

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.

Aviation Facilities Fund – The Aviation Facilities Fund accounts for the revenues and expenditures related to the City’s airport. Revenues are derived from fuel sales, the rental of airport hangars and facilities, and the transfer of funding support from the General Fund.

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 are derived from the State and sale of service to other funds.

Consolidated Grants Fund – The Consolidated Grants Fund accounts for revenues and expenditures involving governmental grant programs.

Law Library Fund – The Law Library Fund accounts for the maintenance of a law library. Revenue is derived from court fees.

Route 17 Taxing District Fund – The Route 17 Taxing District Fund accounts for revenues and expenditures related to enhanced economic development related services provided in the Route 17 Taxing District. Most revenues are derived from a specific percentage of the annual real estate tax assessments in the Route 17 Taxing District.

Proprietary Funds

Proprietary Funds are used to account for activities that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses, and transfers relating to the primary government's business activities are accounted through proprietary funds. The measurement focus is on the determination of net income, financial position, and cash flows. Proprietary funds distinguish operating revenues and expenses from non-operating revenues and expenses. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges for services. Operating expenses include cost of sales and services, personnel, contractual services, and depreciation.

Enterprise Funds

The Enterprise Funds account for operations that are financed in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The City presents the following major enterprise fund:

Utility Fund – The Utility Fund accounts for the provision of water and sewer services to City residents. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operation, maintenance, billing, collections, financing and related debt service and capital assets of the water and sewage systems.

The City presents the following non-major enterprise funds:

Refuse Fund – The Refuse Fund accounts for the provision of solid waste disposal and recycling services to City residents, as well as landfill post closure requirements.

Stormwater Utility Fund – The Stormwater Utility Fund accounts for the maintenance and improvements to the City's stormwater infrastructure.