

Adopted Operating and Capital Budget FY 2009

Fund Balance Analysis

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**ADOPTED OPERATING AND CAPITAL BUDGET FY 2009
FUND BALANCE ANALYSIS
GENERAL FUND**

Table 1 – FY 2007 Activities

Beginning Fund Balance FY 2007		23,481,416
	Add: Total Revenues FY 2007	67,879,266
	Add: Total Transfers In FY 2007	2,025,672
	Deduct: Total Expenditures FY 2007	60,124,160
	Deduct: Total Transfers Out FY 2007	11,590,401
	Net Change in Fund Balance	(1,809,623)
Ending Fund Balance FY 2007		21,671,793
Designations at End of Year for FY 2007		
	Reserved: Encumbrances & Prepaids	747,450
	Designated for Capital	4,134,755
	Designated for Security Center	1,818,627
	Designated for Education Debt Service	1,503,627
	Designated – Other	1,091,697
	Undesignated Unreserved	12,375,637
Total		21,671,793

Notes for Table 1

- The source of the table is Exhibit 3 and Exhibit 5 of the City’s Comprehensive Annual Financial Report for Fiscal Year ended June 30, 2007.
- The City Council has “designated” portions of the fund balance for specific uses, such as for capital projects. In addition, funds that are encumbrances or pre-paids become reservations of fund balance, and are re-appropriated through budget supplements.
- The City’s financial policies include a goal that the Undesignated Unreserved Fund Balance be at least 12% of the prior year’s revenues. As of the close of FY 2007 the City met that standard, with that portion of the fund balance being 18.86% of the FY 2006 general fund revenues.

**ADOPTED OPERATING AND CAPITAL BUDGET FY 2009
FUND BALANCE ANALYSIS
GENERAL FUND**

Table 2 – FY 2008 Amended Budget & Forecasted End-of-Year Position

Beginning Fund Balance FY 2008		21,671,793
Unaudited Year-end Forecast	Add: Total Revenues FY 2008	68,847,663
Unaudited Year-end Forecast	Add: Total Transfers In FY 2008	1,800,031
Unaudited Year-end Forecast	Deduct: Total Expenditures FY 2008	(63,478,328)
Unaudited Year-end Forecast	Deduct: Total Transfers Out FY 2008	(10,935,100)
	Net Change in Fund Balance – Forecast	(3,765,734)
Ending Fund Balance FY 2008		17,906,059

Notes for Table 2

- The Unaudited Year-end Forecast represents the forecast for revenues at mid-August. It is subject to audit and other year-end adjustments, and does not represent the final audited figures for the end of the year.
- As a note, in the fund balance tables, the Transfer to City Schools is treated as an expenditure for consistency with the audit reports.
- The FY 2008 Amended Budget as of the preparation of this document included the use of the following fund balances from the following designations:
 - \$200,000 from Security Center
 - \$200,000 from School Debt Service
 - \$506,191 from Reserved – Encumbrances
 - \$1,992,750 from Undesignated Unreserved
 - \$1,700,000 from Designated for Capital
 - \$4,528,941 Total

**ADOPTED OPERATING AND CAPITAL BUDGET FY 2009
FUND BALANCE ANALYSIS
GENERAL FUND**

Table 3 – FY 2009 Appropriation (Based on FY 2008 Year-End Forecast)

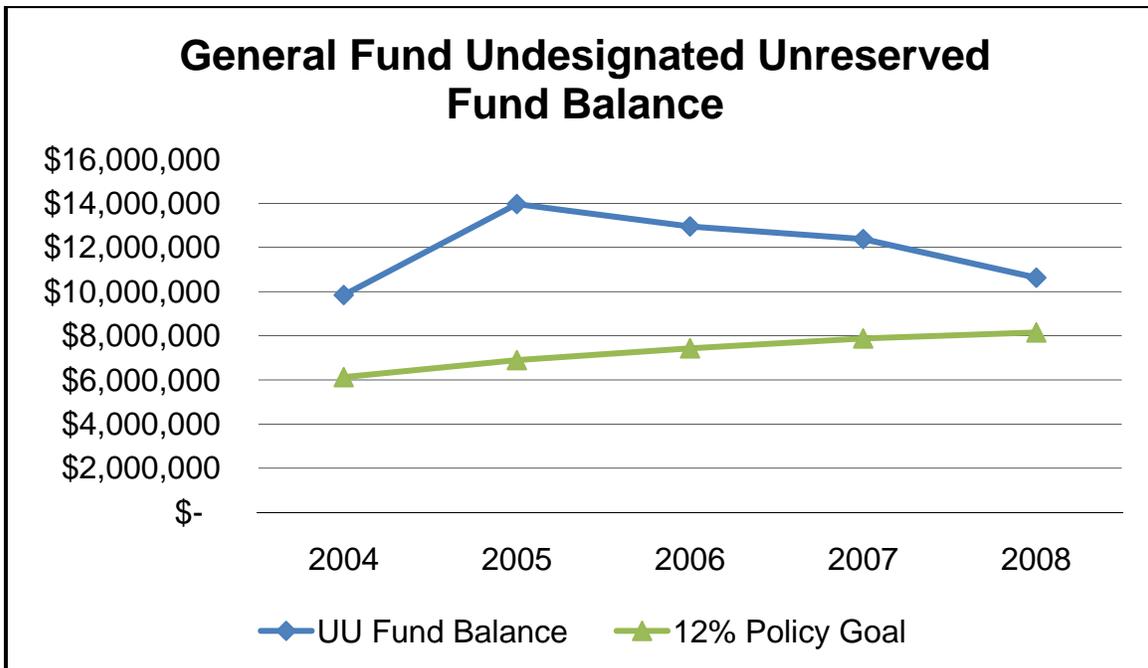
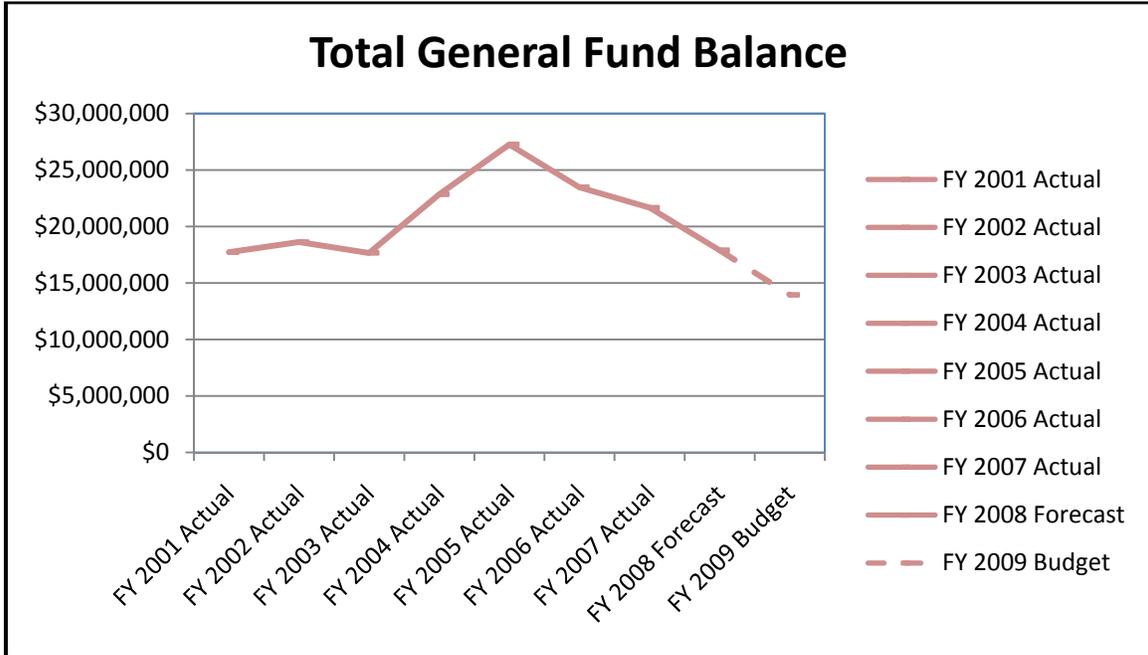
Beginning Fund Balance FY 2009	Based on Unaudited Forecast	17,906,059
	General Fund Balance Budgeted Use In FY 2009	3,989,331
Ending Fund Balance FY 2009		13,916,728

Notes for Table 3

- The FY 2009 Operating and Capital Budget included the use of the following fund balances from the following designations:
 - \$1,448,780 from Designation for Capital
 - \$1,440,551 from Designation for Regional Security Center
 - \$1,100,000 from Designation for School Debt Service
 - \$3,989,331 Total
- The City plans to use the designated fund balances in accordance with the designations.
 - The City’s transfer to capital for FY 2008 is \$1,448,780.
 - The City’s transfer to debt service for Education Debt in FY 2008 is \$3,527,406
 - The City’s payments to the Rappahannock Regional Jail and the Juvenile Detention Center total \$3,662,555.
- The City’s use of fund balance for the FY 2009 budget will allow the City to retain an Undesignated Unreserved balance in excess of 12% of the prior year revenues, which is a City Council Financial Policy. However, it should be noted that the heavy use of the Designations for Regional Security Center and School Debt Service will exhaust these sources for use in FY 2010 and beyond. The City will need to raise additional revenues or engage in further reductions in expenditures, or both, in order to minimize the use of fund balances going forward.
- The actual Beginning Fund Balance for FY 2009 will vary depending upon the final audited results of activities in FY 2008.
- The City Council will consider an additional appropriation for Encumbrances in the autumn, after year-end financial activities are completed.

**ADOPTED OPERATING AND CAPITAL BUDGET FY 2009
FUND BALANCE ANALYSIS
GENERAL FUND**

Historical Charts of General Fund Balance Levels



**ADOPTED OPERATING AND CAPITAL BUDGET FY 2009
FUND BALANCE ANALYSIS
SOCIAL SERVICES FUND**

Beginning Fund Balance FY 2007		92,203
	Net Change in Fund Balance	(59,051)
Ending Fund Balance FY 2007		33,152
Beginning Fund Balance FY 2008		33,152
	Fund Balance Appropriation in FY 2008	(28,929)
Ending Fund Balance FY 2008		4,223
Beginning Fund Balance FY 2009		4,223
	Fund Balance Appropriation in FY 2008	-
Ending Fund Balance FY 2009		4,223

Table Notes

- The City used a small amount of Social Services Fund Balance in FY 2008 to lower the required transfer from the General Fund.
- For the purposes of the audit report, the activities of the Social Services Fund (Fund 201) and the Social Services Grant Fund (Fund 213) are combined.
- The Beginning Fund Balance FY 2009 is an unaudited figure based on all activity meeting budget forecasts in FY 2008. For planning purposes, the budgeted fund balance appropriation is presented. The actual addition or use of fund balance will vary based upon the difference between actual revenues and actual expenditures.
- The Fund Balance in Social Services Fund has decreased over time, and will need to be rebuilt to a minimum level to provide the Social Services Department with a balance in the event of unexpected shortfalls in revenues from the state or federal governments.

**ADOPTED OPERATING AND CAPITAL BUDGET FY 2009
FUND BALANCE ANALYSIS
SCHOOL OPERATING FUND**

Beginning Fund Balance FY 2007		455,933
	Net Change in Fund Balance	256,471
Ending Fund Balance FY 2007		712,404
Beginning Fund Balance FY 2008		712,404
	Fund Balance Appropriation in FY 2008	-
Ending Fund Balance FY 2008		712,404
Beginning Fund Balance FY 2009		712,404
	Fund Balance Appropriation in FY 2008	-
Ending Fund Balance FY 2009		712,404

Notes

- The City of Fredericksburg School Board has discretion over the funds allocated to the School Operating Fund. Operating revenues come largely from Funds from the Commonwealth and transfers from the General Fund.
- The Beginning Fund Balance FY 2009 is an unaudited figure based on all activity meeting budget forecasts in FY 2008. For planning purposes, the budgeted fund balance appropriation is presented. The actual addition or use of fund balance will vary based upon the difference between actual revenues and actual expenditures.

**ADOPTED OPERATING AND CAPITAL BUDGET FY 2009
FUND BALANCE ANALYSIS
CITY GRANTS FUND**

Beginning Fund Balance FY 2007		672,108
	Net Change in Fund Balance	248,871
Ending Fund Balance FY 2007		920,979
Beginning Fund Balance FY 2008		920,979
	Fund Balance Appropriation in FY 2008	721,727
Ending Fund Balance FY 2008		199,252
Beginning Fund Balance FY 2009		199,252
	Fund Balance Appropriation in FY 2009	101,000
Ending Fund Balance FY 2009		98,252

Notes

- The Beginning Fund Balance FY 2009 is an unaudited figure based on all activity meeting budget forecasts in FY 2008. For planning purposes, the budgeted fund balance appropriation is presented. The actual addition or use of fund balance will vary based upon the difference between actual revenues and actual expenditures.
- The City Council usually considers requests for re-appropriations of balances to help support ongoing grant activities after the close of the fiscal year. The re-appropriation of balance for various grants is the major use of fund balance in FY 2008.
- FY 2009 appropriation of balance includes a minor amount of use for various criminal justice grant activity, plus \$75,000 of cable franchise renewal fees that were received in FY 2008 that will be spent in FY 2009 for audiovisual equipment replacements and upgrades in the City Council Chambers.

**ADOPTED OPERATING AND CAPITAL BUDGET FY 2009
FUND BALANCE ANALYSIS
CAPITAL FUNDS**

	School Capital Fund	Public Works Capital Fund	Public Facilities Capital Fund	Public Safety Capital Fund	New High School Capital Fund
Beginning Fund Balance FY 2007	1,021,357	2,776,780	3,850,002	10,702,852	2,041,620
Net Change in Fund Balance	136,485	(715,387)	273,797	(7,289,767)	(1,449,174)
Ending Fund Balance FY 2007	1,157,842	2,061,393	4,123,799	3,413,085	592,446
Beginning Fund Balance FY 2008	1,157,842	2,061,393	4,123,799	3,413,085	592,446
Add: Unaudited Revenue & Transfers Estimate for FY 2008	730,000	6,323,947	1,870,973	640,549	85,341
Deduct: Unaudited Expenditure Estimate for FY 2008	1,534,805	4,128,611	1,462,843	693,851	390,572
Projected Ending Fund Balance FY 2008	353,037	4,256,729	4,531,929	3,359,783	287,215
Beginning Fund Balance FY 2009	353,037	4,256,729	4,531,929	3,359,783	287,215
Fund Balance Appropriation in FY 2009	-	216,280	1,145,000	1,000,000	-
Ending Fund Balance FY 2009	353,037	4,040,449	3,386,929	2,359,783	287,215

Notes

- School Capital Fund budgeted \$1,000,000 in FY 2008 for the replacement of the Hugh Mercer Elementary School Roof.
- The Public Safety and Public Facilities Capital Funds included debt issuance for the Police Headquarters and the Dixon Park Pool, respectively. As the projects have been completed, the fund balances have been reduced in these funds.

- The New High School Fund represents the final stages of the completion of the replacement James Monroe High School. The new James Monroe High School is now opened, and a few final items are being completed. As the project reaches completion the balance in this fund will be used, then eliminated.
- Please note that the FY 2008 Ending Balance amount includes estimated year-end revenues, transfers, and expenditures, and that the final ending balance position (and the subsequent beginning balance in FY 2009) will vary after final adjustments are made.

**ADOPTED OPERATING AND CAPITAL BUDGET FY 2009
FUND BALANCE ANALYSIS
SCHOOL GRANT FUND**

Beginning Fund Balance FY 2007		397,175
	Net Change in Fund Balance	164,731
Ending Fund Balance FY 2007		561,906
Beginning Fund Balance FY 2008		561,906
	Fund Balance Appropriation in FY 2008	-
Ending Fund Balance FY 2008		561,906
Beginning Fund Balance FY 2009		561,906
	Fund Balance Appropriation in FY 2009	-
Ending Fund Balance FY 2009		561,906

Notes

- The balance in the School Grants Fund may be re-appropriated in order to support ongoing educational activities supported by grants from the state or federal government, as directed by the Fredericksburg City School Board.
- The Beginning Fund Balance FY 2009 is an unaudited figure based on all activity meeting budget forecasts in FY 2008. For planning purposes, the budgeted fund balance appropriation is presented. The actual addition or use of fund balance will vary based upon the difference between actual revenues and actual expenditures.

**ADOPTED OPERATING AND CAPITAL BUDGET FY 2009
FUND BALANCE ANALYSIS
OTHER GOVERNMENTAL FUNDS – AGGREGATE**

Beginning Fund Balance FY 2007		3,355,982
	Fund Balance Activity in FY 2007	(247,153)
Ending Fund Balance FY 2007		3,108,829
Beginning Fund Balance FY 2008		3,108,829
	Fund Balance Appropriation in FY 2008	1,007,546
Ending Fund Balance FY 2008		2,101,283
Beginning Fund Balance FY 2009		2,101,283
	Fund Balance Appropriation in FY 2009	556,178
Ending Fund Balance FY 2009		1,591,437

Notes

- The Beginning Fund Balance FY 2009 is an unaudited figure based on all activity meeting budget forecasts in FY 2008. For planning purposes, the budgeted fund balance appropriation is presented. The actual addition or use of fund balance will vary based upon the difference between actual revenues and actual expenditures.
- The major activity in these funds is the depletion of the Special Tax District fund balances. These funds are “re-paying” the City for activities already completed; the balances are being transferred back into General or Capital funds and will be closed out once project costs or debt is completely paid back. In FY 2008, the Celebrate Virginia Special Tax District was liquidated, as all activities have been completed. The remaining balance was transferred to the capital funds for one-time activities.

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