



# *City Of Grand Rapids*

## Monthly Funds Report

**FY2023 June Fiscal YTD  
(Unaudited)**

Through June 30, 2023 (Month 12 of 12 in the Fiscal year)



# Governmental Funds: June 2023 Fiscal YTD (12 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 General, Major Streets and Local Streets funds.

	Revenues				Expenditures				Ref.
	June 2023 YTD (Unaudited)	vs Prior Year %	Annual Budget (As Amended)	% of Budget Used	June 2023 YTD (Unaudited)	vs Prior Year %	Annual Budget (As Amended)	% of Budget Used	
<b>General Fund</b>	\$ 167.5	-22%	\$ 164.5	102%	\$ 167.9	11%	\$ 181.5	92%	<b>1</b>
<b>Major Streets Fund</b>	37.7	9%	38.2	99%	38.0	10%	39.2	97%	<b>2</b>
<b>Local Streets Fund</b>	7.0	-27%	10.3	67%	9.5	2%	10.3	93%	<b>3</b>

### Reference

- 1) General fund revenues are lower than prior year primarily due to \$46.1M received in prior year as final payment from U.S. Department of Treasury for the SLFRF ARPA grant. Expenses are up primarily due an increase in personnel and contractual services, as well as an increase in transfers out of General Fund to support other Funds.
- 2) Major Streets revenues are higher than prior year due primarily to \$728K increase in taxes received, \$502K increase in State grants and a \$639K increase in operating transfers in through June 2023. Major Streets expenses are higher than prior year due to a \$1.9M increase in Vital Street's capital projects.
- 3) Decrease in Local Streets revenues from prior year is primarily related to \$2.5M budgeted operating transfers in from other funds for current year projects which has not been processed. Local Street expenses are slightly higher than prior year primarily due to increased spending on contractual services and Local Street's capital projects which is offset by decreases in supplies and operating transfers out.

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



# Governmental Funds: June 2023 Fiscal YTD (12 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 Parks Operating, Refuse and Public Library funds.

	Revenues				Expenditures				Ref.
	June 2023 YTD (Unaudited)	vs Prior Year %	Annual Budget (As Amended)	% of Budget Used	June 2023 YTD (Unaudited)	vs Prior Year %	Annual Budget (As Amended)	% of Budget Used	
<b>Parks Fund</b>	16.6	11%	16.3	102%	17.1	23%	17.9	95%	<a href="#">1</a>
<b>Refuse Fund</b>	17.9	8%	17.3	103%	17.3	8%	18.1	96%	<a href="#">2</a>
<b>Public Library Fund</b>	14.9	15%	14.2	105%	15.5	27%	18.1	86%	<a href="#">3</a>

Reference

- 1) Parks revenues are higher than prior year due to a \$283K increase in taxes received, increase in state grants received through June 2023 from the State of Michigan Department of Natural Resources and Local Community Stabilization Share grants and a \$438K increase in transfers in from other funds. Expenditures are higher than the prior year due primarily to increase in other services and charges related to a large increase in temporary labor contractual services as well as an increase in personnel services driven by the negotiated pay raises.
- 2) Refuse revenues are up from prior year primarily due to increase in taxes received as well as an increase in charges for services received in the refuse cart program. Expenses are higher than prior year primarily related to a large increase in contractual services combined with an increase in personnel services due to agreed upon wage increases from negotiated pay raises.
- 3) Public Library revenues are higher than prior year through June 2023 due to a 5% increase in taxes received as well as an increase in interest and dividends received. Expenses have increased due to the rising cost from personnel services and \$1.4M increase in capital expenses compared with the prior year.

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

# Enterprise Funds: June 2023 Fiscal YTD (12 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.
	June 2023 YTD (Unaudited)	vs Prior Year %	Annual Budget (As Amended)	% of Budget Used	June 2023 YTD (Unaudited)	vs Prior Year %	Annual Budget (As Amended)	% of Budget Used	
Parking Operating Fund	\$ 20.5	8%	\$ 19.4	105%	\$ 14.1	4%	\$ 15.2	92%	1
Sewer Operating Fund	60.2	4%	71.5	84%	46.1	14%	48.5	95%	2
Water Operating Fund	50.7	9%	54.2	93%	37.4	17%	40.6	92%	3

## Reference

- 1) Overall parking operating fund revenues are up over prior year due to an increase in receipts for fees charged due to lifted pandemic restrictions and downtown activity resuming. Current year expenses have increased slightly due to an increase in labor costs driven by the negotiated pay raises, increase in IT related services, increased snowplow contract rates, as well as the sponsorship of Art Prize 2023.
- 2) Sewer operating fund revenues are up from prior year due in part to annual rate changes and increased front footage fees, along with the debut of natural gas sales from the biodigester offset by the timing of receipts for integrated connection fees. Expenses are up due to personnel costs driven by negotiated pay raises. Also increases in costs in maintenance agreements, process chemicals, and higher monthly utility service costs.
- 3) Water operating fund revenues are up from prior year due in part to 4% increase in consumption and annual rate changes, along an increase in utility customer services. Expenses are up over prior year due to an increase in personnel costs driven by the negotiated pay raises, along with increased contractual services, supplies, and maintenance services (with high inflationary impact on process chemical costs), as well as additional funding for the Kent County Community Action.

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 June 30, 2023



**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	\$ 196.3	\$ 17.8	\$ 1.3	\$ 7.0	\$ 7.9	\$ 7.6	\$ 14.6	\$ 49.2	\$ 42.7	
Receivables	2.4	0.6	-	0.1	0.2	-	-	47.5	37.4	
Inventory	0.8	1.0	-	-	-	-	-	1.1	2.8	
Other Current Assets	-	-	-	-	-	-	-	-	-	
Capital Assets	-	-	-	-	-	-	43.6	482.5	385.3	
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>199.5</b>	<b>19.5</b>	<b>1.3</b>	<b>7.4</b>	<b>8.1</b>	<b>7.7</b>	<b>63.9</b>	<b>581.9</b>	<b>470.3</b>	
<b>Liabilities</b>										
Current Liabilities	22.9	1.9	0.5	1.9	2.0	0.2	0.4	6.1	4.0	
Long-Term Liabilities	83.4	0.5	0.2	0.4	0.4	0.6	25.7	292.3	152.5	
Deferred Inflows	-	0.1	-	0.3	-	0.1	4.7	6.7	7.6	
<b>Total Liabilities</b>	<b>106.3</b>	<b>2.5</b>	<b>0.7</b>	<b>2.6</b>	<b>2.4</b>	<b>0.9</b>	<b>30.8</b>	<b>305.1</b>	<b>164.1</b>	
<b>Equity</b>										
Fund Balance & Net Position	93.2	17.0	0.6	4.8	5.7	6.8	33.1	276.8	306.2	

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.