



Adopted Operating and Capital Budget FY 2014

Debt Service Analysis

**ADOPTED OPERATING AND CAPITAL BUDGET FY 2014  
DEBT SERVICE SECTION**

**COUNCIL POLICY DEBT LIMIT CALCULATION<sup>1</sup>**  
July 1, 2013

<b>Computation of Legal Debt Margin</b>	
Assessed Value of Taxable Real Estate	\$3,520,253,600
Assessed Value – Public Service Corporation	\$121,621,419
Assessed Value – Exempt Real Estate	\$800,979,200
Total Assessed Value	\$4,442,854,219
Debt Limit – 4.8% of total assessed value	\$213,257,003
Amount of Debt applicable to debt limit	(\$100,054,147)
Council Policy Limit Debt Margin	\$113,202,856

- ❖ The City Council policy debt limit is 4.8% of the value of the total assessed value of real estate for the City.
- ❖ The Constitution of Virginia includes a legal debt limit of 10% of the taxable value of real estate for the City. That limit is significantly higher than the City's policy limit – approximately \$364 million.
- ❖ The City's Net Bonded Debt Per Capita after FY 2012 is \$4,067. The Net Bonded Debt Per Capita forecast for FY 2014 is \$3,894.
- ❖ The debt service as a percent of General Fund for FY 2014 is 8.88%.

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<sup>1</sup> Total assessed values through January 2013. The final July 1, 2013 land book values are not yet available.

**ADOPTED OPERATING AND CAPITAL BUDGET FY 2014  
DEBT SERVICE SECTION**

**DEBT SERVICE TABLES**

The City of Fredericksburg debt service schedules have been altered by the issuance of General Obligation Bonds for the construction of the new court facility and the issuance of a General Obligation Note for the purchase of land along Sophia Street to join with the Riverfront Park.

In addition to this activity, but not shown in the debt service table, is the refinancing of the General Obligation Bonds for the construction of James Monroe High School and Lafayette Upper Elementary School. The Commonwealth restructured the note and provided the City with a one-time credit in July 2012. The City will use the one-time credit to reduce the current revenues required to service the school debt by \$47,400 per year until the retirement of the school bonds in FY 2030.

The debt service tables reflect various debt service schedules for the City's outstanding bonds and notes. The Wastewater Operating Fund will have significant debt service savings over FY 2014 – FY 2015.

**Debt Service as a % of Total Fund  
FY 2014**

	Total	Debt Service	% of Total
General	81,411,580	7,229,963	8.88%
Water	3,650,230	276,580	7.58%
Wastewater	7,114,715	1,718,420	24.15%
Parking	673,430	321,084	47.68%

**ADOPTED OPERATING AND CAPITAL BUDGET FY 2014  
DEBT SERVICE SECTION**

**Total Debt Service Table – By Fund**

<b>Year</b>	<b>General Fund</b>	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Parking Fund</b>	<b>Total</b>
2014	7,229,963	276,580	1,718,420	321,084	9,546,047
2015	7,900,718	282,852	1,167,161	319,022	9,669,753
2016	6,720,721	241,375	1,132,759	318,943	8,413,798
2017	6,716,480	242,246	1,132,630	320,483	8,411,839
2018	6,713,148	243,086	1,132,690	319,555	8,408,479
2019	6,387,916	51,508	1,130,890	318,024	7,888,338
2020	6,373,292	50,486	1,129,350	317,953	7,871,081
2021	6,364,310	49,676	1,129,895	319,332	7,863,213
2022	6,359,448	49,011	1,127,485	318,111	7,854,055
2023	6,184,069	33,190	1,116,477	318,297	7,652,033
2024	6,190,950	33,295	1,114,993	317,963	7,657,201
2025	6,183,851	33,330	1,111,271	316,926	7,645,378
2026	6,188,029	33,295	1,100,429	317,109	7,638,862
2027	5,704,532	33,190	1,091,620	-	6,829,342
2028	5,703,501	33,210	1,084,204	-	6,820,915
2029	5,507,254	-	469,266	-	5,976,520
2030	5,510,388	-	459,088	-	5,969,476
2031	2,141,350	-	-	-	2,141,350
2032	2,143,068	-	-	-	2,143,068
2033	2,141,568	-	-	-	2,141,568
2034	2,141,640	-	-	-	2,141,640
2035	2,140,037	-	-	-	2,140,037
2036	2,140,925	-	-	-	2,140,925
2037	2,139,537	-	-	-	2,139,537
2038	2,141,137	-	-	-	2,141,137

**ADOPTED OPERATING AND CAPITAL BUDGET FY 2014  
DEBT SERVICE SECTION**

**General Fund Debt Service  
Showing New Court & LUES / JMHS<sup>2</sup> School Project Details**

<b>Year</b>	<b>Court (2011 GO Bonds)</b>	<b>Education (2004 GO Bonds)</b>	<b>Other General</b>	<b>Total</b>
2014	2,139,062	3,368,295	1,722,606 <sup>3</sup>	7,229,963
2015	2,140,062	3,366,412	2,394,244 <sup>4</sup>	7,900,718
2016	2,140,262	3,370,450	1,210,009	6,720,721
2017	2,138,762	3,370,152	1,207,566	6,716,480
2018	2,140,762	3,370,392	1,201,994	6,713,148
2019	2,141,162	3,370,915	875,839	6,387,916
2020	2,142,225	3,366,592	864,475	6,373,292
2021	2,138,737	3,367,170	858,403	6,364,310
2022	2,143,000	3,367,265	849,183	6,359,448
2023	2,139,087	3,366,622	678,360	6,184,069
2024	2,142,637	3,369,860	678,453	6,190,950
2025	2,140,062	3,366,722	677,067	6,183,851
2026	2,140,543	3,370,342	677,144	6,188,029
2027	2,143,056	3,370,633	190,843	5,704,532
2028	2,143,287	3,369,256	190,958	5,703,501
2029	2,141,287	3,365,967	-	5,507,254
2030	2,140,606	3,369,782	-	5,510,388
2031	2,141,350	-	-	2,141,350
2032	2,143,068	-	-	2,143,068
2033	2,141,568	-	-	2,141,568
2034	2,141,640	-	-	2,141,640
2035	2,140,037	-	-	2,140,037
2036	2,141,925	-	-	2,140,925
2037	2,139,537	-	-	2,139,537
2038	2,141,137	-	-	2,141,137

<sup>2</sup> The new Lafayette Upper Elementary School and the replacement James Monroe High School project.

<sup>3</sup> The City will be making allocation adjustments between funds beginning in FY 2015 – total debt service will not be affected.

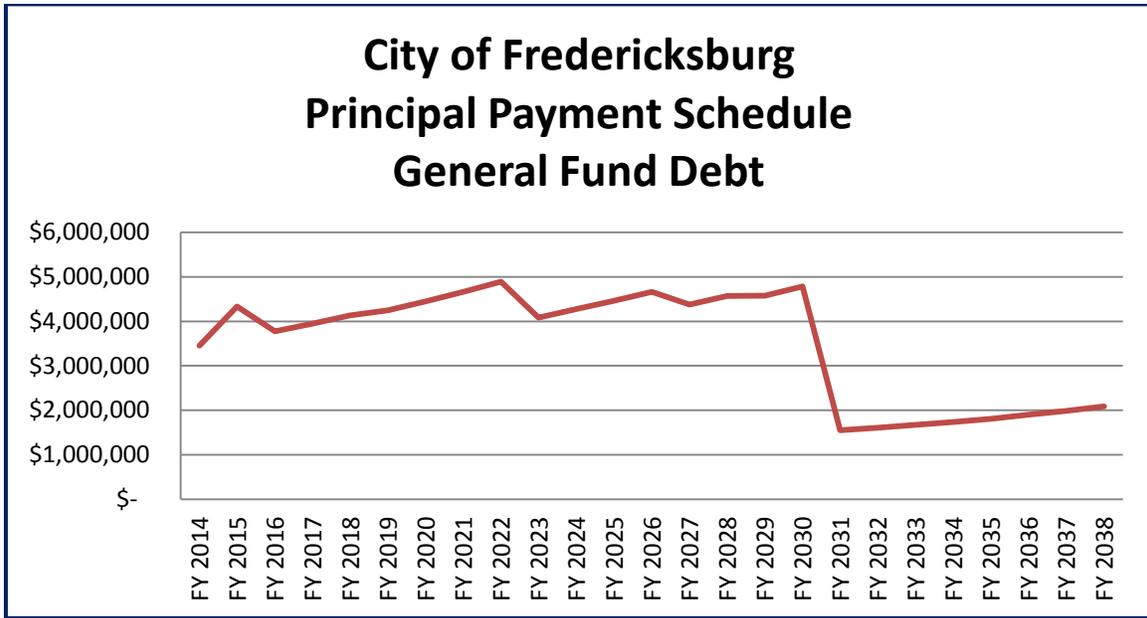
<sup>4</sup> The impact of the EDA Note balloon payment (\$725,000 principal) is shown here.

**ADOPTED OPERATING AND CAPITAL BUDGET FY 2014  
DEBT SERVICE SECTION**

**Debt Service Table – Principal and Interest (FY 2014)**

<i><b>Fiscal Year</b></i>	<i><b>General Obligation – Principal</b></i>	<i><b>General Obligation – Interest</b></i>	<i><b>Revenue – Principal</b></i>	<i><b>Revenue – Interest</b></i>	<i><b>EDA Note – Principal</b></i>	<i><b>EDA Note – Interest</b></i>
<b>2013</b>	3,696,000	4,614,021	1,064,107	45,763	-	21,750
<b>2014</b>	4,585,000	4,377,717	545,658	9,276	-	21,750
<b>2015</b>	4,744,000	4,183,535	-	-	725,000	10,875
<b>2016</b>	4,417,000	3,990,152	-	-	-	-
<b>2017</b>	4,605,000	3,800,195	-	-	-	-
<b>2018</b>	4,803,000	3,598,835	-	-	-	-
<b>2019</b>	4,495,000	3,386,692	-	-	-	-
<b>2020</b>	4,690,000	3,174,438	-	-	-	-
<b>2021</b>	4,910,000	2,946,570	-	-	-	-
<b>2022</b>	5,140,000	2,707,412	-	-	-	-
<b>2023</b>	5,175,000	2,470,388	-	-	-	-
<b>2024</b>	5,415,000	2,235,557	-	-	-	-
<b>2025</b>	5,655,000	1,983,733	-	-	-	-
<b>2026</b>	5,910,000	1,722,219	-	-	-	-
<b>2027</b>	5,355,000	1,467,842	-	-	-	-
<b>2028</b>	5,595,000	1,219,415	-	-	-	-
<b>2029</b>	4,990,000	979,887	-	-	-	-
<b>2030</b>	5,215,000	748,477	-	-	-	-
<b>2031</b>	1,550,000	588,350	-	-	-	-
<b>2032</b>	1,610,000	530,069	-	-	-	-
<b>2033</b>	1,670,000	468,569	-	-	-	-
<b>2034</b>	1,735,000	403,641	-	-	-	-
<b>2035</b>	1,810,000	327,037	-	-	-	-
<b>2036</b>	1,900,000	238,925	-	-	-	-
<b>2037</b>	1,990,000	146,538	-	-	-	-
<b>2038</b>	2,090,147	49,638	-	-	-	-
<b>Total</b>	100,054,147	47,745,831	545,658	9,276	725,000	32,625

**ADOPTED OPERATING AND CAPITAL BUDGET FY 2014  
DEBT SERVICE SECTION**



**ADOPTED OPERATING AND CAPITAL BUDGET FY 2014  
DEBT SERVICE SECTION**

**CITY OF FREDERICKSBURG INDIVIDUAL DEBT ISSUES**

**\$48,095,000 General Obligation School Bonds, Series 2004A**

	Principal	Interest	Fees	Total
FY 2014	1,470,000	1,897,795	500	3,368,295
FY 2015	1,545,000	1,820,912	500	3,366,412
FY 2016	1,630,000	1,739,950	500	3,370,450
FY 2017	1,715,000	1,654,652	500	3,370,152
FY 2018	1,805,000	1,564,892	500	3,370,392
FY 2019	1,900,000	1,470,415	500	3,370,915
FY 2020	1,995,000	1,371,092	500	3,366,592
FY 2021	2,100,000	1,266,670	500	3,367,170
FY 2022	2,210,000	1,156,765	500	3,367,265
FY 2023	2,325,000	1,041,112	500	3,366,622
FY 2024	2,450,000	919,360	500	3,369,860
FY 2025	2,575,000	791,222	500	3,366,722
FY 2026	2,710,000	659,842	500	3,370,342
FY 2027	2,845,000	525,134	500	3,370,633
FY 2028	2,985,000	383,756	500	3,369,256
FY 2029	3,130,000	235,467	500	3,365,967
FY 2030	3,290,000	79,782	-	3,369,782
Total	38,680,000	18,578,818	8,000	57,266,827

*2004 (A) General Obligation School Bonds – Details*

- ❖ Bonds issued for the purpose of constructing the replacement James Monroe High School and the new Lafayette Upper Elementary School.
- ❖ Source of funds is General Fund
- ❖ Maximum par value - \$50,000,000
- ❖ Interest rates – 5.1% through FY 2025; then 4.85% through FY 2030
- ❖ Yield – 4.2046%

In addition to this activity, but not shown in the debt service table, is the refinancing of the General Obligation Bonds for the construction of James Monroe High School and Lafayette Upper Elementary School. The Commonwealth restructured the note and provided the City with a one-time credit in July 2012. The City will use the one-time credit to reduce the current revenues required to service the school debt by \$47,400 per year until the retirement of the school bonds in FY 2030.

**ADOPTED OPERATING AND CAPITAL BUDGET FY 2014  
DEBT SERVICE SECTION**

**\$36,665,000 General Obligation Courthouse Bonds, Series 2011A  
New Portion**

	Principal	Interest	Fees	Total
FY 2014	825,000	1,311,062	3000	2,139,062
FY 2015	860,000	1,277,362	3000	2,140,062
FY 2016	895,000	1,242,262	3000	2,140,262
FY 2017	930,000	1,205,762	3000	2,138,762
FY 2018	970,000	1,167,762	3000	2,140,762
FY 2019	1,010,000	1,128,162	3000	2,141,162
FY 2020	1,055,000	1,084,225	3000	2,142,225
FY 2021	1,100,000	1,035,737	3000	2,138,737
FY 2022	1,155,000	985,000	3000	2,143,000
FY 2023	1,195,000	941,087	3000	2,139,087
FY 2024	1,235,000	904,637	3000	2,142,637
FY 2025	1,270,000	867,062	3000	2,140,062
FY 2026	1,310,000	827,543	3000	2,140,543
FY 2027	1,355,000	785,056	3000	2,143,056
FY 2028	1,400,000	740,287	3000	2,143,287
FY 2029	1,445,000	693,153	3000	2,141,287
FY 2030	1,495,000	642,606	3000	2,140,606
FY 2031	1,550,000	588,350	3000	2,141,350
FY 2032	1,610,000	530,068	3000	2,143,068
FY 2033	1,670,000	468,568	3000	2,141,568
FY 2034	1,735,000	403,640	3000	2,141,640
FY 2035	1,810,000	327,037	3000	2,140,037
FY 2036	1,900,000	238,925	3000	2,141,925
FY 2037	1,990,000	146,537	3000	2,139,537
FY 2038	2,090,000	49,637	3000	2,141,137
Total	33,860,000	19,591,527	75,000	53,524,861

*2011 (A) General Obligation Courthouse Bonds - New Portion Details*

- ❖ Bonds issued for the purpose of constructing the new courthouse and related improvements
- ❖ Source of funds is General Fund
- ❖ Interest rates – 5.1% through FY 2025; then 4.85% through FY 2030
- ❖ Yield – 4.2046%

**ADOPTED OPERATING AND CAPITAL BUDGET FY 2014  
DEBT SERVICE SECTION**

**\$36,665,000 General Obligation Courthouse Bonds, Series 2011A  
Refunding Portion of 2001 Series A Bonds**

	Principal	Interest	Fees	Total
FY 2014	715,000	100,825	-	815,825
FY 2015	705,000	72,425	-	777,425
FY 2016	200,000	54,325	-	254,325
FY 2017	200,000	46,325	-	246,325
FY 2018	200,000	38,325	-	238,325
FY 2019	200,000	30,325	-	230,325
FY 2020	195,000	21,937	-	216,937
FY 2021	195,000	13,162	-	208,162
FY 2022	195,000	4,387	-	199,387
Total	2,805,000	382,036		3,187,036

*Allocation By Fund*

	General	Water	Wastewater	Total
FY 2014	699,407	64,613	51,805	815,825
FY 2015	666,486	61,572	49,366	777,425
FY 2016	218,033	20,143	16,150	254,325
FY 2017	211,174	19,509	15,642	246,325
FY 2018	204,316	18,875	15,134	238,325
FY 2019	197,458	18,242	14,626	230,325
FY 2020	185,980	17,181	13,775	216,937
FY 2021	178,457	16,486	13,218	208,162
FY 2022	170,934	15,791	12,661	199,387
Total	2,732,246	252,413	202,377	3,187,036

*\$36,665,000 General Obligation Courthouse Bonds, Series 2011A  
Refunding Portion of 2001 Series A Bonds – Details*

Allocation Schedule

- ❖ General Fund 85.73%
- ❖ Water Fund 7.92%
- ❖ Wastewater Fund 6.35%

Original 2001 (A) Bonds

- ❖ \$6,600,000 in new issue
  - Cowan Boulevard Construction Agreement with Commonwealth Transportation Board
  - Development of Dixon Street Recreation Center
  - Acquisition of a fire ladder truck
- ❖ \$14,250,000 in refunding issue
  - Current refunding of 2002 through 2010 of 1993 Series Refunding Bonds
  - Advance refunding of 1994 Series GO Bonds

**ADOPTED OPERATING AND CAPITAL BUDGET FY 2014  
DEBT SERVICE SECTION**

**1992 VRA Water & Sewer Revenue Bonds**

	Principal	Interest	Fees	Total
FY 2014	545,659	9,276		554,935

*1992 VRA Water & Sewer Revenue Bonds – Details*

- ❖ Wastewater revenue bonds that are paid in FY 2014.
- ❖ Revenue bonds are pledged against wastewater revenues only and do not count against the City's overall debt limits.

**ADOPTED OPERATING AND CAPITAL BUDGET FY 2014  
DEBT SERVICE SECTION**

**2011 General Obligation Note from the City Economic Development Authority**

	Principal	Interest	Fees	Total
FY 2014		21,750	-	21,750
FY 2015	725,000	10,875	-	735,875
Total	725,000			

*2011 General Obligation Note – EDA Details*

- ❖ Loan to the City from the City Economic Development Authority
- ❖ Source of Funds – General Fund
- ❖ Purpose of Note was the purchase of real estate to assist in the Development of the Riverfront Park on Sophia Street.
- ❖ Balloon structure for the note – interest only until FY 2015, then principal becomes due
  - City Council has assigned fund balance in the amount of \$250,000 for the purpose of paying the balance of the obligation
  - City Council may assign additional fund balance to meet all or part of the FY 2015 obligation to pay the principal on the note to the EDA.

**ADOPTED OPERATING AND CAPITAL BUDGET FY 2014  
DEBT SERVICE SECTION**

**2005 (B) VML / VaCO  
\$10,750,000 General Obligation**

	Principal	Interest	Fees	Total
FY 2014	480,000	332,005	145	812,150
FY 2015	495,000	312,505	145	807,650
FY 2016	515,000	292,305	145	807,450
FY 2017	540,000	271,205	145	811,350
FY 2018	560,000	248,855	145	809,000
FY 2019	580,000	224,980	145	805,125
FY 2020	605,000	199,799	145	804,944
FY 2021	635,000	173,290	145	808,435
FY 2022	660,000	145,200	145	805,345
FY 2023	690,000	115,669	145	805,814
FY 2024	720,000	84,825	145	804,970
FY 2025	750,000	52,200	145	802,345
FY 2026	785,000	17,662	145	802,807
Total	8,015,000	2,470,500	1,885	10,487,385

*Allocation By Fund*

	General	Parking		Total
FY 2014	491,351	320,799		812,150
FY 2015	488,628	319,022		807,650
FY 2016	488,507	318,943		807,450
FY 2017	490,867	320,483		811,350
FY 2018	489,445	319,555		809,000
FY 2019	487,101	318,024		805,125
FY 2020	486,991	317,953		804,944
FY 2021	489,103	319,332		808,435
FY 2022	487,234	318,111		805,345
FY 2023	487,517	318,297		805,814
FY 2024	487,007	317,963		804,970
FY 2025	485,419	316,926		802,345
FY 2026	485,698	317,109		802,807
Total	6,344,868	4,142,517		10,487,385

*2005 (B) VML / VaCO Bond Details*

- ❖ Bond issue for Dixon Park / Police Headquarters / Sophia Street Parking Garage
- ❖ Source of Funds is General Fund for Park and Police Headquarters – 60.5%
- ❖ Source of Funds is Parking Fund (use of surplus motor fuels tax) for the Sophia Street Parking Garage portion – 39.5%

**ADOPTED OPERATING AND CAPITAL BUDGET FY 2014  
DEBT SERVICE SECTION**

**2007 (E) VML / VaCO  
Original Principal \$10,705,000**

	Principal	Interest	Fees	Total
FY 2014	425,000	403,750		828,750
FY 2015	445,000	386,350		831,350
FY 2016	465,000	368,150		833,150
FY 2017	480,000	350,450		830,450
FY 2018	500,000	332,050		832,050
FY 2019	520,000	311,650		831,650
FY 2020	545,000	287,625		832,625
FY 2021	570,000	259,750		829,750
FY 2022	600,000	230,500		830,500
FY 2023	630,000	199,750		829,750
FY 2024	665,000	167,375		832,375
FY 2025	700,000	133,250		833,250
FY 2026	735,000	97,375		832,375
FY 2027	770,000	59,750		829,750
FY 2028	810,000	20,250		830,250
Total	8,860,000	3,608,025		12,468,025

*Allocation By Fund*

	General	Water	Wastewater	Total
FY 2014	190,613	33,150	604,988	828,750
FY 2015	191,211	33,254	606,886	831,350
FY 2016	191,625	33,326	608,200	833,150
FY 2017	191,004	33,218	606,229	830,450
FY 2018	191,372	33,282	607,397	832,050
FY 2019	191,280	33,266	607,105	831,650
FY 2020	191,504	33,305	607,816	832,625
FY 2021	190,843	33,190	605,718	829,750
FY 2022	191,015	33,220	606,265	830,500
FY 2023	190,843	33,190	605,718	829,750
FY 2024	191,446	33,295	607,634	832,375
FY 2025	191,648	33,330	608,273	833,250
FY 2026	191,446	33,295	607,634	832,375
FY 2027	190,843	33,190	605,718	829,750
FY 2028	190,958	33,210	606,083	830,250
Total	2,867,646	498,721	9,101,658	12,468,025

**ADOPTED OPERATING AND CAPITAL BUDGET FY 2014  
DEBT SERVICE SECTION**

*2007 (E)VML / VaCO Bond Details*

- ❖ Yield – 4.5827%
- ❖ Wastewater Projects (73%)
  - Lower Hazel Run Interceptor
  - Smith Run Interceptor
  - City Dock Interceptor
  - Kenmore Basin sanitary sewer rehabilitation and replacement
- ❖ Water Project (4%) – Jefferson Davis Highway Water Line Replacement
- ❖ General Fund Project (23%) – Riverfront Park land acquisition and development

**ADOPTED OPERATING AND CAPITAL BUDGET FY 2014  
DEBT SERVICE SECTION**

**2009 (A) General Obligation Refunding Bonds**

	Principal	Interest	Fees	Total
FY 2014	430,000	68,970		498,970
FY 2015	444,000	56,070		500,070
FY 2016	457,000	42,750		499,750
FY 2017	475,000	29,040		504,040
FY 2018	493,000	14,790		507,790
Total	2,299,000	211,620		2,510,620

*Allocation By Fund*

	General	Water	Total
FY 2014	311,357	187,613	498,970
FY 2015	312,044	188,026	500,070
FY 2016	311,844	187,906	499,750
FY 2017	314,521	189,519	504,040
FY 2018	316,861	190,929	507,790
Total	1,566,627	943,993	2,510,620

*2009 (A) Refunding Bonds Details*

- ❖ \$4,162,000 General Obligation Refunding Bond Series 2009 (A)
- ❖ Original Bonds were Series 1998 (A)
- ❖ Allocation Schedule –
  - General Fund (57.14% General + 5.26% School = 62.4%)
- ❖ Water Fund 37.6%
- ❖ 1998 (A) Bonds – Original Issue \$9,780,000
- ❖ Improvements to Water and Sewer System
- ❖ Street, traffic, safety, and related improvements
- ❖ Public education facilities and equipment
- ❖ Communications Center improvements
- ❖ Refunding Bonds
  - \$2,572,500 Series 1997 (A) Refunding
  - \$1,455,000 Series 1986 Bonds Refunding
  - \$630,000 Series 1988 Bonds Refunding

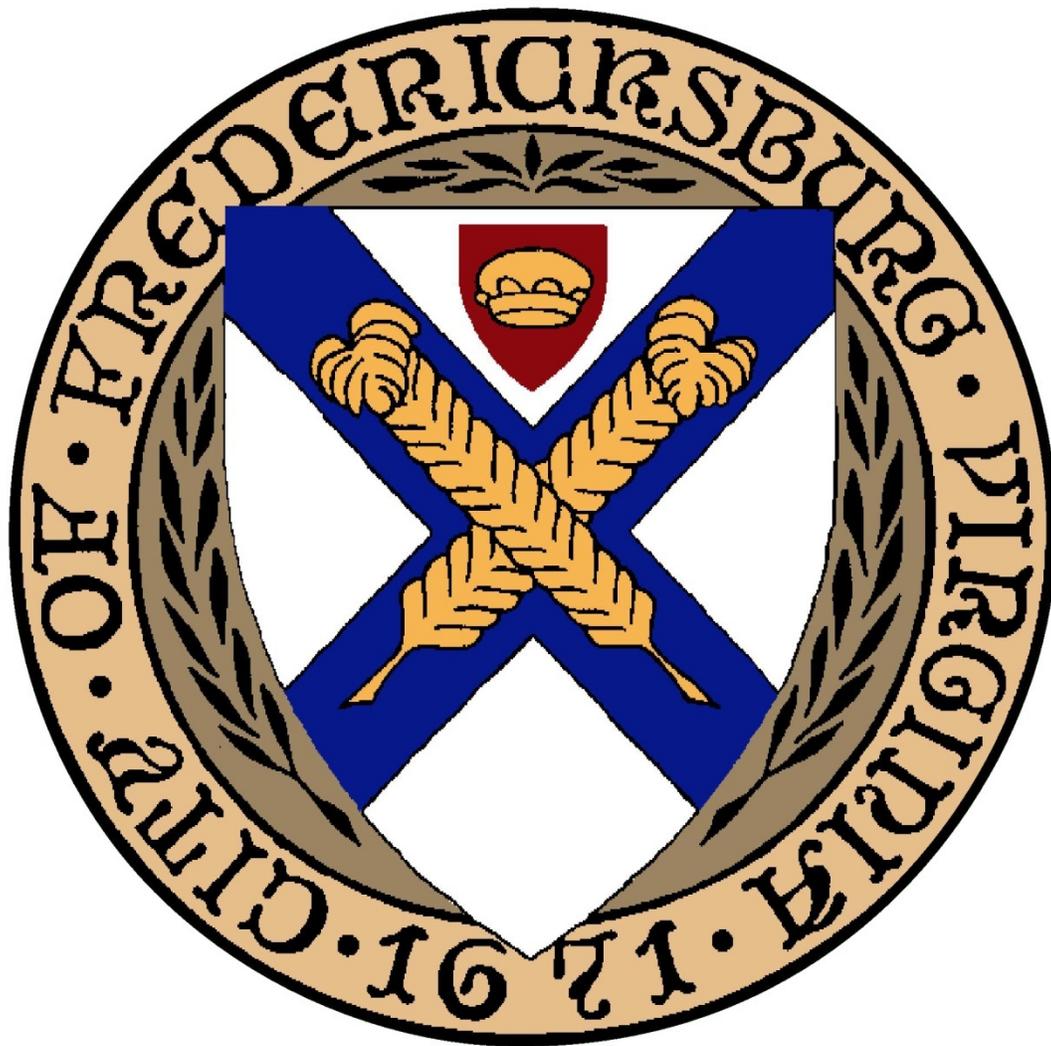
**ADOPTED OPERATING AND CAPITAL BUDGET FY 2014  
DEBT SERVICE SECTION**

**2010 (A/B/C) VML / VaCO  
Wastewater Capital Improvements**

	Principal	Interest	Fees	Total
FY 2014	240,000	263,109	3,000	506,309
FY 2015	250,000	257,909	3,000	510,909
FY 2016	255,000	250,409	3,000	508,409
FY 2017	265,000	242,759	3,000	510,759
FY 2018	275,000	232,159	3,000	510,159
FY 2019	285,000	221,159	3,000	509,159
FY 2020	295,000	209,759	3,000	507,759
FY 2021	310,000	197,959	3,000	510,959
FY 2022	320,000	185,559	3,000	508,559
FY 2023	335,000	172,759	3,000	510,759
FY 2024	345,000	159,359	3,000	507,359
FY 2025	360,000	139,998	3,000	502,998
FY 2026	370,000	119,795	3,000	492,795
FY 2027	385,000	97,902	3,000	485,902
FY 2028	400,000	75,121	3,000	478,121
FY 2029	415,000	51,266	3,000	469,266
FY 2030	430,000	26,088	3,000	459,088
<b>Total</b>				

*2010 (A/B/C) VML / VaCO Wastewater Bond Details*

- ❖ \$970,000 Series 2010 (A) – Recovery Zone
- ❖ \$1,735,000 Series 2010 (B) – Build America
- ❖ \$3,515,000 Series 2010 (C) – Tax-Exempt
- ❖ RZED Project – Fall Hill Avenue Pump Station; Normandy Village Pump Station
- ❖ BAB & TE Project – WWTP Renovation & City share of Spotsylvania County FMC Plant Sludge Handling
- ❖ Source of Funds – City Wastewater Operating Fund
- ❖ Federal Interest subsidies are revenues in Wastewater Operating Fund



Adopted Operating and Capital Budget FY 2014

Fund Balance Analysis

**ADOPTED OPERATING AND CAPITAL BUDGET FY 2014  
FUND BALANCE ANALYSIS  
GENERAL FUND**

**Table 1 – FY 2010 Activities**

<b>Beginning Fund Balance FY 2010</b>		<b>16,114,672</b>
	Add: Total Revenues FY 2009	72,210,456
	Add: Total Transfers In FY 2009	1,347,600
	Add: Proceeds from Asset Sale	-
	Deduct: Total Expenditures FY 2009	(63,449,959)
	Deduct: Total Transfers Out FY 2009	(8,336,633)
	Change in Balance	1,771,464
<b>Ending Fund Balance FY 2010</b>		<b>17,718,299</b>
<b>Designations at End of Year for FY 2010</b>		
	Reserved: Encumbrances & Prepays	403,443
	Designated for Capital	3,789,255
	Designated for Health Insurance Claims	950,000
	Designated – Other	41,865
	Undesignated Unreserved	12,533,736
<b>Total</b>		<b>17,718,299</b>

**Notes for Table 3**

- ❖ The FY 2010 original Operating and Capital Budget included the use of the following fund balances from the following designations:
  - \$914,590 from Undesignated Unreserved
  - \$178,075 from Designation for Regional Security Center
  - \$914,590 from Designation for School Debt Service
  - \$3,989,331 Total
- ❖ The Undesignated Unreserved balance remains in excess of 12% of the prior year revenues, which is a City Council Financial Policy. The 12% target level based upon FY 2009 revenues is \$8.46 million.

**ADOPTED OPERATING AND CAPITAL BUDGET FY 2014  
FUND BALANCE ANALYSIS  
GENERAL FUND**

**Table 2 – FY 2011 Activities**

<b>Beginning Fund Balance FY 2011</b>		<b>17,760,567</b>
	Add: Total Revenues FY 2011	74,311,179
	Add: Total Transfers In FY 2011	1,160,980
	Add: Proceeds from Asset Sale	-
	Deduct: Total Expenditures FY 2011	(63,311,781)
	Deduct: Total Transfers Out FY 2011	(10,618,454)
	Change in Balance	1,578,589
<b>Ending Fund Balance FY 2011</b>		<b>19,339,156</b>
<b>Designations at End of Year for FY 2011</b>		
	Reserved: Encumbrances & Prepaids	44,611
	Committed to Capital Projects	3,789,255
	Committed to Health Insurance Claims	950,000
	Committed – Other	41,865
	Assigned to Riverfront Park Debt	250,000
	Assigned – Other	123,829
	Unassigned	13,662,911
<b>Total</b>		<b>19,339,156</b>

**Notes for Table 3**

- ❖ The FY 2011 original Operating and Capital Budget included the use of the following fund balances from the following designations:
  - \$500,000 from Unassigned for General Fund Contingency
- ❖ The City used fund balance in FY 2011; however, no Undesignated Unreserved Fund Balance was used.
- ❖ The Undesignated Unreserved balance remains in excess of 12% of the prior year revenues, which is a City Council Financial Policy. The 12% target level based upon FY 2009 revenues is \$8.46 million.

**ADOPTED OPERATING AND CAPITAL BUDGET FY 2014  
FUND BALANCE ANALYSIS  
GENERAL FUND**

**Table 2 – FY 2012 Activities**

<b>Beginning Fund Balance FY 2012</b>		<b>19,339,156</b>
	Add: Total Revenues FY 2012	80,278,664
	Add: Total Transfers In FY 2012	1,039,774
	Add: Proceeds from Asset Sale	-
	Deduct: Total Expenditures FY 2012	(66,370,170)
	Deduct: Total Transfers Out FY 2012	(8,442,382)
	Change in Balance	6,533,127
<b>Ending Fund Balance FY 2012</b>		<b>25,872,283</b>
<b>Designations at End of Year for FY 2012</b>		
	Reserved: Encumbrances & Prepaids	348,945
	Committed to Capital Projects	3,789,255
	Committed to Health Insurance Claims	950,000
	Committed – Other	265,406
	Assigned to Riverfront Park Debt	250,000
	Assigned – Other	42,876
	Unassigned	20,225,801
<b>Total</b>		<b>25,872,283</b>

**Notes for Table 3**

- ❖ The FY 2012 original Operating and Capital Budget included the use of the following fund balances from the following designations:
  - \$600,000 from Unassigned for General Fund Contingency
  - \$1,000,000 from Committed to Capital Projects to fund a Transfer to Capital Project Funds
- ❖ The Undesignated Unreserved balance remains in excess of 12% of the prior year revenues, which is a City Council Financial Policy.

**ADOPTED OPERATING AND CAPITAL BUDGET FY 2014  
FUND BALANCE ANALYSIS  
GENERAL FUND**

**Table 4 – FY 2013 Amended Appropriation**

<b>Fund Balance Commitments</b>	<b>FY2013 Beginning</b>	<b>FY 2013 Estimated</b>	<b>FY 2013 Adjustment to Balance Commitments<sup>1</sup></b>	<b>FY 2013 Ending</b>	<b>FY 2014 Appropriation</b>	<b>FY 2014 Projection</b>
<b>Nonspendable:</b>						
Prepays and Inventory	348,945		319,105	346,540	-	346,540
<b>Committed:</b>						
Capital	3,789,255	-		7,189,255	(1,200,000)	5,989,255
Health Insurance Claims	950,000	-		386,962	-	386,962
Encumbrances	265,406	-		198,818	-	198,818
<b>Assigned:</b>						
Riverfront Park Debt	250,000	-	-	725,000	-	725,000
Other	42,876	-	-	133,372	-	133,372
Unassigned	20,225,801	-	(737,747)-	18,582,733	(625,000)	17,957,733
<b>Total</b>	<b>25,872,283</b>	<b>(199,017)</b>	<b>120,088</b>	<b>27,562,720</b>	<b>(2,103,045)</b>	<b>25,737,680</b>

**Notes for Table 4**

- ❖ The FY 2014 Operating and Capital Budget included the use of the following fund balances from the following designations:
  - \$265,406 Amended Budget from Undesignated Unreserved for Prior Year Encumbrances
  - \$348,945 Amended Budget from Undesignated Unreserved for Prior Year Prepays and Inventory
- ❖ Revenues were greater than expenditures in FY 2013 therefore Fund Balance was not used.

<sup>1</sup> The actual reservations for encumbrances and pre-paid expenses will vary depending upon the outcome of the final audit, and may increase or decrease the amount of undesignated unreserved fund balance slightly as adjustments for prepaid expenses and encumbrances vary from year-to-year.

**ADOPTED OPERATING AND CAPITAL BUDGET FY 2014  
FUND BALANCE ANALYSIS  
GENERAL FUND**

**Table 6 – FY 2014 Original Appropriation**

<b>Fund Balance Designations</b>	<b>FY 2013 Projection</b>	<b>FY 2014 Appropriation</b>	<b>FY 2014 Projection</b>
Committed for Encumbrances &	198,818	-	198,818
Nonspendable Prepaids and Inventory	346,540		346,540
Committed for Capital	7,189,255	1,200,000	5,989,255
Assigned for Debt Service for Riverfront Park	725,000-	-	725,000
Committed for Health Insurance Claims	386,962	-	386,962
Assigned Other	133,372	-	133,372
Unassigned	18,582,773	625,000	17,957,733
<b>Total</b>	<b>27,562,720</b>	<b>2,103,045</b>	<b>25,737,680</b>

**Notes for Table 6**

- ❖ The “FY 2014 Projection” is based upon unaudited estimates for each of these funds. The City anticipates at this point that final revenues have exceeded final expenditures, and the City will add rather than use balance.
- ❖ FY 2014 appropriations include:
  - \$525,000 Unassigned for General Fund Contingency
  - \$100,000 Unassigned for Transfer to the Blight Abatement and Historic Preservation Fund
  - \$1,200,000 Committed for Capital Improvements

**ADOPTED OPERATING AND CAPITAL BUDGET FY 2014  
FUND BALANCE ANALYSIS  
SOCIAL SERVICES FUND**

<b>Beginning Fund Balance FY 2010</b>		<b>79,523</b>
	Net Change in Fund Balance	<b>70,800</b>
<b>Ending Fund Balance FY 2010</b>		<b>150,323</b>
<b>Beginning Fund Balance FY 2011</b>		<b>150,323</b>
	Net Change in Fund Balance	81,810
<b>Ending Fund Balance FY 2011</b>		<b>232,133</b>
<b>Beginning Fund Balance FY 2012</b>		<b>232,133</b>
	Appropriation in FY 2012	33,993
<b>Ending Fund Balance FY 2012</b>		<b>266,126</b>
<b>Beginning Fund Balance FY 2013</b>		<b>266,126</b>
	Appropriation in FY 2013	(86,761)
<b>Ending Fund Balance FY 2013</b>		<b>179,365</b>
<b>Beginning Fund Balance FY 2014</b>	<i>*estimated fund balance</i>	<b>179,365</b>
	Appropriation in FY 2014	(36,340)
<b>Ending Fund Balance FY 2014</b>		<b>143,025</b>

**Table Notes**

- ❖ The Beginning Fund Balance FY 2014 is an unaudited estimate, based on the FY 2013 budget figures. At this writing, the final revenue and expenditure activities yet to be determined.
- ❖ The City plans to use \$36,340 Social Services Fund Balance in FY 2014 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.

**ADOPTED OPERATING AND CAPITAL BUDGET FY 2014  
FUND BALANCE ANALYSIS  
SCHOOL OPERATING FUND**

<b>Beginning Fund Balance FY 2010</b>		<b>1,386,014</b>
	Net Change in Fund Balance	482,740
<b>Ending Fund Balance FY 2010</b>		<b>1,868,754</b>
<b>Beginning Fund Balance FY 2011</b>		<b>1,868,754</b>
	Net Change in Fund Balance	<b>1,547,527</b>
<b>Ending Fund Balance FY 2011</b>		<b>3,416,281</b>
<b>Beginning Fund Balance FY 2012</b>		<b>3,416,281</b>
	Net Change in Fund Balance	(106,980)
<b>Ending Fund Balance FY 2012</b>		<b>2,523,261</b>
<b>Beginning Fund Balance FY 2013</b>	<i>*estimated fund balance</i>	<b>2,523,261</b>
	Appropriation in FY 2013	(2,018,761)
<b>Ending Fund Balance FY 2013</b>		<b>504,500</b>
<b>Beginning Fund Balance FY 2014</b>	<i>*estimated fund balance</i>	<b>504,500</b>
	Appropriation in FY 2014	-
<b>Ending Fund Balance FY 2014</b>		<b>504,500</b>

**Notes**

- ❖ The Beginning Fund Balance FY 2014 is an unaudited estimate, based on the FY 2013 budget figures. At this writing, the final revenue and expenditure activities yet to be determined.
- ❖ 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 City appropriated \$375,000 in fund balance for School Operations in FY 2010. This helps to offset the decline in the transfer from the General Fund in FY 2010. The School Board requested the remaining part of their fund balance also be appropriated, and City Council amended the budget in Resolution 10-46 to do so.

**ADOPTED OPERATING AND CAPITAL BUDGET FY 2014  
FUND BALANCE ANALYSIS  
CITY GRANTS FUND**

<b>Beginning Fund Balance FY 2010</b>		<b>845,811</b>
	Net Change in Balance	194,424
<b>Ending Fund Balance FY 2010</b>		<b>1,040,235</b>
<b>Beginning Fund Balance FY 2011</b>		
	Net Change in Balance	(85,001)
<b>Ending Fund Balance FY 2011</b>		<b>955,234</b>
<b>Beginning Fund Balance FY 2012</b>		
	Net Change in Balance	(243,830)
<b>Ending Fund Balance FY 2012</b>		<b>711,404</b>
<b>Beginning Fund Balance FY 2013</b>		
	<i>*estimated fund balance</i>	<b>711,404</b>
	Appropriation in FY 2013	(433,504)
<b>Ending Fund Balance FY 2013</b>		<b>277,900</b>
<b>Beginning Fund Balance FY 2014</b>		
	<i>*estimated fund balance</i>	<b>277,900</b>
	Appropriation in FY 2014	(40,000)
<b>Ending Fund Balance FY 2014</b>		<b>237,900</b>

**Notes**

- ❖ The Beginning Fund Balance FY 2014 is an unaudited estimate, based on the FY 2013 budget figures. At this writing, the final revenue and expenditure activities in the City Grants Fund have yet to be determined.
- ❖ The City Council usually considers requests for re-appropriations of balances to help support ongoing grant activities after the close of the fiscal year. Many grants are on a federal fiscal year cycle, with a fiscal year that begins October 1<sup>st</sup>. In addition, many grants last for two or more years, depending upon the award.

**ADOPTED OPERATING AND CAPITAL BUDGET FY 2014  
FUND BALANCE ANALYSIS  
SCHOOL GRANT FUND**

<b>Beginning Fund Balance FY 2010</b>		<b>614,199</b>
	Net Change in Fund Balance	(3,860)
<b>Ending Fund Balance FY 2010</b>		<b>610,339</b>
<b>Beginning Fund Balance FY 2011</b>		
	Net Change in Fund Balance	(15,277)
<b>Ending Fund Balance FY 2011</b>		<b>595,062</b>
<b>Beginning Fund Balance FY 2012</b>		
	Net Change in Fund Balance	-
<b>Ending Fund Balance FY 2012</b>		<b>659,947</b>
<b>Beginning Fund Balance FY 2013</b>		
	<i>*estimated fund balance</i>	<b>659,947</b>
	Appropriation in FY 2013	-
<b>Ending Fund Balance FY 2013</b>		<b>659,947</b>
<b>Beginning Fund Balance FY 2014</b>		
	<i>*estimated fund balance</i>	<b>659,947</b>
	Appropriation in FY 2014	-
<b>Ending Fund Balance FY 2014</b>		<b>659,947</b>

**Notes**

- ❖ The Beginning Fund Balance FY 2014 is an unaudited estimate, based on the FY 2013 budget figures. At this writing, the final revenue and expenditure activities yet to be determined.
- ❖ 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.

**FUND BALANCE ANALYSIS  
COMPREHENSIVE SERVICES ACT FUND**

<b>Beginning Fund Balance FY 2010</b>		<b>199,605</b>
	Net Change in Fund Balance	114,760
<b>Ending Fund Balance FY 2010</b>		<b>314,365</b>
<b>Beginning Fund Balance FY 2011</b>		<b>314,365</b>
	Net Change in Fund Balance	(83,696)
<b>Ending Fund Balance FY 2011</b>		<b>230,669</b>
<b>Beginning Fund Balance FY 2012</b>		<b>230,669</b>
	Appropriation in FY 2012	(48,948)
<b>Ending Fund Balance FY 2012</b>		<b>181,721</b>
<b>Beginning Fund Balance FY 2013</b>		<b>181,721</b>
	Appropriation in FY 2013	(50,000)
<b>Ending Fund Balance FY 2013</b>		<b>131,721</b>
<b>Beginning Fund Balance FY 2014</b>		<b>131,721</b>
	Appropriation in FY 2014	-
<b>Ending Fund Balance FY 2014</b>		<b>131,721</b>

**Notes**

- ❖ The Beginning Fund Balance FY 2014 is an unaudited estimate, based on the FY 2013 budget figures. At this writing, the final revenue and expenditure activities yet to be determined.