086
815,472	822,988	940,000	940,000	840,000	1,337,835	1,370,109	1,829,854	1,829,854	1,065,636
7,299,379	6,739,315	7,915,000	7,915,000	7,957,775	6,779,215	7,277,026	12,287,988	12,287,988	10,592,589
(169,504)	974,326	0	0	0	2,013,569	1,459,370	0	0	0
5,512	10,263	0	0	0	636	0	0	0	0
(190,150)	(173,082)	0	0	0	0	0	0	0	0
0	0	0	0	0	0	49,005	0	0	0
(199,035)	4,285	0	0	0	12,097	0	0	0	0
(383,673)	(158,534)	0	0	0	12,733	49,005	0	0	0
(553,177)	815,792	0	0	0	2,026,302	1,508,375	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	(113,292)	0	0	0
(553,177)	815,792	0	0	0	2,026,302	1,395,083	0	0	0
3,781,017	3,227,840	4,043,632	4,043,632	4,043,632	50,856,681	52,882,983	54,278,066	54,278,066	54,278,066
\$3,227,840	\$4,043,632	\$4,043,632	\$4,043,632	\$4,043,632	\$52,882,983	\$54,278,066	\$54,278,066	\$54,278,066	\$54,278,066

Special Revenue Funds

	Community Development Block Grant					FY 2015 <u>Actual</u>
	FY 2015 <u>Actual</u>	FY 2016 <u>Actual</u>	FY 2017 <u>Budget</u>	FY 2017 <u>Adjusted</u>	FY 2018 <u>Budget</u>	
Revenues						
Other Local Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Intergovernmental revenues:	0	0	0	0	0	0
Commonwealth of Virginia	0	0	0	0	0	500,000
Federal Government	1,971,453	997,598	1,830,609	1,830,609	1,832,601	0
Revenues from Use of Money and Property	0	0	0	0	0	1,235,251
Charges for Services	0	0	0	0	0	0
Miscellaneous	281,400	713,886	0	0	0	0
Total Revenues	\$2,252,853	\$1,711,484	\$1,830,609	\$1,830,609	\$1,832,601	\$1,735,251
Expenditures						
Personnel Services	\$356,379	\$341,258	\$321,244	\$321,244	\$542,800	\$0
Operating (not incl. transfers out)	1,892,498	1,370,226	1,509,365	1,509,365	1,289,801	1,056,901
Capital Outlay	3,977	0	0	0	0	0
Total Expenses	\$2,252,853	\$1,711,484	\$1,830,609	\$1,830,609	\$1,832,601	\$1,056,901
Excess (deficiency) of revenues over (under) expenditures	\$0	\$0	\$0	\$0	\$0	\$678,350
Other Financing Sources and Uses						
Appropriations from Retained Earnings	\$0	\$0	\$0	\$0	\$0	\$0
Transfer In	0	0	0	0	0	0
Transfer Out	0	0	0	0	0	(2,250)
Net Other Financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	(\$2,250)
Net Change in Fund Balance	\$0	\$0	\$0	\$0	\$0	\$676,100
Fund Balance at Beginning of Year	0	0	0	0	0	5,803,882
Fund Balance at End of Year	\$0	\$0	\$0	\$0	\$0	\$6,479,982

SUMMARY OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE

Fiscal Year 2014 - 2018

Special Revenue Funds

Economic Development Fund				Stormwater Management Fund				
FY 2016 <u>Actual</u>	FY 2017 <u>Budget</u>	FY 2017 <u>Adjusted</u>	FY 2018 <u>Budget</u>	FY 2015 <u>Actual</u>	FY 2016 <u>Actual</u>	FY 2017 <u>Budget</u>	FY 2017 <u>Adjusted</u>	FY 2018 <u>Budget</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0	0	0
200,000	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
332,665	507,500	507,500	507,500	0	0	0	0	0
0	0	0	0	8,008,433	8,764,437	9,003,955	9,003,955	8,614,555
5,000	0	0	0	0	0	0	0	0
\$537,665	\$507,500	\$507,500	\$507,500	\$8,008,433	\$8,764,437	\$9,003,955	\$9,003,955	\$8,614,555
\$0	\$0	\$0	\$0	\$2,128,048	\$2,568,768	\$2,832,864	\$2,832,864	\$3,007,085
336,799	507,500	507,500	507,500	2,071,749	2,427,478	2,982,296	2,982,296	3,314,592
0	0	0	0	212,744	8,148	3,820,870	3,820,870	4,813,130
\$336,799	\$507,500	\$507,500	\$507,500	\$4,412,541	\$5,004,394	\$9,636,030	\$9,636,030	\$11,134,807
\$200,866	\$0	\$0	\$0	\$3,595,892	\$3,760,043	(\$632,075)	(\$632,075)	(\$2,520,252)
\$0	\$0	\$0	\$0	\$0	\$0	\$632,075	\$632,075	\$2,520,252
0	0	0	0	0	0	0	0	0
(103,792)	0	0	0	(1,589,074)	(2,556,739)	0	0	0
(\$103,792)	\$0	\$0	\$0	(\$1,589,074)	(\$2,556,739)	\$632,075	\$632,075	\$2,520,252
\$97,074	\$0	\$0	\$0	\$2,006,818	\$1,203,304	\$0	\$0	\$0
6,479,982	6,288,361	6,288,361	6,288,361	7,930,713	9,937,531	7,930,713	7,930,713	7,930,713
\$6,577,056	\$6,288,361	\$6,288,361	\$6,288,361	\$9,937,531	\$11,140,835	\$7,930,713	\$7,930,713	\$7,930,713

General Fund

The City Council adopted a set of financial parameters to guide future city expenditure patterns. These financial policies and their compliance with the Council Approved Budget (CAB) are outlined in this section.

City Tax Revenue Guideline

The Tax Revenue Guideline, approved by City Council on May 8, 2013, allows for the adjustment of the real estate tax rate in times of both real property assessment increases and decreases, and shall include other factors such as housing market conditions, personal income, population and cost of living. The Guideline provides for the real estate tax revenue growth (net of new construction), from one fiscal year to the next, limited to the equivalent percentage increase of an inflationary growth factor. The growth factor will be measured by either the consumer price index for urban dwellers (CPI-U) or resident income growth (RI) - whichever is greater in any given year. To the extent that budgetary needs require real estate revenues to grow faster than this factor, the City Manager and City Council shall clearly explain the driving force(s) so that residents may have a clear and concise understanding of the need to deviate from this financial guideline.

For fiscal year 2018, revenues from recurring sources are expected to increase by nearly \$4.6 million or 1.00%. Of this increase, the revenues received from general property taxes have increased about \$1.9 million or 1.04%. While the Guideline allows for an adjustment in the real estate tax rate, the guideline was not applied to the fiscal year 2018 budget.

At a minimum, all revenues and fees should be examined each year to encourage diversity and less reliance on real property revenues during economic declines. To the extent that budgetary needs (new services, capital investments) require the real estate tax rate to be adjusted higher or lower than the factors identified in the guideline, the City Manager and City Council shall explicitly explain the budget driving factors causing this so that residents may have a concise and clear understanding of the need to deviate from this financial guideline.

City Financial Policy

In April 2007, the City Council amended its existing financial policies. The financial policies relate to general operating elements of the city. These policies are used as financial planning parameters during the annual budget process. The five (5) financial policies and the actual results are summarized below. The FY18 CAB is in compliance with all five policies.

1. Debt Limit Policy #1. This policy is comprised of three guidelines as outlined below:

- (a) General obligation debt shall **not exceed 3%** of the assessed value of all real estate within the city subject to taxation. The legal debt limit authorized by the Virginia State Statute limits bond issuing authority up to 10% of the assessed value. The FY18 estimated general obligation debt will total about \$232 million (or **2.2%**) of taxable real estate value (\$10,353,756,900), which is within the policy parameter.
- (b) General Obligation bonded debt together with indirect debt, which includes certain revenue backed debt and subject-to-appropriation or moral obligation commitments, and debt of certain special purpose entities (i.e. Community Development Authority) shall **not exceed 4.5%** or \$516 million of the estimated FY18 assessed value of all real and personal property subject to taxation within the city. The current level of net direct/indirect/overlapping debt is about \$404 million (or **3.5%**) of the assessed value of all taxable real and personal property which is within the policy parameter.
- (c) Debt of special purpose entities, such as community development authorities, shall **not exceed 1%** of the assessed value of all real and personal property subject to taxation within the city. The expected amount is \$97.8 million (or

0.85%) of the approximate FY18 assessed value of all taxable real and personal property, which is within the policy parameter.

2. **Debt Service Limit Policy #2.** General obligation bonded debt and indirect debt shall **not exceed 10%** or \$47.8 million of the city's total General Fund, School Operating Fund and Convention Center Fund expenditures of which all are included in the city's total debt service. The total annual debt service cost equals \$38.8 million (or **8.3%**) of total expenditures, which is within the policy parameter.
3. **Debt Retirement Policy #3.** The city shall retire **at least 60%** of the principal balance of general bonded obligation debt within 10 years of the date the debt is issued. The city is on track to retire approximately \$183 million (or **79.1%**) of general bonded obligation debt within the next 10 years, which is within the policy parameter.
4. **Equity Funding Policy #4.** This policy is comprised of two guidelines as outlined below:
 - (a) A **minimum of 2% to 6%** of the estimated General Fund revenues, less School funding, shall be utilized for capital expenditures each year. For FY18, the percentage of General Fund revenues, less School funding, utilized for capital expenditures is **4.16%** (or \$14 million), which is above the minimum.
 - (b) A **minimum of 10% to 15%** of the total capital improvement expenditures, over a rolling five-year period, shall be funded from General Fund revenues. For the five year period, FY18 through FY22, the city plans to use an estimated \$70.6 million of General Fund revenues on capital projects, which accounts for **33.6%** of the CIP's total five-year expenditure plan of \$210 million, substantially above the minimum.
5. **Unassigned Fund Balance Policy #5.** The city shall maintain an Unassigned Fund Balance equal to **at least 10%** of total General Fund revenues before transfers (plus the School Operating fund transfer). To the extent Unassigned Fund Balance falls below the policy, the shortfall shall be replenished over a three-year period. For FY18, these estimated revenues are projected to total \$462 million, so \$46.2 million (10%) is the minimum required balance. The Unassigned Fund Balance for FY18 is estimated to be \$51.2 million (or **11%**), which is within the policy parameter.

The FY18 budget is therefore in compliance with the Financial Policy Guidelines.

CREDIT RATINGS

The city's credit ratings are as follows: AA+ by Standard and Poor's, Aa1 by Moody's Investor Services and AA+ by Fitch Rating. A credit rating is a financial indicator to the public/investor as to the credit worthiness (quality) of a debt issue such as bonds. See *Debt Management Policies*, for further details.

POLICY #1(A):

A) General Obligation (direct) bonded debt shall not exceed 3% of taxable real estate assessed valuation.⁽¹⁾

Total Taxable Real Estate Assessed Valuation	\$10,353,756,900
3% of Taxable Real Estate Assessed Valuation	\$310,612,707
Total General Obligation (GO) Debt	\$231,786,611

Percentage of GO Debt to Assessed Valuation **2.2%**
In Compliance with Policy #1(A) **Yes**

POLICY #1(B):

B) Direct/Indirect/Overlapping debt to total taxable valuation shall not exceed 4.5%.
 Overlapping debt shall not exceed 1% of total valuation.

Total Taxable Valuation (includes Real and Personal Properties)	\$11,469,048,211
4.5% of Total Taxable Valuation	\$516,107,169
Total Net Direct/Indirect/ Overlapping Debt ⁽²⁾	\$403,524,611

Percentage of Debt to Taxable Valuation **3.5%**
In Compliance with Policy #1(B) **Yes**

POLICY #1(C):

C) Special purpose debt shall not exceed 1% of total taxable valuation.

Total Taxable Valuation (includes Real and Personal Properties)	\$11,469,048,211
1% of Total Taxable Valuation	\$114,690,482
Total Overlapping Debt	\$97,768,000

Percentage of Special Purpose Debt to Taxable Valuation **0.85%**
In Compliance With Policy #1(C) **Yes**

(1) Net bonded debt outstanding includes existing and proposed general obligation bonds, and general obligation notes payable less bonds funded with Steam Plant revenues.

(2) Net Direct/Indirect/Overlapping Debt includes existing and proposed general obligation bonds, general obligation notes payable, and Convention Center overlapping debt, less bonds funded with Steam Plant Revenues. Overlapping debt consists of H2O Peninsula Town Center CDA debt.

POLICY #2

Debt service (direct and indirect) shall not exceed 10% of total expenditures of General Fund, plus expenditures of the Hampton City Schools.

Total Expenditures ⁽¹⁾	\$477,915,532
10% of Total Expenditures	\$47,791,553
Annual Debt Service Cost (DSC) ⁽²⁾	\$39,819,360
Debt Service as % of Total Expenditures	8.3%
In Compliance with Policy #2	Yes

(1) Total expenditures includes Hampton City Schools operating expenditures and the Hampton Roads Convention Center expenditures.

(2) Annual debt service cost includes debt service on all general obligation bonds and the Hampton Roads Convention Center, less bonds funded with Stormwater revenues.

POLICY #3

The 10 year Payout Ratio shall not be less than 60% for General Obligation Indebtedness.

Total General Obligation Indebtedness	\$231,786,611 (Principal)
Amount Retired within 10 years	\$183,416,195 (Principal)
10 year Payout Ratio	79.1%
In Compliance with Policy #3	Yes

POLICY #4(A):

A) Minimum of 2% to 6% of General Fund revenues shall be applied to capital projects per year.

Total General Fund Revenues (less Schools)	\$337,220,309
2% of Total General Fund Revenues	\$6,744,406
6% of Total General Fund Revenues	\$20,233,219
Total General Revenues Transferred to CIP for FY18	\$14,038,105

Percentage General Fund Revenues Applied **4.16%**
In Compliance With Policy #4(A) **Yes**

POLICY #4(B):

B) Minimum of 10% to 15% of total Capital Improvement Plan (CIP) over a rolling 5 year period to be funded from General Fund revenues.

Total FY18 - FY22 (5 year) CIP Revenues	\$210,452,102
10% of Total CIP Revenues	\$21,045,210
15% of Total CIP Revenues	\$31,567,815
Total FY18 - FY22 General Fund Revenues for CIP	\$70,621,057

Percentage funded from General Fund Revenues **33.6%**
In Compliance With Policy #4(B) **Yes**

POLICY #5

A) Unassigned Fund Balance shall be maintained at a level of not less than 10% of total revenues to the extent that Unassigned Fund Balance is drawn upon, replenishment of such amount drawn shall occur over 3 years.

Estimated Revenues less General Fund Transfers	\$462,115,011
10% of Total Revenues	\$46,211,501
Estimated Unassigned Fund Balance	\$51,172,128
Estimated Fund Balance as a Percentage of Estimated Revenues	11%
In Compliance with Policy #5	Yes

1. **Annual Budget** ~ Total General Fund estimated revenues and appropriations.
2. **Assessed Value** ~ Refers to the assessed value of all taxable real estate within the geographic boundaries of the City of Hampton as of the most recent annual appraisal by the Assessor of Real Estate, with the exception of any amounts labeled estimates. Amounts included are based on the estimate prior to actual appraisal.
3. **Capital Expenditures** ~ Amounts appropriated in the General Fund to fund major capital improvements and economic development projects.
4. **CIP** ~ Also known as the Capital Improvement Plan, the CIP is a five-year expenditure plan that addresses the acquisition of property and equipment, new construction and other major improvements to existing public facilities. The first year of the CIP is incorporated into the Manager's Recommended Budget as the Capital Budget component for the respective year.
5. **Debt Service** ~ Payment of principal and interest related to all long-term debt according to a pre-determined payment schedule.
6. **Local Revenues** ~ Comprised of all General Fund revenues, except for state revenues and federal aid.
7. **Overlapping Debt** ~ There are no overlapping debt or underlying tax jurisdictions.
8. **Net Bonded Debt** ~ The unpaid and outstanding General Obligation bonds of the City as of June 30.
9. **Total Estimated Revenues** ~ Total General Fund estimated revenues, not including state and federal revenues received exclusively for Hampton City School operations.
10. **Unassigned Fund Balance** ~ General Fund Balance and is net of reserves and other restricted or special purpose amounts (which is sometimes referred to as a Fund Balance available for appropriation).

ANALYSIS OF ESTIMATED UNASSIGNED GENERAL FUND BALANCE

ABOVE FINANCIAL POLICY GUIDELINES FOR FY 2018

FY 2018 Council Approved Operating Budget (Less General Fund Transfers)*	\$462,115,011
Undesignated Fund Balance {Estimated Fund Balance per Policy-10% }	46,211,501
Less: Projected Fund Balance at June 30, 2017	<u>54,796,529</u>
Estimated Fund Balance in Excess/ (Deficit) of Policy	8,585,028
Fund Balance Utilized in the FY 2018 Budget:	
Less: Fund Balance Unassigned for FY18 Capital Improvement Plan	<u>(3,624,401)</u>
Estimated Unassigned Fund Balance in Excess/(Deficit) of Policy	\$4,960,627

* Includes \$2.0 million transfer for the Schools Operating Fund

UNASSIGNED GENERAL FUND BALANCE HISTORY Fiscal Years 2007 - 2017

	<u>Amount (in millions)</u>	<u>Percentage of Operating Budget</u>
Undesignated Fund Balance -- June 30, 2007	54.62	13.1%
Undesignated Fund Balance -- June 30, 2008	55.99	12.8%
Undesignated Fund Balance -- June 30, 2009	53.74	12.3%
Undesignated Fund Balance -- June 30, 2010	56.56	13.2%
Unassigned Fund Balance -- June 30, 2011	49.87	11.9%
Unassigned Fund Balance -- June 30, 2012	51.18	12.1%
Unassigned Fund Balance -- June 30, 2013	54.19	12.4%
Unassigned Fund Balance -- June 30, 2014	51.59	11.5%
Unassigned Fund Balance -- June 30, 2015	52.11	11.7%
Unassigned Fund Balance -- June 30, 2016	54.30	11.7%
Projected Unassigned Fund Balance -- June 30, 2017	54.80	11.7%

Note: During the 2007 fiscal year, City Council approved an increase in the policy guideline from 7.5% to 10%. The rating agencies consider an adequate Fund Balance to be an indicator of a strong financial position and prudent financial management.