

# ENTERPRISE FUNDS

---

Enterprise Funds account for the acquisition, operations and maintenance of the City's facilities. These services are entirely or predominantly supported by user charges. The City periodically determines whether the revenue earned, expense incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. All activities necessary to provide services are budgeted for in these funds:

## **Sewer Fund**

This fund is used to account for the operations of the wastewater collection and treatment facilities operated by the city. Memphis continues to rank as having one of the lowest residential, commercial, and industrial wastewater rates among the 1,250 largest cities in the nation. The last increase in sewer fees was in fiscal year 2019.

## **Storm Water Fund**

This fund is used to account for the operations of the City of Memphis Storm Water program. The funds are generated from the storm water fee assessed to residential and non-residential facilities and properties within the city limits. The city's storm water fee is added to the MLGW utility bills, and monies collected are used to fund federally mandated storm water requirements and to alleviate local flooding problems.

## Enterprise Funds • Summary

Category	FY 2018 Actual	FY 2019 Adopted	FY 2019 Forecast	FY 2020 Adopted
Capital Contributions	\$ 945,690	\$ 0	\$ 0	\$ 0
Fines and and Forfeitures	266,480	2,800	50,800	51,800
Charges for Services	136,023,959	149,835,040	158,014,036	171,071,730
Use of Money and Property	732,559	0	1,443,205	744,000
Federal Grants	542,670	0	918,939	0
State Grants	831,154	0	0	0
Other Revenues	220,893	167,895	74,670,467	157,368
Dividend and Interest on Investment	56,248	0	154,454	0
Gain (Loss) on Investments	148,586	0	93,431	0
Gain (Loss) on Sale of Assets	20,484	0	0	0
<b>Total Revenues</b>	<b>\$ (139,788,723)</b>	<b>\$ (150,005,735)</b>	<b>\$ (235,345,332)</b>	<b>\$ (172,024,898)</b>
Personnel Services	31,331,143	34,358,831	35,678,119	37,262,036
Materials and Supplies	40,771,440	56,053,186	53,414,550	70,960,608
Capital Outlay	357,992	8,651,540	6,460,694	11,171,040
Grants and Subsidies	55,000	0	155,000	0
Investment Fees	4,032	0	3,840	0
Bond Issue Costs	0	0	911,223	0
Interest	4,466,072	5,120,000	10,387,788	4,121,000
Service Charges	13,123	0	500	0
Transfers Out	10,438,877	9,189,657	12,097,026	12,822,373
Depreciation on Own Funds	15,403,737	17,788,640	13,433,784	17,667,140
Misc Expense	290,547	0	30,314	0
Net Audit Adjustments	(381,650)	0	0	0
<b>Total Expenses</b>	<b>\$ 102,750,312</b>	<b>\$ 131,161,854</b>	<b>\$ 132,572,833</b>	<b>\$ 154,004,197</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (37,038,410)</b>	<b>\$ (18,843,881)</b>	<b>\$ (102,772,499)</b>	<b>\$ (18,020,701)</b>

Authorized Complement

544

## Sewer Treatment &amp; Collection - Operating Fund

SEWER TREATMENT &amp; COLLECTION - OPERATING FUND

Category	FY 2018 Actual	FY 2019 Adopted	FY 2019 Forecast	FY 2020 Adopted
Capital Contributions	\$ 945,690	\$ 0	\$ 0	\$ 0
Fines and and Forfeitures	265,700	2,000	50,000	51,000
Charges for Services	110,038,104	123,685,040	129,797,948	138,971,730
Use of Money and Property	591,364	0	1,167,673	600,000
Federal Grants	536,820	0	918,939	0
Other Revenues	167,108	167,895	74,583,528	157,368
Dividend and Interest on Investment	56,248	0	154,454	0
Gain (Loss) on Investments	148,586	0	93,431	0
Gain (Loss) on Sale of Assets	20,484	0	0	0
<b>Total Revenues</b>	<b>\$ (112,770,104)</b>	<b>\$ (123,854,935)</b>	<b>\$ (206,765,973)</b>	<b>\$ (139,780,098)</b>
Personnel Services	21,621,898	23,386,036	24,574,560	25,314,816
Materials and Supplies	36,513,690	49,452,509	47,401,103	64,339,552
Capital Outlay	371,970	7,370,000	5,325,007	9,744,500
Grants and Subsidies	0	0	5,000	0
Investment Fees	4,032	0	3,840	0
Bond Issue Costs	0	0	911,223	0
Interest	4,212,451	5,120,000	10,181,938	3,921,000
Service Charges	13,123	0	500	0
Transfers Out	8,395,375	7,237,164	10,144,532	10,869,880
Depreciation on Own Funds	12,978,006	15,370,800	10,763,549	15,250,800
Misc Expense	290,547	0	30,314	0
Net Audit Adjustment	(249,650)	0	0	0
<b>Total Expenses</b>	<b>\$ 84,151,442</b>	<b>\$ 107,936,509</b>	<b>\$ 109,341,566</b>	<b>\$ 129,440,548</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (28,618,662)</b>	<b>\$ (15,918,426)</b>	<b>\$ (97,424,407)</b>	<b>\$ (10,339,550)</b>

<b>Authorized Complement</b>	<b>354</b>
------------------------------	------------

<b>Increase/(Decrease) in Fund Balance</b>	<b>28,618,662</b>	<b>15,918,426</b>	<b>97,424,407</b>	<b>10,339,550</b>
<b>Fund balance beginning of year</b>	<b>389,148,193</b>	<b>417,766,855</b>	<b>417,766,855</b>	<b>515,191,262</b>
<b>Fund balance end of year</b>	<b>417,766,855</b>	<b>433,685,281</b>	<b>515,191,262</b>	<b>525,530,810</b>

## Storm Water Fund

Category	FY 2018 Actual	FY 2019 Adopted	FY 2019 Forecast	FY 2020 Adopted
Fines and and Forfeitures	\$ 780	\$ 800	\$ 800	\$ 800
Charges for Services	25,985,854	26,150,000	28,216,088	32,100,000
Use of Money and Property	141,196	0	275,532	144,000
Federal Grants	5,850	0	0	0
State Grants	831,154	0	0	0
Other Revenues	53,785	0	86,939	0
<b>Total Revenues</b>	<b>\$ (27,018,619)</b>	<b>\$ (26,150,800)</b>	<b>\$ (28,579,359)</b>	<b>\$ (32,244,800)</b>
Personnel Services	9,709,245	10,972,795	11,103,554	11,947,220
Materials and Supplies	4,257,750	6,600,677	6,013,447	6,621,054
Capital Outlay	(13,978)	1,281,540	1,135,687	1,426,540
Grants and Subsidies	55,000	0	150,000	0
Interest	253,621	0	205,850	200,000
Transfers Out	2,043,502	1,952,493	1,952,494	1,952,493
Depreciation on Own Funds	2,425,731	2,417,840	2,670,235	2,416,340
Ne Audit Adjustment	(132,001)	0	0	0
<b>Total Expenses</b>	<b>\$ 18,598,870</b>	<b>\$ 23,225,345</b>	<b>\$ 23,231,267</b>	<b>\$ 24,563,647</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (8,419,749)</b>	<b>\$ (2,925,455)</b>	<b>\$ (5,348,092)</b>	<b>\$ (7,681,153)</b>

## Authorized Complement

190

<b>Increase/(Decrease) in Fund Balance</b>	<b>8,419,749</b>	<b>2,925,455</b>	<b>5,348,092</b>	<b>7,681,153</b>
<b>Fund balance beginning of year</b>	<b>93,840,846</b>	<b>102,260,595</b>	<b>102,260,595</b>	<b>107,608,687</b>
<b>Fund balance end of year</b>	<b>102,260,595</b>	<b>105,186,050</b>	<b>107,608,687</b>	<b>115,289,840</b>