

Revenue Fact Sheet:

Revenue from Other Funds

Understanding Revenues from Other Funds (ROF)

To provide accountability and transparency and in accordance with financial reporting requirements, the City of Philadelphia segments its budgets and assets among different funds. For example, Philadelphia's Aviation Fund receives all funds used for operating the City's two airports, while the Housing Trust Fund is used for affordable housing programs and investments. But since the City is a single entity, there are instances where the revenues from one fund are transferred to another, often because a service is more efficiently delivered by the other fund, or the expenses are paid as a lump sum across multiple funds. By transferring revenues among funds, the City can track resources and expenses effectively and align spending with the appropriate funding source.

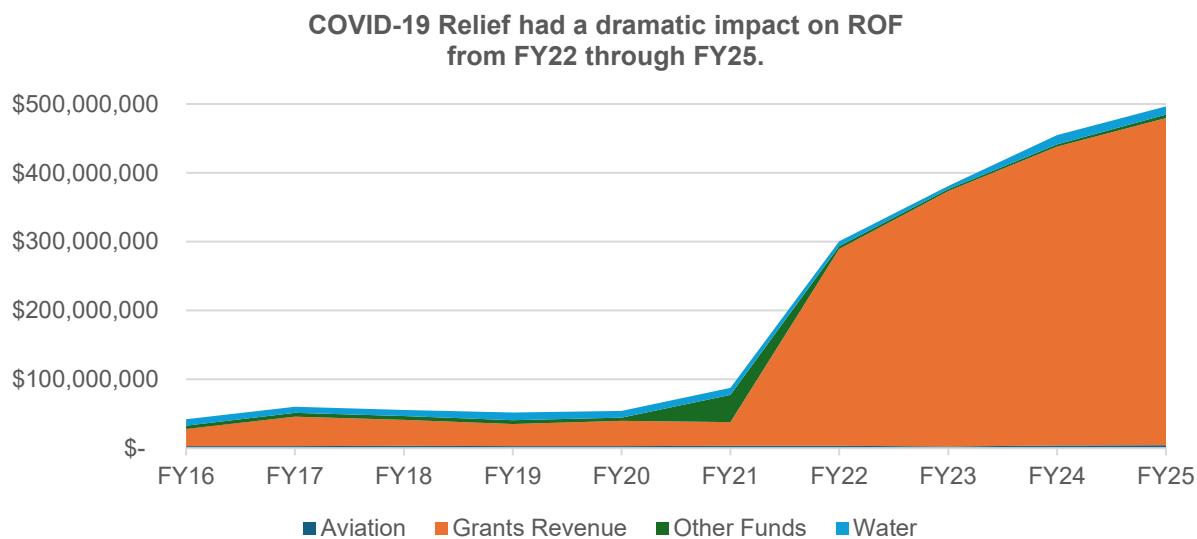
Where does ROF come from?

Revenues from Other Funds (ROF) for the General Fund are dollars transferred to the General Fund from the City's other funds. The origins of those funds can vary. In recent years, a significant portion of ROF was federal grant dollars received for COVID relief. The funds were deposited into the Grants Revenue Fund upon initial receipt and then doled out to the General Fund over several years, replacing some of the revenues lost due to the pandemic. The Grants Revenue Fund also receives money from the Commonwealth of Pennsylvania collected from the 911 surcharge on phone bills and then passes that along to the General Fund to support investments in the City's 911 equipment and operations.

The Aviation Fund receives grants and collects funds from airlines and other businesses operating at its facilities and then transfers funds to the General Fund for services and costs that are more efficiently provided by the General Fund, like firefighting and other public safety needs. The Water Fund also receives grants, as well as fees collected from its customers, some of which it transfers to the General Fund to cover costs for services provided to the Water Fund by the General Fund.

10-Year Trend

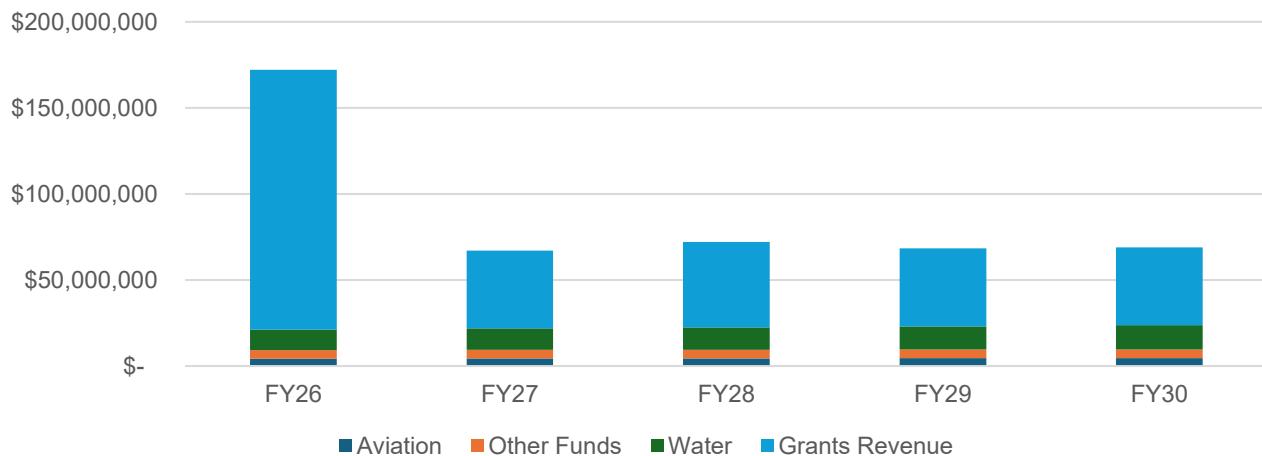
Before the influx of COVID relief, ROF accounted for about one percent of all General Fund revenues, averaging a bit more than \$52 million a year from FY16 through FY20. After the City received its allocation of \$1.40 billion in American Rescue Plan Act funds near the end of FY21, the amount of ROF grew dramatically as it was parceled out annually from the Grants Revenue Fund to the General Fund. Between FY22 and FY25, annual ROF averaged \$408.2 million.



Even before COVID-related grants, the Grants Revenue Fund was the largest contributor to the General Fund's ROF, accounting for between 39.4 percent (\$34.6 million in FY21) and 97.4 percent (\$371.1 million in FY23) of ROF each year over the past decade. Despite being a large share of ROF, this is just a small portion of the grant dollars the City receives, most of which are not in the General Fund. The second largest source of ROF was the Water Fund, which averaged a \$9.6 million allocation to the General Fund from FY16 to FY25, with compound annual growth of 2.3 percent. The Aviation Fund directed an average of \$3.2 million per year to the General Fund from FY16 to FY25, with somewhat more robust compound annual growth of 3.5 percent. Funds from all other funds aside from Grants Revenue, Water, and Aviation were a combined \$8.3 million on average over the past decade with a spike in FY21 to \$39.3 million and all other years between \$2.9 and \$5.4 million.

Looking Ahead

Grants Revenue will remain the largest source of General Fund ROF, even after last ARP funds are expended.



Once the interest earnings from the American Rescue Plan, \$86.6 million, are drawn into the General Fund from the Grants Revenue Fund in FY26, ROF is expected to once again reflect a bit of redistribution between the General, Aviation, Water, and other funds. Starting in FY27, ROF is projected to equal about one percent of General Fund revenues through the end of the current Plan in FY30. Even after the end of ARPA-related funds, the Grants Revenue Fund will still convey about two-thirds of the funds received as ROF by the General Fund, with \$336.5 million of the \$448.8 million expected over FY26-30, primarily from the 911 Surcharge. With a 1.8 percent compound annual growth rate over the Plan and a total of \$64.8 million, the Water Fund will make up 14.4 percent of ROF dollars. The Aviation Fund is expected to add \$100,000 annually each year from its base of \$4.3 million in FY26, reaching \$4.7 million by FY30. Over the course of the Plan, the Water Fund is anticipated to contribute 14.4 percent of ROF dollars. All other funds are expected to contribute a flat \$5.0 million combined in each year of the Plan.

The Big Picture

Aside from anomalies like the federal relief associated with the COVID-19 pandemic, tracking the Revenue from Other Funds' growth or decline over time tells us less about the total resources available to the City of Philadelphia and a bit more about the internal accounting the City uses to keep its books straight.

Where to Learn More

For additional details on Revenue from Funds and the City's financial outlook:

- See PICA's [Staff Report on the Five-Year Plan for FY26-30](#) and past Staff Reports at picapa.org.
- Find the City's revenue projections and budget documents on the [Office of the Director of Finance](#) website.
- Visit the City of Philadelphia's [Office of the Director of Finance](#) website for City budget documents.