

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 2020.

Storm Water Fund

This fund is used to account for the operations of the City of Memphis Storm Water System. The City's storm water fee is used to fund federally mandated storm water requirements and to maintain flood control structures, alleviate local flooding problems, including maintenance of storm water infrastructure. The last increase in storm water fees was in FY 2020. The approved rate increase will begin in the FY22 Budget Year.

Enterprise Funds • Summary

<u>Category:</u>	FY20	FY21	FY21	FY22
	Actual	Adopted	Forecast	Adopted
<u>Revenues</u>				
Fines and Forfeitures	\$114,017	\$211,000	\$223,907	\$211,000
Charges for Services	163,895,901	189,852,785	188,290,161	189,328,307
Use of Money and Property	1,511,357	744,000	96,227	744,000
Federal Grants	260,614	0	100,000	0
State Grants	160,790	0	0	0
Other Revenues	164,969	102,000	268,602	83,000
Transfers In	329,065	0	2,793,560	0
Dividend and Interest on Investment	321,958	0	1,031,151	0
Gain (Loss) on Investments	224,783	0	1,229	0
Gain (Loss) on Sale of Assets	(144,009)	0	28,746	0
Capital Contributions	1,333,462	0	0	0
Total Revenues	\$168,172,907	\$190,909,785	\$192,833,583	\$190,366,307
<u>Expenses</u>				
Personnel Services	\$59,372,949	\$37,069,447	\$36,561,764	\$37,475,756
Materials and Supplies	52,683,363	84,317,853	67,319,888	83,859,405
Pension Expense	990,000	0	0	0
Capital Outlay	1,929,501	16,435,040	3,508,821	21,599,040
Grants and Subsidies	100,000	150,000	272,500	252,500
Investment Fees	8,128	0	6,620	0
Bond Issue Costs	469,696	0	1,058,855	0
Interest	5,899,611	4,121,000	10,460,382	5,134,000
Service Charges	5,100	0	11,500	0
Transfers Out	10,977,510	10,977,000	12,160,677	13,769,797
Depreciation on Own Funds	16,621,724	17,667,140	16,164,484	17,667,140
Misc Expense	2,545,182	0	4,307,922	0
Total Expenses	\$151,602,764	\$170,737,480	\$151,833,413	\$179,757,638
Surplus (Deficit)	\$16,570,143	\$20,172,305	\$41,000,170	\$10,608,669
Authorized Complement				547

Sewer Treatment & Collection - Operating Fund

<i>Category:</i>	FY20	FY21	FY21	FY22
	Actual	Adopted	Forecast	Adopted
Revenues				
Fines and Forfeitures	\$74,786	\$201,000	\$203,400	\$201,000
Charges for Services	132,067,675	157,752,785	156,190,161	152,428,307
Use of Money and Property	1,047,696	600,000	68,286	600,000
Federal Grants	258,262	0	100,000	0
Other Revenues	129,009	102,000	139,627	83,000
Transfers In	329,065	0	2,793,560	0
Dividend and Interest on Investment	253,985	0	1,027,062	0
Gain (Loss) on Investments	130,815	0	719	0
Gain (Loss) on Sale of Assets	(180,084)	0	13,848	0
Capital Contributions	1,333,462	0	0	0
Total Revenues	\$135,444,671	\$158,655,785	\$160,536,663	\$153,312,307
Expenses				
Personnel Services	\$39,707,316	\$25,208,869	\$23,542,933	\$25,657,050
Materials and Supplies	47,373,345	76,288,401	59,100,294	75,027,715
Capital Outlay	1,899,563	14,637,000	1,803,462	19,847,000
Grants and Subsidies	0	0	20,000	0
Investment Fees	4,373	0	3,370	0
Bond Issue Costs	0	0	1,058,855	0
Interest	4,971,923	3,921,000	9,290,970	4,934,000
Service Charges	5,100	0	10,800	0
Transfers Out	10,870,992	10,871,000	12,054,677	13,663,797
Depreciation on Own Funds	14,090,043	15,250,800	13,148,348	15,250,800
Pension Expense	645,000	0	0	0
Misc Expense	1,550,141	0	3,487,170	0
Total Expenses	\$121,117,796	\$146,177,070	\$123,520,879	\$154,380,362
Surplus (Deficit)	\$14,326,875	\$12,478,715	\$37,015,784	(\$1,068,055)
Authorized Complement				356

Sewer Treatment & Collection - Operating Fund *(continued)*

<u>Category:</u>	FY20 Actual	FY21 Adopted	FY21 Forecast	FY22 Adopted
Increase/(Decrease) in Net Assets	\$14,326,876	\$12,478,714	\$37,015,784	(\$1,068,054)
Fund Balance Beginning of Year	\$442,066,314	\$456,393,190	\$456,393,190	\$493,408,974
Fund Balance End of Year	\$456,393,190	\$468,871,904	\$493,408,974	\$492,340,920

Storm Water Fund

<u>Category:</u>	FY20	FY21	FY21	FY22
	Actual	Adopted	Forecast	Adopted
<u>Revenues</u>				
Fines and Forfeitures	\$39,231	\$10,000	\$20,507	\$10,000
Charges for Services	31,828,226	32,100,000	32,100,000	36,900,000
Use of Money and Property	463,661	144,000	27,941	144,000
Federal Grants	2,352	0	0	0
State Grants	160,790	0	0	0
Other Revenues	35,961	0	128,976	0
Dividend and Interest on Investment	67,974	0	4,089	0
Gain (Loss) on Investments	93,968	0	510	0
Gain (Loss) on Sale of Assets	36,075	0	14,898	0
Total Revenues	\$32,728,238	\$32,254,000	\$32,296,921	\$37,054,000
<u>Expenses</u>				
Personnel Services	\$19,665,633	\$11,860,578	\$13,018,831	\$11,818,706
Materials and Supplies	5,310,018	8,029,452	8,219,594	8,831,690
Pension Expense	345,000	0	0	0
Capital Outlay	29,938	1,798,040	1,705,360	1,752,040
Grants and Subsidies	100,000	150,000	252,500	252,500
Investment Fees	3,755	0	3,250	0
Bond Issue Costs	469,696	0	0	0
Interest	927,689	200,000	1,169,412	200,000
Service Charges	0	0	700	0
Transfers Out	106,518	106,000	106,000	106,000
Depreciation on Own Funds	2,531,680	2,416,340	3,016,135	2,416,340
Misc Expense	995,041	0	820,752	0
Total Expenses	\$30,484,968	\$24,560,410	\$28,312,534	\$25,377,276
Surplus (Deficit)	\$2,243,270	\$7,693,590	\$3,984,387	\$11,676,724
Authorized Complement				191

Storm Water Fund *(continued)*

<u>Category:</u>	FY20 Actual	FY21 Adopted	FY21 Forecast	FY22 Adopted
Increase/(Decrease) in Net Assets	\$2,243,270	\$7,693,590	\$3,984,387	\$11,676,724
Fund Balance Beginning of Year	\$111,905,947	\$114,149,217	\$114,149,217	\$118,133,604
Fund Balance End of Year	\$114,149,217	\$121,842,807	\$118,133,604	\$129,810,328