



## CITY OF NEW BUFFALO

### Fund Descriptions

#### First...A brief overview of the uniform chart of accounts.....

A fund is a separate account for specific revenues and expenses.

Each operating fund is assigned a number to identify it, which is written after the fund name in the descriptions below. For example, the General Fund is 101. Departments also have their own number. The fire department is 336. And, each expense item has an account number. Operating supplies is 756. When looking at 101-336-756, it means it is the general fund (101), the department is Fire (336), and the expense is for operating supplies (756).

The funds are in numerical order in the budget, and also on the revenue and expenditure reports that are part of the council packet.

The City of New Buffalo currently utilizes 16 active funds:

**101 General Fund**—the general fund is the chief operating fund of the City. It is used to account for all of the general revenues of the city that are not specifically levied or collected for other city funds, and for the expenditures related to the rendering of general services by the city.

Revenues are primarily from property taxes, which average \$2.3 million per year. The revenues fund the operating costs and expenses of the 23 departments within general fund, including Police, Streets, Fire, Ambulance services, Garbage Pickup, Street lighting, Inspection Services, Cemetery and general City service and administration.

**105 PNLRSB Fund**—also known as the Casino Fund. Revenues are discretionary payments received from the Local Revenue Sharing Board, based upon a percentage of net earnings from the casino. The PNLRSB fund paid for a significant part of the downtown redevelopment.

**202 Major Street Fund**—accounts for repairs, maintenance and construction on the City's major streets. The revenues consist primarily of state-shared gasoline and weight tax collections.

**203 Local Street Fund**—accounts for repairs, maintenance and construction on the City's local streets. The revenues consist primarily of state-shared gasoline and weight tax collections.

**208 Park Fund**—to account for the operations and maintenance of the City's 8 parks. Revenues are primarily from beach parking, boat launch and marina fees.

**209 Park Improvement Fund**—to account for the proceeds of a special millage to provide for certain improvements within the park system.

(over)

**225 Dredge Fund**—to account for costs of dredging the City’s harbor.

**248 Downtown Development Authority Fund**—to account for tax increment revenue that is derived from new construction in the Downtown Development District, which can be used for improvements in the downtown area.

**265 Drug Law Enforcement Fund**—to account for confiscated property and money related to drug law enforcement activity and to provide funds for future enforcement activity.

**266 Criminal Justice Training (ACT 302) Fund**—to account for state funds used for law enforcement training.

**351 Debt Service Fund**—reserve established to service principal and interest on short-term and long-term debt. Revenues are from transfers into the debt service fund from other funds. For example, the water fund will transfer in money to pay for water-related debt.

**402 Equipment Purchase Fund**—to account for the acquisition and replacement of City equipment and vehicles.

**403 Capital Improvement Construction Fund**—to account for the proceeds of the 2017 Capitol Improvement bond, which partially funded the downtown revitalization project and continues to fund street paving projects.

**703 Current Tax Fund**—to account for the collection and disbursement of property tax payments and special assessments. Tax monies collected go into the account and then are sent out to taxing entities.

### **Enterprise Funds**

The city has two enterprise funds. These operations are financed and operated in a manner similar to that of a private business enterprise where the intent is that all the costs, including depreciation, related to the provision of goods and services to the general public on a continuing basis, be financed or recovered primarily through user charges.

**590 Sewer Fund**—an enterprise fund, meaning it provide goods or services to the public for a fee that makes the entity self-supporting. It accounts for revenues and expenditures related to the City’s sewage disposal and treatment systems.

**591 Water Fund**— an enterprise fund, meaning it provide goods or services to the public for a fee that makes the entity self-supporting. It accounts for the operations of the City’s Water treatment and distribution systems, including maintaining the water treatment plant, water tower, and intake.

### **A word about fund balance...**

Fund balance is an accumulation of revenues minus expenditures. Each fund maintained by the city has a fund balance. It’s similar to a savings account. Any surplus revenues in excess of expenditures at the end of a fiscal year fall to a fund balance within that particular fund. These funds are invested in the city’s pool of invested funds and earn interest in proportion to their participation in the pool. Fund balance from any fund can be re-appropriated for future use through the budget process, but any restrictions on that particular fund continue to apply to re-appropriated funds.