

City of Ann Arbor



FY 2013 Audited Financial Results



Highlights

- Net Assets / Equity \$1,058 Mil. (Gov. wide statements)
 - An increase of \$28 Mil. over the prior year, primarily from an increase in capital assets
 - Unrestricted portion is \$82 Mil. which is available for obligations subject to the restrictions of their fund
- General Fund - unassigned net assets is \$14 Mil. or 18% of FY14 budgeted recurring expenses.
- Street Repair Millage fund - \$18 Mil. | \$9 Mil. minimum plus seasonality
- Water fund - \$12 Mil. | \$4 Mil. minimum, \$20+ Mil in capital improvements needed over next few year plus GASB #68 risk
- Sewage Disposal fund - \$18 Mil. | \$4 Mil. minimum, \$20+ Mil in capital improvements needed over next few years plus GASB #68 risk
- Storm water fund - \$4 Mil. | \$1 Mil. minimum, \$10+ Mil. Capital improvements need over next few years plus GASB #68 risk
- Solid Waste fund - \$12 Mil. | \$2 Mil. minimum, additional operating needs (additional commercial recycling route, expanded food waste program, expanded multi-family recycling program) and significant potential liabilities (landfill, GASB #68, drop-off station)



Highlights (cont.)

- Market - \$500k | Sufficient but financially weak given GASB #68 risk
- Golf – small net unrestricted deficit but rolled into GF in FY2014
- Airport - \$380k net unrestricted deficit | Existing city plan to eliminate deficit appears reasonable since current assets exceed current liabilities
- Pension - 80% funded | 12% market value return
- VEBA – 39% funded | 12% market value return

General Fund Operating Highlights

- \$821k contribution to fund balance | \$2.4 Mil better than budget
 - \$1.3 Mil. from recurring items (State shared rev., fire protection grant = \$800k, overtime/electricity/mowing = \$500k)
 - \$1.1 Mil. from non-recurring items (bond user fee, parking ticket rev, & investment income were \$1.3 Mil. lower than budget while leave pay-outs, golf subsidy, debt recovery, and delayed renovations were among many smaller items better than budget)



Auditor provided an “unmodified” (formerly “unqualified”) opinion on the city’s financial statements