

CITY FINANCIAL STRUCTURE

Description of Account Structure

Accounts of the City are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances/retained earnings, revenues and expenditures/expenses. The following fund types are used by the City of Suffolk:

Governmental Funds

Governmental Funds are those through which most governmental functions of the City are financed. The City presents the following major governmental funds:

General Fund – The General Fund is the primary operating fund of the City. This fund is used to account for all financial transactions and resources except those required to be accounted for in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for services, and interest income. A significant part of the General Fund’s revenues is transferred to other funds and component units, principally to finance the operations of the City of Suffolk Public Schools.

Capital Projects Fund – The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary fund types).

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

The City presents the following non-major governmental funds:

Special Revenue Funds

The Special Revenue Funds account for revenue derived from specific sources (other than major capital projects) that are restricted by legal and regulatory provisions to finance specific activities.

Downtown Business Overlay District – The Downtown Business Overlay District accounts for revenues and expenditures related to services provided in the Downtown Business Overlay District. Most revenues are derived from a specific percentage of the annual real estate tax assessments in the Downtown Business Overlay District.

Road Maintenance Fund – The Road Maintenance Fund accounts for revenue and expenditures related to maintaining roads city wide. Revenues will be derived from the state and sale of service to other funds.