

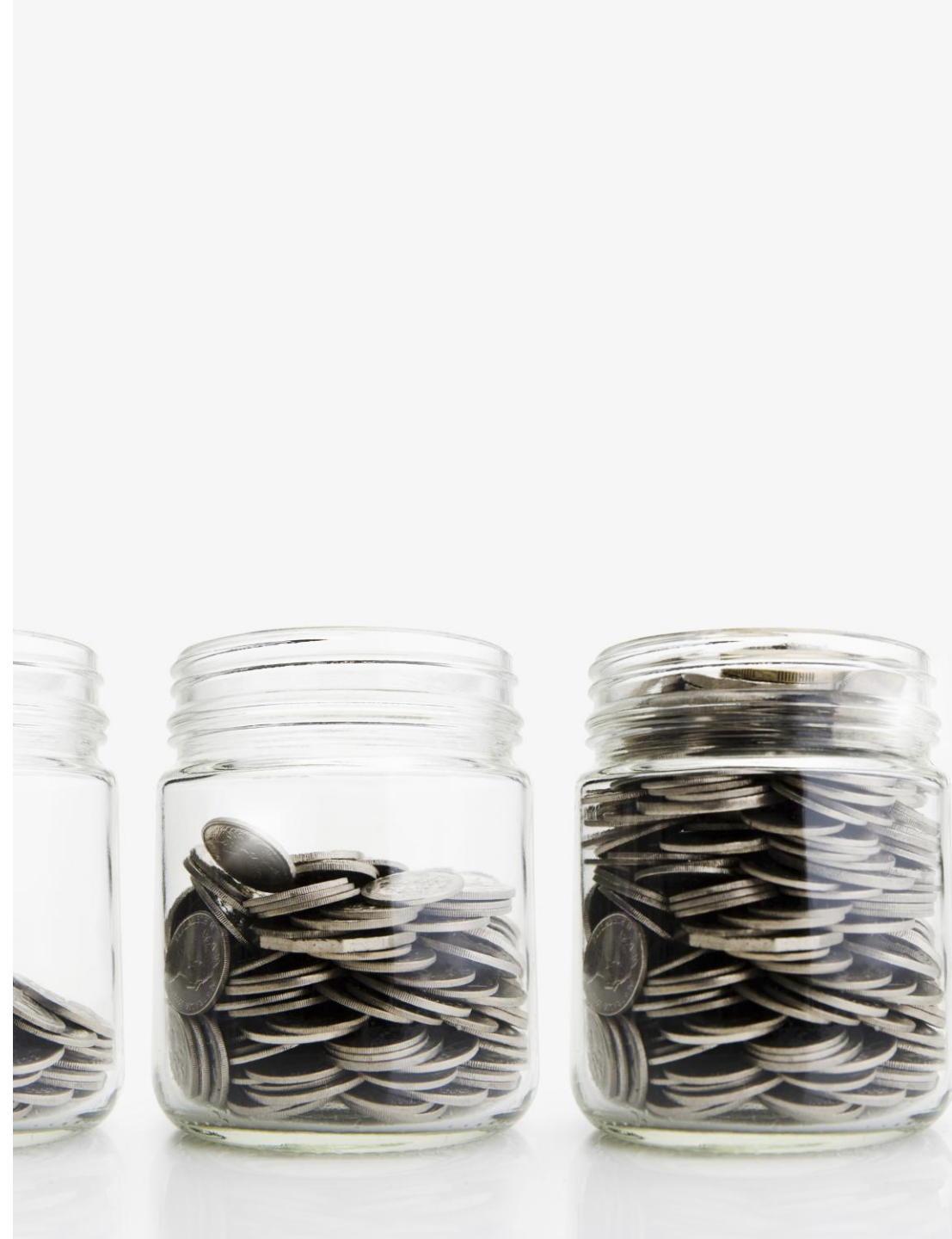


LAYING THE FOUNDATION

UNDERSTANDING THE CITY'S FUNDS

OH, WHAT FUND!?

- The idea of a “fund” is a critical concept to master when starting to understand government finance.
- This term has mixed meaning, as illustrated below:
 - To fund a project or an initiative
 - To use City funds
 - The General Fund
- Today’s presentation is all about the proper definition of a “fund” in government finance
 - The City has 12 funds.
 - Each fund is a separate set of resources that must be used for a stated purpose.
 - Assets, like cash and investments
 - Liabilities, like loans, bonds, leases, and pensions
 - Revenues, like taxes, user fees, and grants
 - Expenditures, like personnel costs and capital items



WHAT ARE THE CITY'S MOST DISCUSSED FUNDS?



GENERAL FUND

All activities not required to be accounted for elsewhere, including most government services - funded by local taxes, shared state taxes, grants, user fees, and more



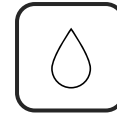
WATER FUND

Accounts for all costs of the water utility operation, funded by user fees, grants, and loans



RECREATION CENTER FUND

All financial activities of the Laramie Community Recreation Center, funded by user fees, grants, and support, as needed, from the General Fund



WASTEWATER FUND

Accounts for all costs of the wastewater utility operation, funded by user fees, grants, and loans



2018 SPET FUND

Restricted, voter-approved taxes and expenditures related to the 2018 specific purpose excise tax



SOLID WASTE FUND

Accounts for all costs of solid waste operations, funded by user fees grants and loans



LESSER-KNOWN FUNDS

1. **Cemetery Perpetual Care Fund** – Funded by fees, ensures perpetual care of cemetery
2. **E911 Fund** – Funded by 911 surcharges, provides for resources to support major upgrades to 911 services. This funds does not provide enough resources to support all 911 communication upgrades.
3. **Capital Construction Fund** – Funded mostly by the General Fund and grants, constructs multi-year capital projects
4. **Opioid Settlement Fund** – Funded by restricted opioid settlement funds for specific uses
5. **Parks & Recreation Development Fund** – Funded by Albany County Recreation Board grants that support community organizations
6. **Economic Development Fund** – Funded by economic development agreements that generate revenue for specific purposes

WHERE DOES THE MONEY COME FROM & GO TO?

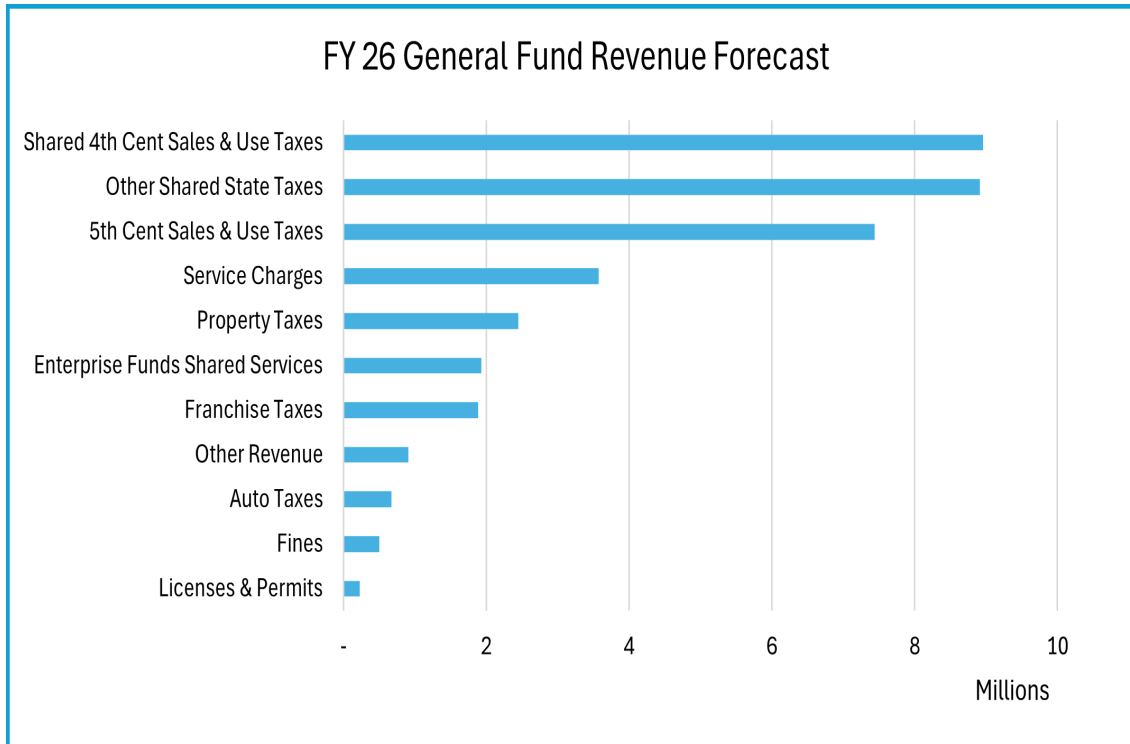
The City operates on funds generated within and by our community and its visitors. Some funds are generated through taxes, while others come from user fees. Not inconsequentially, the City also operates using funds generated by state government (think severance taxes), as well as federal funds passed through to the state level (mineral royalties, grants, SRF loans, etc.).

These public funds, with which we are entrusted, are spent on services that build our community – public safety services, infrastructure development and maintenance, parks and recreation amenities, and similar expenditures for the public good. **These expenditures are determined during the budget process and reflect public priorities.**

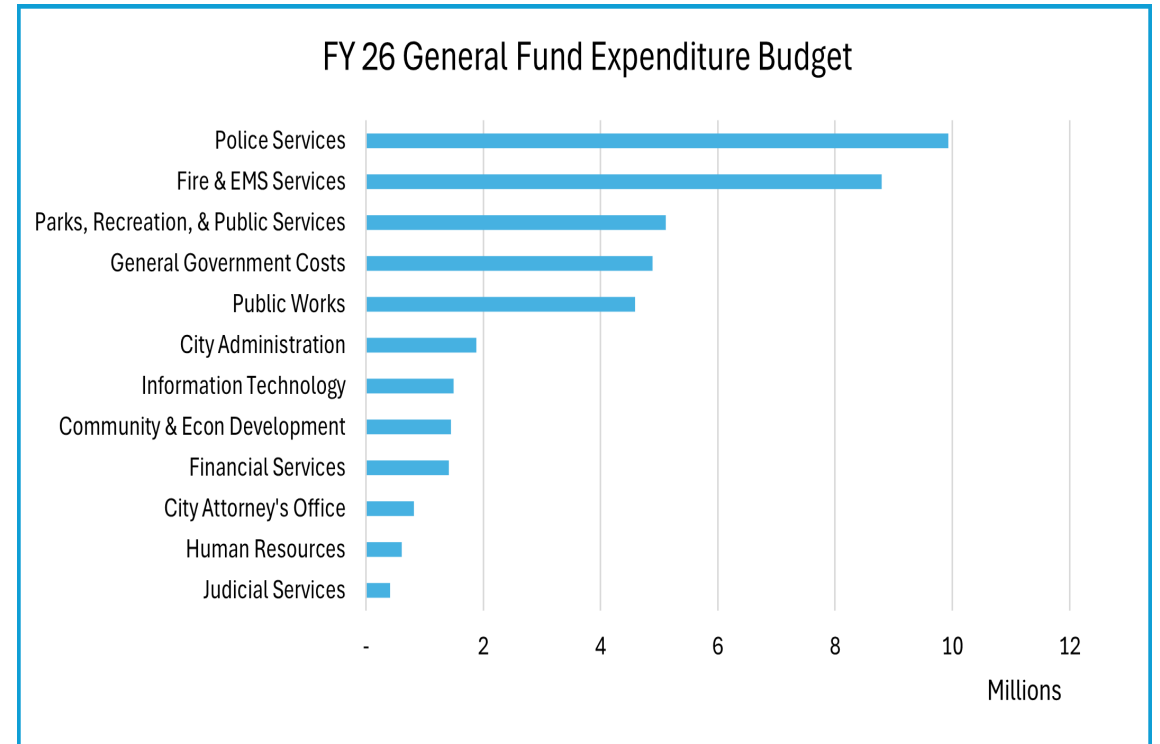


DIVING INTO THE GENERAL FUND

Money From Where?

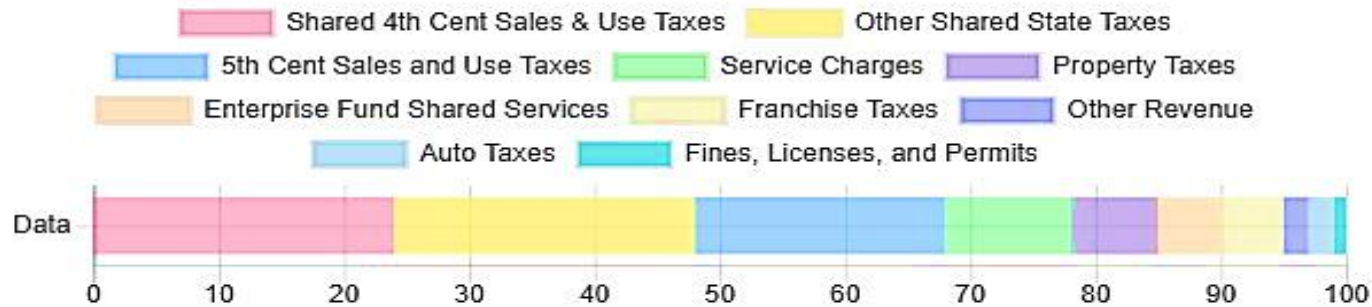


Money Used For?



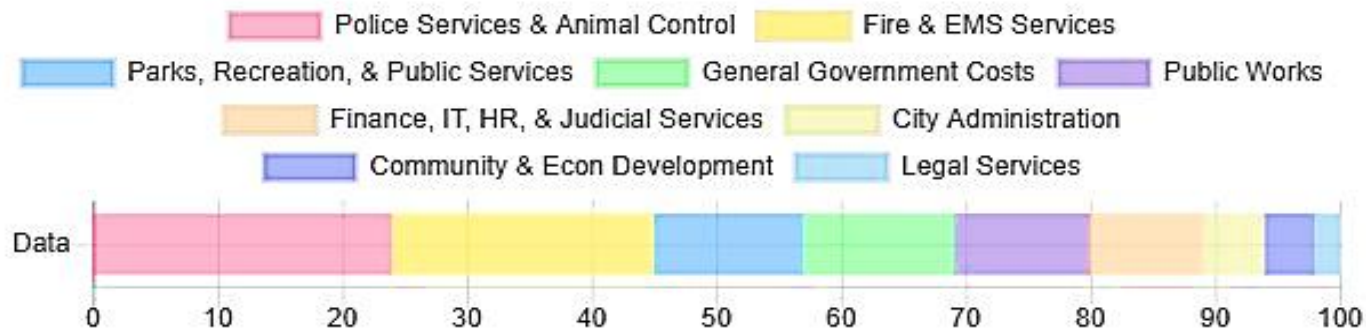
A DIFFERENT VIEW

Percentage Bar Chart



FY 2026 General Fund Revenue

Percentage Bar Chart



FY 2026 General Fund Adopted Expenditures

OTHER FUNDS

Other funds tend to be easier to understand, in the sense that they accomplish a single or restricted purpose. To reiterate the information presented earlier:

1. The Recreation Center Fund accounts solely for the operation of the Laramie Community Recreation Center.
2. The 2018 SPT Fund accounts solely for voter approved projects and related revenue, including taxes, grants, and interest.
3. The Water Fund accounts solely for the operation of the water utility and protection of community water supply. This fund is an enterprise operation.
4. The Wastewater Fund accounts solely for the operation of the wastewater utility. This fund is an enterprise operation.
5. The Solid Waste Fund accounts only for the operation of solid waste collection, disposal, and diversion services. This fund is an enterprise operation.





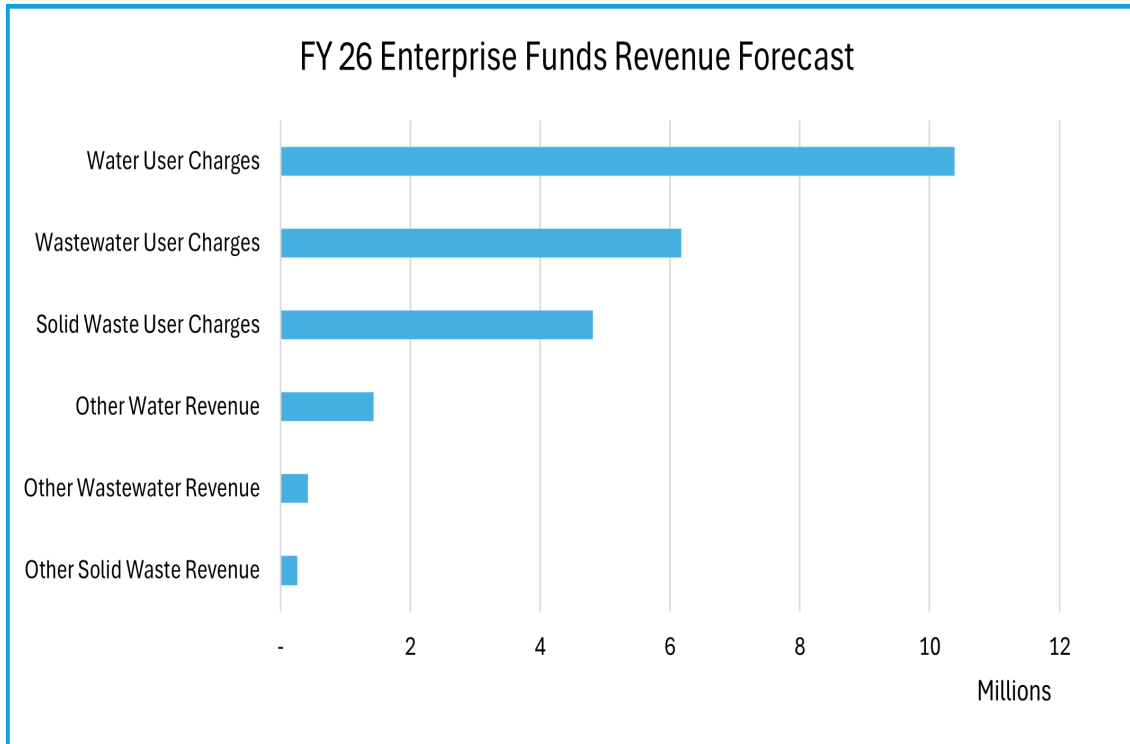
TRANSFERS BETWEEN FUNDS

Movements of money between funds can be confusing. Here are some things to remember:

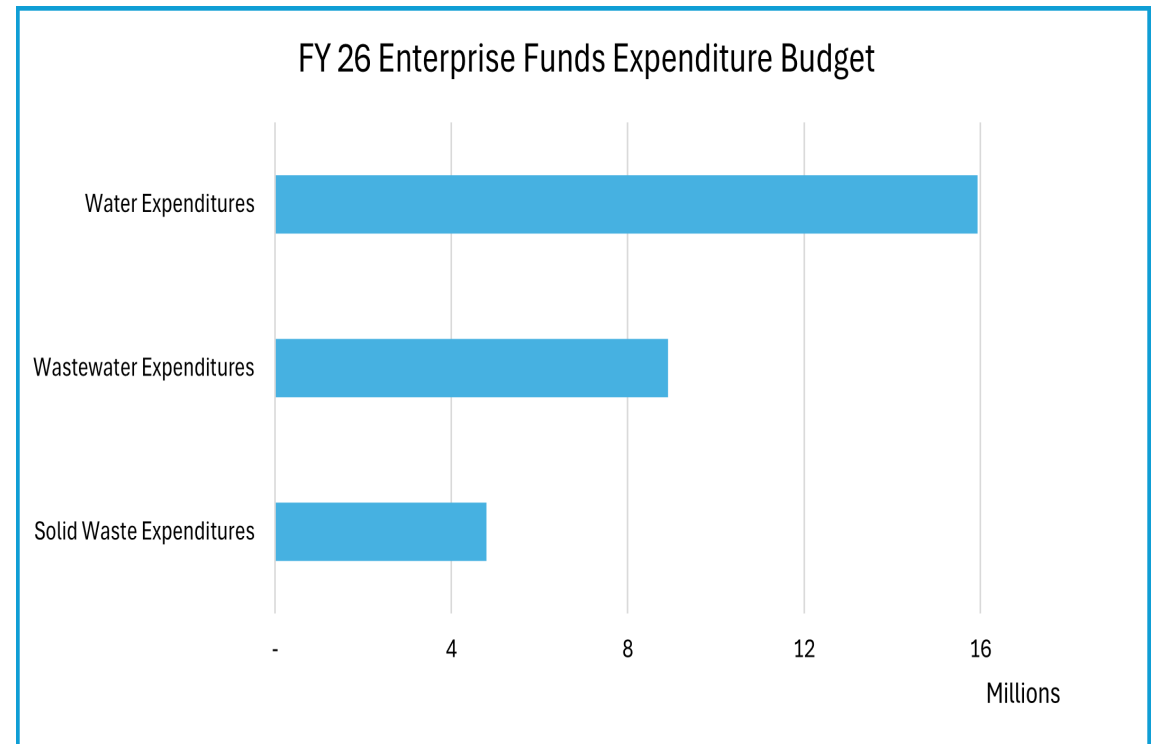
1. Movement of money between funds always results in revenue to the receiving fund and an expenditure to the paying fund. Interfund transfer expenditures must be appropriated in the budget.
2. Funds that are restricted in purpose must only transfer funds for authorized uses.
 - Example – Multi-fund projects
3. Governmental funds may support each other with resources, assuming that any restricted purposes are met. These transfers do not have to be exchange-like.
4. Transfers between governmental funds and enterprise funds must be exchange-like.
 - Let's talk about enterprise funds shared services and how these transfers are calculated.

A HIGH-LEVEL VIEW OF ENTERPRISE FUNDS

Money From Where?



Money Used For?



LET'S WRAP UP BY TALKING ABOUT RESERVES

Reserves are created in several ways:

1. Revenue, like sales and use taxes, is collected at higher than forecasted amounts. It is then available for later spending. Unless it is ongoing revenue, it should not be used to balance ongoing expenditures.
2. Spending comes in at lower than forecasted amounts, generating one-time reserves for later use. There are no operating encumbrances in Laramie!
3. Capital intensive operations, like the Enterprise Funds, build up reserves to minimize rate impacts on the consumer. These operations are financially managed using a 10-year plan that considers capital investment, operating costs, user fees, grants, loans, and bonds. The goal is to level funding over time and avoid sharp rate increases that impact the community.



QUESTIONS & IDEAS FOR THE NEXT SESSION

Two ideas to revisit:

1. The story of our community as told by each fund
2. Decision making process overview

