



# *City Of Grand Rapids*

## Monthly Funds Report

**FY2024 January Fiscal YTD**

Through January 31, 2024 (Month 7 of 12 in the Fiscal year)

# Governmental Funds: January 2024 Fiscal YTD (7 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				
	January 2024 YTD	vs Prior Year %	Annual Budget (As Amended)	% of Budget Used	January 2024 YTD	vs Prior Year %	Annual Budget (As Amended)	% of Budget Used	Ref.
<b>General Fund</b>	\$ 94.9	3%	\$ 179.3	53%	\$ 111.4	21%	\$ 189.1	59%	<a href="#">1</a>
<b>Major Streets Fund</b>	19.2	2%	39.9	48%	21.1	30%	42.5	50%	<a href="#">2</a>
<b>Local Streets Fund</b>	6.6	80%	10.5	63%	6.0	1%	10.7	56%	<a href="#">3</a>

## Reference

- 1) General fund revenues are slightly up in FY 24 due to a slight increase in taxes collected as well as State Grant funding received. Expenditures are up primarily due to increase in personnel costs, as well as an increase in transfers out of General Fund to support other Funds. The cost of supplies and other services have also increased in FY 24.
- 2) Major Streets revenues are slightly up due to an increase in State Grant funding as well as an increase in other revenues (such as sale of road salt to Kent County). Major Streets expenditures are higher than prior year due to a \$1.3M increase in Vital Street's capital projects and a \$3.8M increase in support to other funds related to timing of support (Vital Streets Asset Management Plan being funded all up front as opposed to monthly in prior years.)
- 3) Increase in Local Streets revenues from the prior year is primarily related to timing of support from the Major Streets fund for the Asset Management Plan. This \$2.7M budgeted support is funded up front as opposed to in monthly installments in FY 23. Local Street expenditures are consistent with prior year.

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

# Governmental Funds: January 2024 Fiscal YTD (7 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				
	January 2024 YTD	vs Prior Year %	Annual Budget (As Amended)	% of Budget Used	January 2024 YTD	vs Prior Year %	Annual Budget (As Amended)	% of Budget Used	Ref.
<b>Parks Fund</b>	\$ 13.0	7%	\$ 16.9	77%	\$ 8.0	-9%	\$ 15.7	51%	<a href="#">1</a>
<b>Refuse Fund</b>	15.7	15%	19.3	82%	10.2	3%	18.3	56%	<a href="#">2</a>
<b>Public Library Fund</b>	13.9	-3%	13.7	102%	8.2	-7%	15.6	53%	<a href="#">3</a>

## Reference

- 1) Parks revenues are higher than prior year due to increase in income taxes received and transfers in support of other funds. Expenditures are lower than the prior year due primarily to a decrease in other services and supplies. The decrease in spending is partially offset by increases to personnel and capital expenditures in FY 24.
- 2) Refuse revenues are up from prior year primarily due to \$1.8M increase in taxes received. Refuse expenditures are slightly up due to increased personnel costs and an increase in charges for services.
- 3) Public Library revenues are lower than prior year due to a \$1.5M decrease in support from Library Grant/Projects fund which is offset by a \$980K increase in taxes received. Expenditures have decreased primarily due to a \$1.5M decrease in support to Library Operating fund from Library Grant/Projects fund, which is offset by increases in spending for personnel costs, capital outlays, and other services and charges.

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

# Enterprise Funds: January 2024 Fiscal YTD (7 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.
	January 2024 YTD	vs Prior Year %	Annual Budget (As Amended)	% of Budget Used	January 2024 YTD	vs Prior Year %	Annual Budget (As Amended)	% of Budget Used	
Parking Operating Fund	\$ 12.8	16%	\$ 21.5	59%	\$ 8.2	10%	\$ 16.4	50%	<a href="#">1</a>
Sewer Operating Fund	31.6	1%	72.1	44%	20.2	3%	50.1	40%	<a href="#">2</a>
Water Operating Fund	25.4	-10%	57.1	44%	18.2	8%	43.2	42%	<a href="#">3</a>

## Reference

- 1) Parking operating fund revenues are up \$2M in FY 24 due to implementation of approved rate changes to daily parking fees in January 2023 and event parking fees in July 2023. Expenses are up from prior year due to an increase in personnel costs and increased interest expense due to the timing of recognition of Bond interest posting in FY23. Additional increases in credit card fees tied to higher transaction volume, increased utility costs, maintenance expenses and the timing of semi-annual payments for insurance also contribute to the rise in expenses.
- 2) Sewer fund revenues are up from prior year due in part to annual rate changes, a 2% increase in consumption, and smaller accrual reversals for retail service charges and integrated connection fees. Natural gas sales are also up \$888K from higher production and the collection of credits generated from each gallon of renewable fuel produced, which began in July 2023. Expenses are up from prior year due to an increase in personnel costs and contractual services as well as the timing of posting insurance premiums compared with FY23. The increase is partially offset by a \$437K decrease in electricity charges.
- 3) Water operating fund revenues are down from prior year primarily due to movement of \$4.3M bond proceeds into capital project funds. This decrease is offset, in part, to annual rate changes, a 5% increase in billing volume, increased integrated connection fees and a higher monthly payment for customer service provision. Expenses are up over prior year due to increased contractual services, inflationary impacts of process chemicals, software license renewals, and significant work on the Filtration Plant building. The timing of posting insurance premiums are also a large contributor of the increase in FY 24.

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 January 31, 2024



**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	\$ 184.9	\$ 21.3	\$ 4.8	\$ 10.0	\$ 12.7	\$ 12.8	\$ 10.9	\$ 61.5	\$ 41.0
Receivables	3.8	0.2	-	0.2	0.6	0.4	-	46.9	36.4
Inventory	0.8	1.0	-	-	-	-	-	1.2	3.1
Other Current Assets	-	-	-	-	-	-	-	-	-
Capital Assets	-	-	-	-	-	-	42.5	475.0	400.8
Other Non-Current Assets	-	0.1	-	0.3	-	0.1	4.4	-	1.6
Deferred Outflows	-	-	-	-	-	-	1.2	3.2	3.4
<b>Total Assets</b>	<b>189.5</b>	<b>22.6</b>	<b>4.8</b>	<b>10.5</b>	<b>13.3</b>	<b>13.3</b>	<b>59.0</b>	<b>587.8</b>	<b>486.3</b>
<b>Liabilities</b>									
Current Liabilities	19.5	1.7	-	-	1.6	-	0.2	0.7	0.3
Long-Term Liabilities	79.0	0.6	0.2	0.4	0.4	0.7	26.1	297.8	162.4
Deferred Inflows	-	0.1	-	0.3	-	0.1	2.8	1.6	3.4
<b>Total Liabilities</b>	<b>98.5</b>	<b>2.4</b>	<b>0.2</b>	<b>0.7</b>	<b>2.0</b>	<b>0.8</b>	<b>29.1</b>	<b>300.1</b>	<b>166.1</b>
<b>Equity</b>									
<b>Fund Balance &amp; Net Position</b>	<b>91.0</b>	<b>20.2</b>	<b>4.6</b>	<b>9.8</b>	<b>11.3</b>	<b>12.5</b>	<b>29.9</b>	<b>287.7</b>	<b>320.2</b>

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.