



Overview of All Funds

"We choose to locate our corporate headquarters in downtown Hampton and couldn't be more proud."

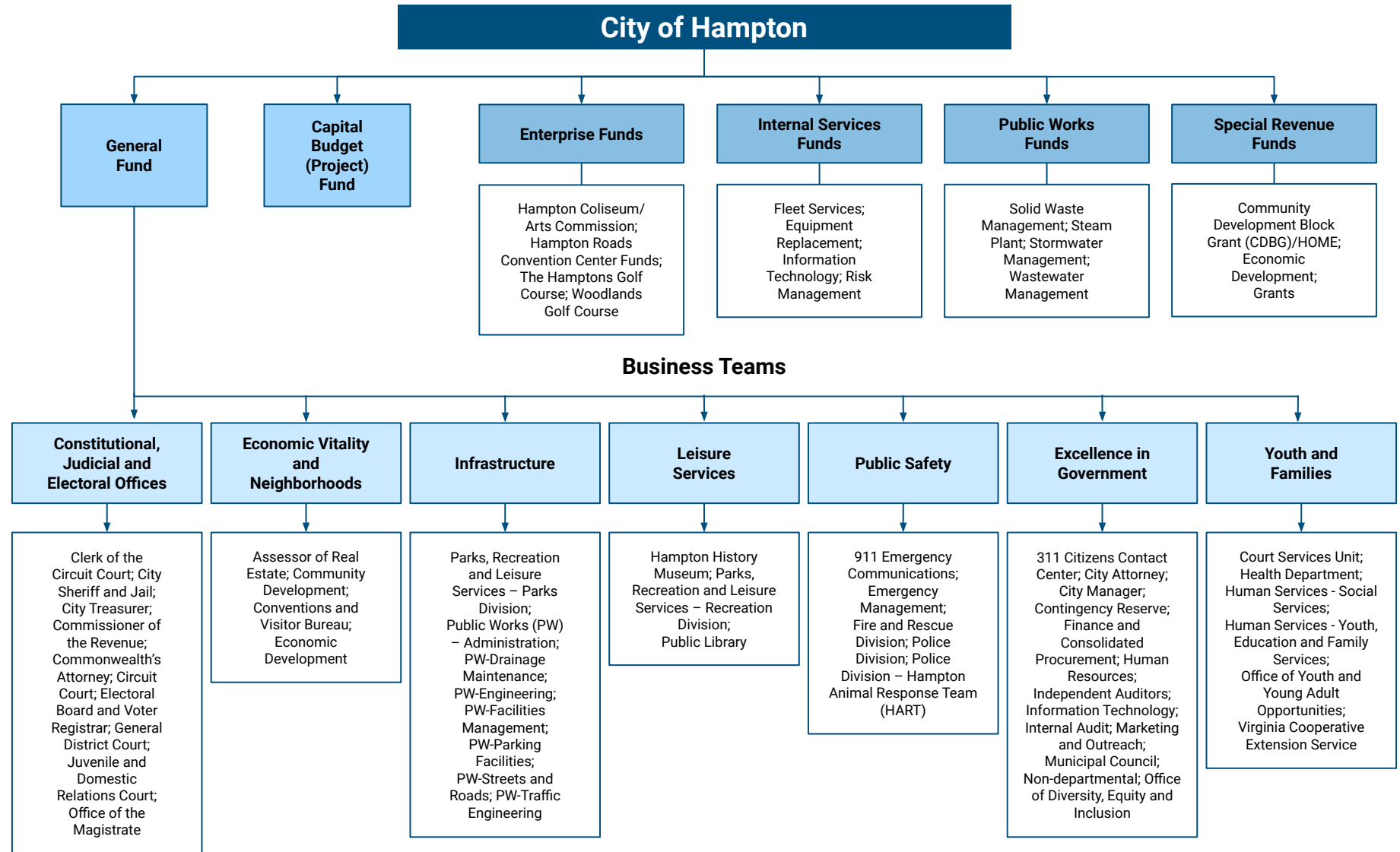
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3. Overview of All Funds

Table of Contents	Page
Funds Structure Chart	3-1
Description of Budgeted Funds	3-2
Summary of Budgeted Funds	3-5







A Fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Similar to other state and local governments, the City of Hampton uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the Funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Governmental funds are used to account for financial resources used in the day-to-day operations of the government. Proprietary funds are those used to account for the government's business type activities where fees are charged for services rendered. Fiduciary funds are those used to account for funds held by the government in trust for others that cannot be used to support the government's programs. Fiduciary funds are not subject to a budgetary process and are not included in this budget document. Fiduciary funds can be found in the City's audited financial statements.

The City's adopted budget contains appropriations for three major Funds - General, Capital Budget (Projects) and Economic Development. The appropriated non-major Funds are Stormwater Management, 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. It is also important to note that the alignment of some Funds and departments as reflected in the budget document is classified differently to ease the readability for our citizens. For example, the Solid Waste Management Fund and the Steam Plant Fund are considered by the Government Accounting Standards Board (GASB) to be Enterprise Funds, not Public Works Funds. Please refer to the document Fund - Department Relationship Chart in this section.

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

GOVERNMENTAL-TYPE FUNDS

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.

Capital Budget (Projects) Fund

The Capital Budget (Projects) Fund accounts for all general City and School construction projects and reports financial resources that are restricted, committed 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.

- The Debt Service Fund is considered a governmental-type major Fund that is utilized by the City to account for and report the financial resources that are restricted, committed or assigned to be expensed for principal and interest payments. However, it is not an appropriated Fund. The primary resources of the Debt Service Fund are derived from General Fund transfers and proceeds from the issuance of refunding bonds.



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 proprietary funds: Internal Service and Enterprise Funds. These funds are budgeted using the full accrual basis for budgeting.

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.

- The 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.
- The 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.
- Woodlands Golf Course Fund accounts for the operations of an 18-hole golf course, snack bar, pro shop and miscellaneous rental revenues.

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 Fund.

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

"Public Works Funds" is not a recognized Fund classification under the Government Accounting Standards Board (GASB). Departments listed under this Fund category would more properly be classified under an Enterprise Fund given the nature of their activities. However, for ease of readability, this Fund categorization is used. Revenues for these Funds are derived from user fees.

Public Works Funds

- The Solid Waste Management Fund accounts for the activities related to the collection of residential refuse; yard waste and bulk trash; recyclable material collection and solid waste disposal. Revenue for this fund is derived from commercial tipping fees and residential user fees.



- The Steam Plant Fund accounts for the City's steam generating plant operations. Revenues are derived from solid waste disposal fees (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 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 accounts for the activities associated with sewer line maintenance and upgrades. Revenue for this fund comes from the sewer user fee and new connections fees.

Special Revenue Funds

Revenues in these Funds are restricted for a specific purpose.

- 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.
- The Economic Development Fund was established to finance the costs of capital investments, improvements, expenditures and any other approved expenditures, 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.
- The Grant Fund houses non-repayable funds from Grantors that the City applies for and are used for specific purposes/projects. In addition, grants must adhere to some level of compliance and reporting. Grantors can be Federal, State, Corporation, Foundation, or Trust. The majority of the City's grants are either Federal or State.



General Fund

Category	Revenues	Expenses	PFT Positions
General Property Revenues	236,742,672		
Other Local Revenues	121,626,825		
State Revenues	56,210,566		
Federal Revenues	10,000		
Schools Revenues (Other than City)	180,896,288		
Transfers In	15,964,986		
Constitutional, Judicial and Electoral Offices		19,580,706	289.0
Economic Vitality and Neighborhoods		9,867,671	115.0
Infrastructure		22,998,845	174.0
Leisure Services		8,481,937	78.0
Public Safety		59,915,364	739.0
Quality Government		25,190,083	130.0
Youth and Families		33,938,675	272.0
Contributions to Outside Agencies		19,666,460	
Retirement and Fringe Benefits		69,705,493	
School Operations		272,701,006	
Debt Service		35,025,507	
Transfers to Other Funds		34,379,590	
Grand Total	611,451,337	611,451,337	1,797.0



Non-General Fund

Category	Revenues	Expenses	PFT Positions
Enterprise Funds			
Hampton Coliseum/Arts Commission	17,248,373	17,248,373	35.0
Hampton Roads Convention Center	12,342,702	12,342,702	0.0
The Hamptons Golf Course	872,580	872,580	6.0
Woodlands Golf Course	742,789	742,789	6.0
Enterprise Funds Total	31,206,444	31,206,444	47.0
Internal Services Funds			
Fleet Services	9,999,388	9,999,388	28.0
Fleet Services - Equipment Replacement	6,527,065	6,527,065	0.0
Information Technology	3,367,312	3,367,312	4.0
Risk Management	9,621,562	9,621,562	6.5
Internal Services Funds Total	29,515,327	29,515,327	38.5
Public Works Funds			
Solid Waste Management	20,172,684	20,172,684	62.0
Steam Plant	7,972,888	7,972,888	41.0
Stormwater Management	14,277,520	14,277,520	74.5
Wastewater Management	14,642,330	14,642,330	70.0
Public Works Funds Total	57,065,422	57,065,422	247.5
Special Revenue Funds			
Community Development Block Grant (CDBG) and HOME Fund	914,517	914,517	5.0
HOME Fund	695,846	695,846	0.0
Economic Development Fund	571,412	571,412	0.0
Grant Fund	7,171,155	7,171,155	0.0
Special Revenue Funds Total	9,352,930	9,352,930	5.0