



## Legislation Text

---

**File #:** 23-0043, **Version:** 1

---

Resolution to Approve Deficit Elimination Plan as of June 30, 2022 for the Major Grants Fund (00MG) Pursuant to the law of the State of Michigan, the City must prepare and authorize a deficit elimination plan for the Major Grants Fund, which as of June 30, 2022 had a fund deficit of \$673,851.00.

On August 15, 2016 the City of Ann Arbor passed a resolution (R-16-331) to accept a phased FEMA Hazard Mitigation Assistance Grant (Project # HMGP P4196) for the Allen Creek Berm opening project. The grant covered 75% of the project costs and required a 25% match, which was to be provided by the City's Stormwater Sewer Fund. As of June 30, 2022, the City has \$1,104,677.00 in pending reimbursement requests, resulting in the reported deficit.

Due to the COVID Pandemic, FEMA Grant reimbursements were significantly delayed. The probability and amount of future collections from FEMA was unknown. Resources were not available to substantiate an accrual transaction. Therefore, revenue could not be accrued to cover the deficit for fiscal year 2022. As of November 29, 2022, the reimbursements have been received in full and have been appropriately recorded correcting the deficit.

The City of Ann Arbor is requesting the City Council approve the City's Deficit Elimination Plan for fiscal year ended June 30, 2022.

**..Staff**

Prepared by: Marti Praschan, Chief Financial Officer

Reviewed by: Marti Praschan, Chief Financial Officer

Approved by: Milton Dohoney Jr., City Administrator

Whereas, The City of Ann Arbor's Major Grant Fund had a \$673,851.00 deficit fund balance on June 30, 2022; and

Whereas, 1971 PA 140 requires that a Deficit Elimination Plan be formulated by the local unit of government and filed with the Michigan Department of Treasury;

RESOLVED, The City of Ann Arbor adopts the following table below, which is also included as Attachment 1, as the Major Grants Fund deficit elimination plan; and

Unrestricted Net Position (Deficit)	
June 30, 2022	(673,851)
<b>Revenues:</b>	
Federal Emergncy Mgmt. Agcy- Grant	1,104,677
American Resuce Plan	23,759,498
Misc. Federal/State Grants	944,223
<b>Total Revenues:</b>	<b>25,808,398</b>
<b>Expenditures:</b>	
Personnel Services	90,081
Payroll Fringes	9,925
Other Services- Contracted	767,219
Materials & Supplies	99,213
Capital Outlay	359,964
Other Charges	23,521,499
<b>Total Expenditures:</b>	<b>24,847,901</b>
Unrestricted Net Position	
(Deficit) June 30, 2023	286,646
CA-CL (Deficit) June 30, 2022	(673,851)
Revenues:	25,808,398
Expenditures:	(24,847,901)
CA-CL (Deficit) June 30, 2023	286,646

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