



# *City Of Grand Rapids*

Monthly Funds Report

**FY2023 October Fiscal YTD**

Through October 31, 2022 (Month 4 of 12 in the Fiscal year)

# Governmental Funds: Oct 2023 Fiscal YTD (4 of 12) mos.



**Governmental funds** account for City activities that are primarily supported by Income & Property taxes. Actual, prior year and budgeted revenues and expenditures are summarized below for the 6 funds that represent the majority of the Governmental funds activity.

	Revenues				Expenditures				Ref.
	October YTD	vs Prior Year %	Annual Budget (As Amended)	% of Budget Used	October YTD	vs Prior Year %	Annual Budget (As Amended)	% of Budget Used	
<b>General Fund</b>	\$ 52.5	16%	\$ 164.4	32%	\$ 51.4	4%	\$ 170.5	30%	<b>1</b>
<b>Major Streets</b>	8.9	2%	37.1	24%	8.7	-2%	36.6	24%	<b>2</b>
<b>Local Streets</b>	1.4	-25%	7.8	17%	3.5	-36%	7.6	46%	<b>2</b>
<b>Parks</b>	9.7	9%	15.6	62%	5.0	20%	17.2	29%	<b>3</b>
<b>Refuse</b>	11.5	7%	17.3	66%	5.5	12%	18.1	30%	<b>4</b>
<b>Public Library</b>	14.0	14%	14.2	98%	5.5	34%	17.8	31%	<b>5</b>

## Reference

- 1) General fund revenues are higher than prior year primarily due to \$6.2M increase in taxes received. Expenditures are slightly higher due to increase in personnel services cost along with increase in other services and charges related to contractual services, fees, and community promotion.
- 2) Major Streets revenues are slightly higher than prior year due primarily to \$765K increase in taxes netted with decrease in State grants received year-to-date through October 2022. Major Streets expenses are slightly lower than prior year even with an increase in cost of personnel services and supplies due to decrease in capital outlays and transfers out to other funds. Local Streets revenues decrease is related to \$1.02M increase in State grants offset by \$1.5M decrease in transfers in from other funds. Local Street expenditures are lower than prior year due to lower spending on supplies and decrease in transfers to other funds.
- 3) Parks revenues are higher than prior year primarily due to an increase in State grants and taxes received through October 2022. Expenditures are higher than the prior year due to increase in vendor costs for supplies and other services primarily related to an increase in temporary labor contractual services due to the labor shortage coming out of the pandemic, as well as a small increase in personnel services expenditures.
- 4) Refuse revenues up from prior year primarily due to increase in taxes received and charges for services. Expenses are higher than prior year due to increase in costs for other services primarily related to an increase in contractual services as well as a small increase in personnel services.
- 5) Public Library revenues and expenditures are higher than prior year due primarily to increase in transfers into Library operating fund from Library projects / grants fund. Revenues are slightly higher from an increase in taxes received and expenses have increased due to the rising cost from personnel services and capital outlays.

NOTE: Data presented in millions, except percentage and does not include encumbrances.

# Enterprise Funds: October 2023 Fiscal YTD (4 of 12 mos.)



**Enterprise funds** report activity for which a fee is charged to users for goods or services. Actual, prior year and budgeted revenues and expenses are summarized below for the 3 funds which represent the majority of the City's Enterprise funds activity.

	Revenues				Expenses				Ref.
	October 2022 YTD	vs Prior Year %	Annual Budget (As Amended)	% of Budget Used	October 2022 YTD	vs Prior Year %	Annual Budget (As Amended)	% of Budget Used	
Parking Operating	\$ 5.9	11%	\$ 19.6	30%	\$ 6.7	15%	\$ 17.6	38%	1
Sewer Operating	14.3	8%	72.0	20%	23.1	39%	58.6	39%	2
Water Operating	15.5	-7%	54.7	28%	23.0	18%	53.9	43%	3

## Reference

- 1) Revenues are up from prior year due to lifted pandemic restrictions and downtown activity resuming. The Off-Street revenue sources in Daily and Event parking have shown the greatest increase due to an uptick in concerts, shows, expos, restaurants and other city activities. Expenses are up from prior year primarily due to an increase in contributions to the parking capital fund.
- 2) Revenues are up from prior year due to annual rate changes in January 2022, though billed volume is on par with last year's consumption. Revenue also benefited from increased front footage fees and sewage surcharges, along with the debut of natural gas sales from the biodigester, offset by the timing of receipts for integrated connection fees. Expenses are down from the prior year due to a reduction in supplies, contractual services, software, and electricity, as well as the timing of posting insurance premiums. This is partially offset by an increase in personnel costs (both full-time and temporary), software maintenance, natural gas, process chemicals, and higher monthly utility customer service costs.
- 3) Revenues are up from prior year due to a 3% increase in billed volume combined with the annual rate changes in January 2022. There were also increased front footage fees and utility customer services. These increases were partially offset by reduced service fees. Expenses are up over prior year due to an increase in personnel costs, contractual services, maintenance services, and a high inflationary impact on process chemical costs, offset by the timing of posting insurance premiums.

NOTE: Data presented in millions, except percentages and does not include encumbrances.

Parking, Sewer, and Water enterprise funds presents operating funds only, and excludes related capital improvement funds.

# Selected Balance Sheet Information: As of October 31, 2022



**Assets, Liabilities & Equity (Fund Balance & Net Position)** are summarized below only for the 6 Governmental & 3 Enterprise funds presented in the previous pages of this report.

	Governmental Funds						Enterprise Funds			
	General	Major Streets	Local Streets	Parks	Refuse	Public Library	Parking Operating	Sewer Operating	Water Operating	
<b>Assets</b>										
Cash & Investments	\$ 201.9	\$ 18.2	\$ 1.2	\$ 10.0	\$ 12.5	\$ 16.2	\$ 10.3	\$ 42.6	\$ 41.7	
Receivables	3.9	0.5	-	0.3	0.6	0.4	-	47.4	36.9	
Inventory	0.5	1.2	-	-	-	-	-	1.1	2.5	
Other Current Assets	-	-	-	-	-	-	-	-	-	
Capital Assets	-	-	-	-	-	-	43.6	482.0	384.8	
Other Non-Current Assets	-	0.1	-	0.3	-	0.1	5.2	-	0.4	
Deferred Outflows	-	-	-	-	-	-	0.5	1.6	1.7	
<b>Total Assets</b>	<b>206.3</b>	<b>20.0</b>	<b>1.2</b>	<b>10.6</b>	<b>13.1</b>	<b>16.7</b>	<b>59.6</b>	<b>574.7</b>	<b>468.0</b>	
<b>Liabilities</b>										
Current Liabilities	25.7	1.6	-	-	1.6	-	0.3	0.7	0.4	
Long-Term Liabilities	86.4	0.5	0.2	0.4	0.4	0.6	3.3	305.7	156.6	
Deferred Inflows	-	0.1	-	0.3	-	0.1	4.7	6.7	7.6	
<b>Total Liabilities</b>	<b>112.1</b>	<b>2.2</b>	<b>0.2</b>	<b>0.7</b>	<b>2.0</b>	<b>0.7</b>	<b>8.3</b>	<b>313.1</b>	<b>164.6</b>	
<b>Equity</b>										
Fund Balance & Net Position	94.2	17.8	1.0	9.9	11.1	16.0	51.3	261.6	303.4	

NOTE: Data presented in millions, except percentages. Total Assets may differ from Total Liabilities & Equity due to rounding. Major and Local Streets include the appropriate pieces of Vital Streets activity, Parks includes the operating and millage activities, Library includes the operating and projects activities. Parking, Sewer and Water are only reporting the operating fund and not the fund group. Pension and OPEB liabilities are recorded only at year end after receiving actuarial information. Depreciation is only run at year end and therefore not reflected throughout the year.

# Fund Descriptions & Terminology



A selection of helpful resources and additional context around the terminology used in this report.

## Governmental Funds

- **General:** Accounts for all financial resources except those required to be accounted for elsewhere; includes budget stabilization.
- **Major Streets:** Funds used to support the cost of maintaining the City's major highway and street transportation system; primary revenues from State shared gas & weight tax..
- **Local Streets** Funds used to support the cost of maintaining the City's local highway and street transportation system; primary revenues from State shared gas & weight tax.
- **Parks & Recreation:** Operations for City-owned parks and recreation programs; includes 2013 parks millage
- **Refuse:** Operations for the collection & removal of trash and debris; financing is provided by tax millage and pay-as-you-throw cart program.
- **Library:** Accounts for dedicated millages and receipts for the operation and maintenance of the Library system.

## Enterprise Funds

- **Parking:** Operation & maintenance of major parking facilities/lots, parking meters, and the downtown area shuttle (DASH).
- **Sewer:** Operation & maintenance of the municipal sewage system.
- **Water:** Operation & maintenance of the municipal water system.

## Terminology

- **Fund:** An accounting entity segregated for the purpose of carrying out specific activities or objectives in accordance with special regulations, restrictions or limitations. Fund accounting allows the City to account and report for operations such as the Parks and the Public Library system separately.
- **Annual Budget (amended):** An annual financial plan detailing estimated revenues and expenses for the fiscal year.
- **Revenues:** Increases in financial resources. Examples include Income and Property Taxes, charges for services (like Water, Sewage & Parking) and grants. This also includes support received from another fund from an operating transfer in.
- **Contributions from Local Units:** Donations received from non-Federal and non-State sources.
- **Expenditures / Expenses:** Decreases in financial resources. Examples include personnel services, supplies, utilities, etc. for City functions such as Public Safety, Public Works, Sewage Disposal, Water Supply, and General government. This also includes support paid to another fund from an operating transfer out.
- **Capital Outlay:** A type of expenditure / expense for the acquisition of capital assets, such as equipment, or expenditures / expense to make improvements to capital assets that materially increase their value or useful life.
- **Assets:** Resources with present service capacity that the government controls.
  - Cash & Investments
  - Receivables (amounts owed to the City)
  - Inventory
  - Capital Assets: Land, buildings, water & sewer mains, equipment, vehicles
  - Deferred Outflows (prepaid expenses)
- **Liabilities:** Present obligations to sacrifice resources that the government has little or no discretion to avoid.
  - Current Liabilities (amounts owed to others for City operations)
  - Long-Term Liabilities (Bonds Payable, Pension obligations, etc.)
  - Deferred Inflows (deferred revenues)
- **Equity:** Consists of **Fund Balances** (for Government funds) and **Net Position** (for Enterprise funds) and primarily reflects the amount by which the City's total assets exceed its total liabilities.