



Legislation Text

File #: 10-0069, **Version:** 1

Resolution to Approve Deficit Elimination Plan as of June 30, 2009 **(8 Votes Required)**

The City received a letter from the State dated January 11, 2010 outlining the need to prepare and authorize a deficit elimination plan for the Park Service Headquarters fund which accounts for the maintenance and utility expenditures for the old park service headquarters at 415 W. Washington Street. Since the Comprehensive Financial Report reflects a negative unrestricted net assets of \$802 at June 30, 2009, the State of Michigan, Department of Treasury, requires that the City of Ann Arbor prepare a Deficit Elimination Plan for this fund.

The City's plan to resolve this deficit is to eliminate the Park Service Headquarters fund in fiscal year 2010 and transfer the assets and liabilities to the City's General Fund.

The City of Ann Arbor is requesting the City Council approve this transfer as the City's Deficit Elimination Plan for the deficit for fiscal year ended June 30, 2009.

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Reviewed by: Tom Crawford, Chief Financial Officer
Approved by: Roger Fraser, City Administrator

Whereas, The City's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2009 indicated the presence of a negative financial condition in the City's Park Service Headquarters internal service fund;

Whereas, The Park Service Headquarters fund is no longer being utilized for its initial purpose (Field Services operations) and is temporarily being utilized for public parking; and

Whereas, The City is required by the Michigan Department of Treasury to file a formal plan for the elimination of any such deficit (which must be approved by the Department).

RESOLVED, That the City eliminate the Park Service Headquarters fund and transfer all assets and liabilities to the City's General Fund effective immediately;

RESOLVED, That the elimination of this fund will constitute the City's Deficit Elimination Plan for purposes of the Michigan Department of Treasury; and

RESOLVED, That a certified copy of this resolution be forwarded to the Michigan Department of Treasury.