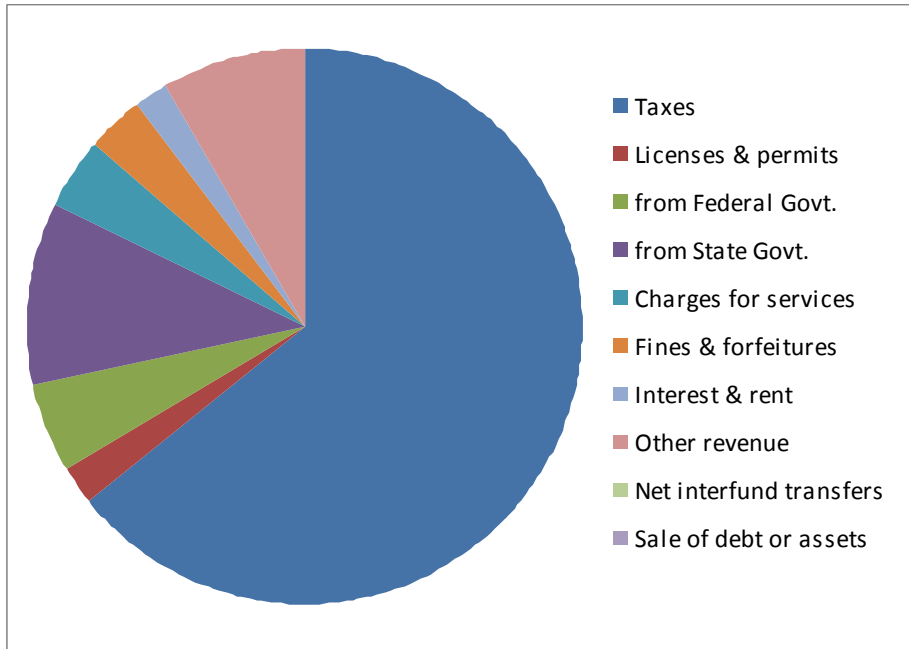


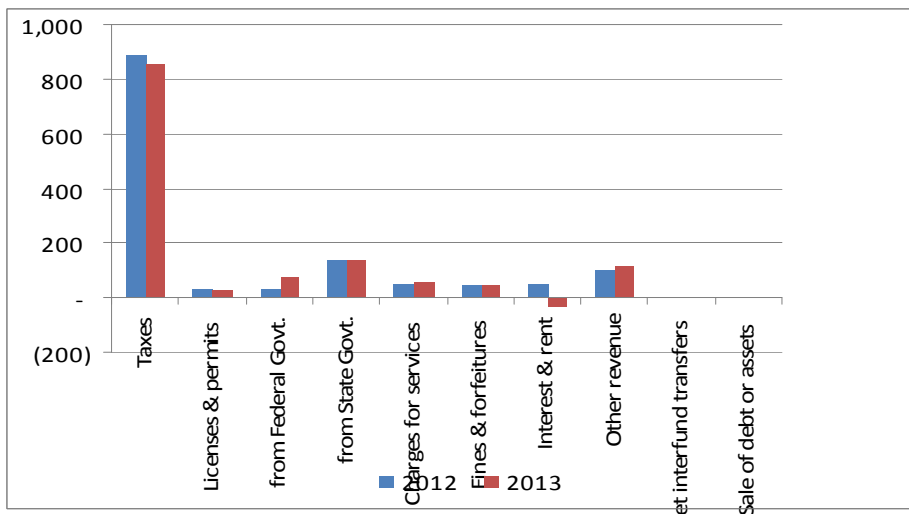
CITIZENS' GUIDE TO LOCAL UNIT FINANCES - City of Grosse Pointe

REVENUE SECTION

1. Where our money comes from (all governmental funds)



3. Revenue sources per capita - compared to the prior year



2. Compared to the prior year
2. Compared to the prior year

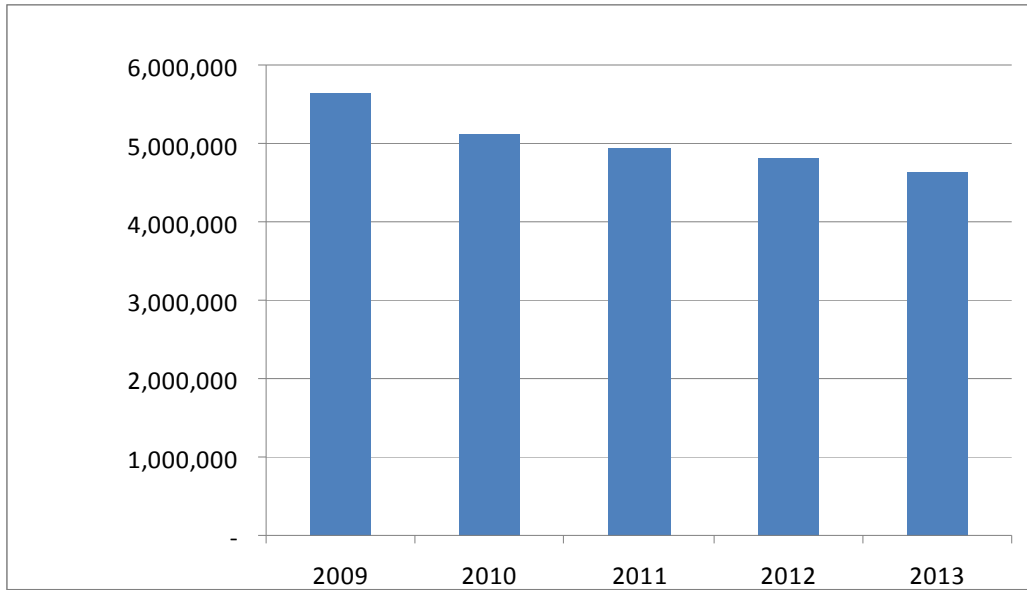
	<u>2012</u>	<u>2013</u>	<u>% change</u>
Taxes	\$ 4,813,165	\$ 4,645,074	-3%
Licenses & permits	177,903	155,893	-12%
from Federal Govt.	185,919	398,497	114%
from State Govt.	764,882	753,252	-2%
Charges for services	285,298	299,725	5%
Fines & forfeitures	235,845	236,300	0%
Interest & rent	265,409	(149,781)	-156%
Other revenue	563,719	604,463	7%
Net interfund transfers	-	-	n/a
Sale of debt or assets	-	-	n/a
	<u>\$ 7,292,140</u>	<u>\$ 6,943,423</u>	-5%

Commentary: The decline in the value of residential property assessments has resulted in a major decrease in residential property tax revenues used for general operations. This is critical as property taxes are by far the single largest revenue source for the City. The City's investment income has been extremely volatile due to the market values at year end.

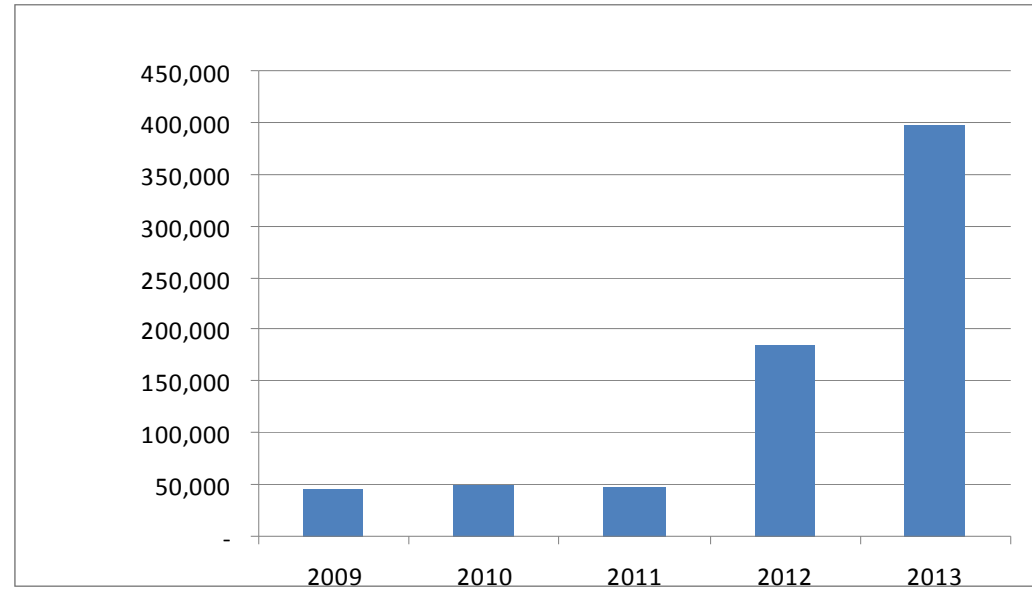
For more information on our unit's finances, contact Kimberly Kleinow at (313) 417-1170.

REVENUE (cont)

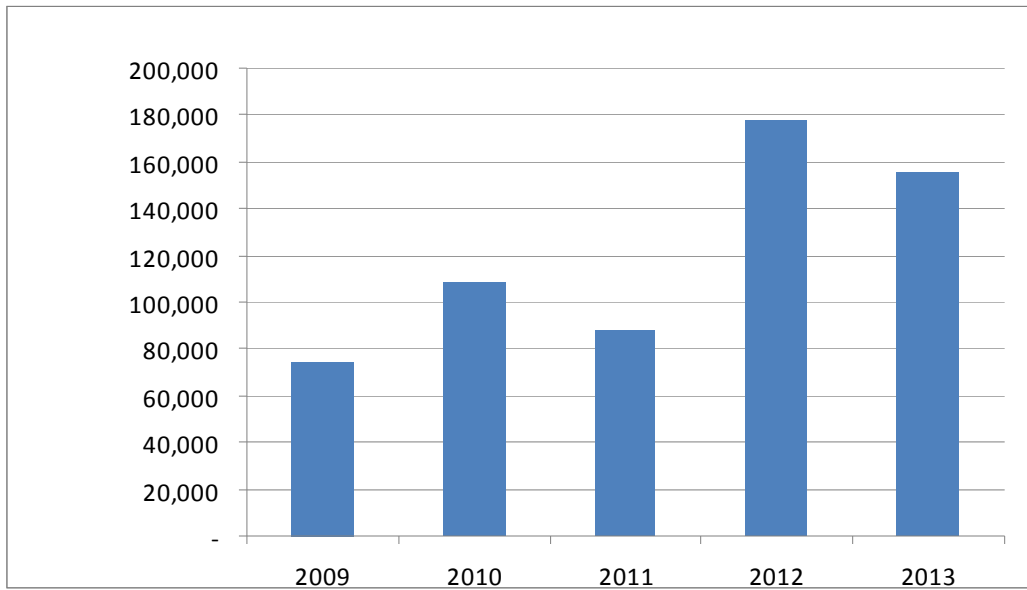
Source: Taxes



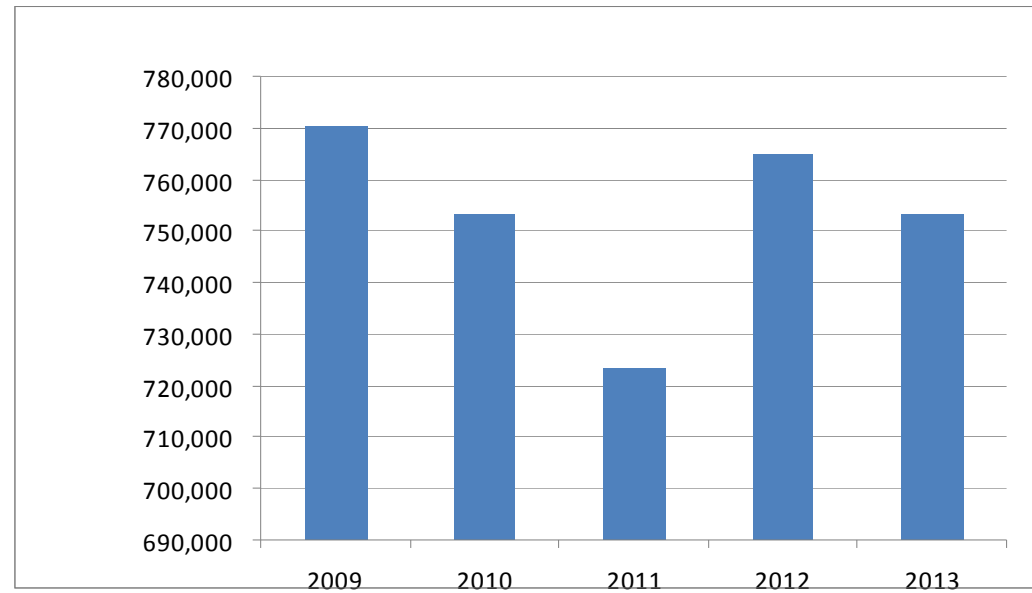
Source: Federal Government



Source: Licensing and Permits

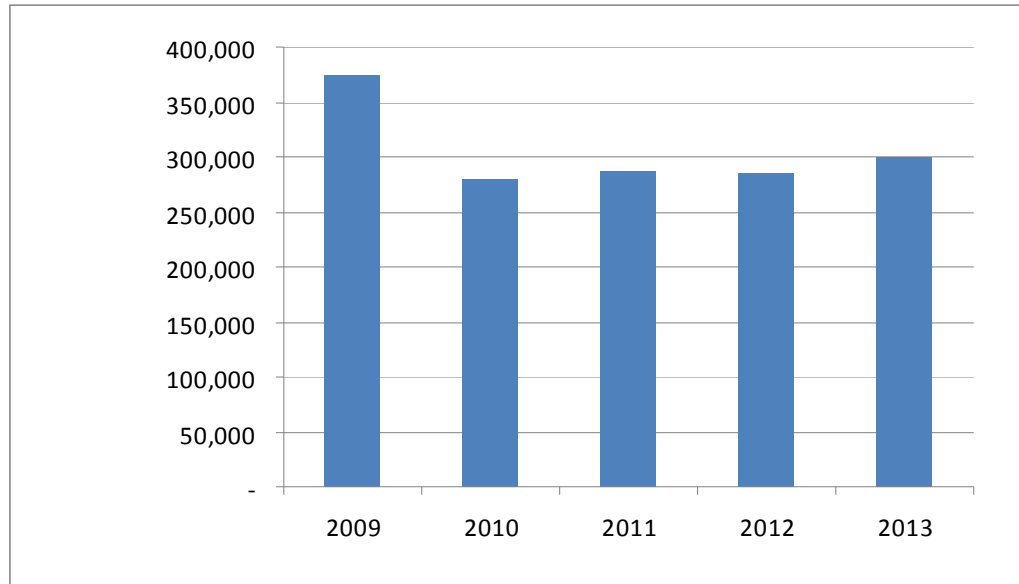


Source: State Government

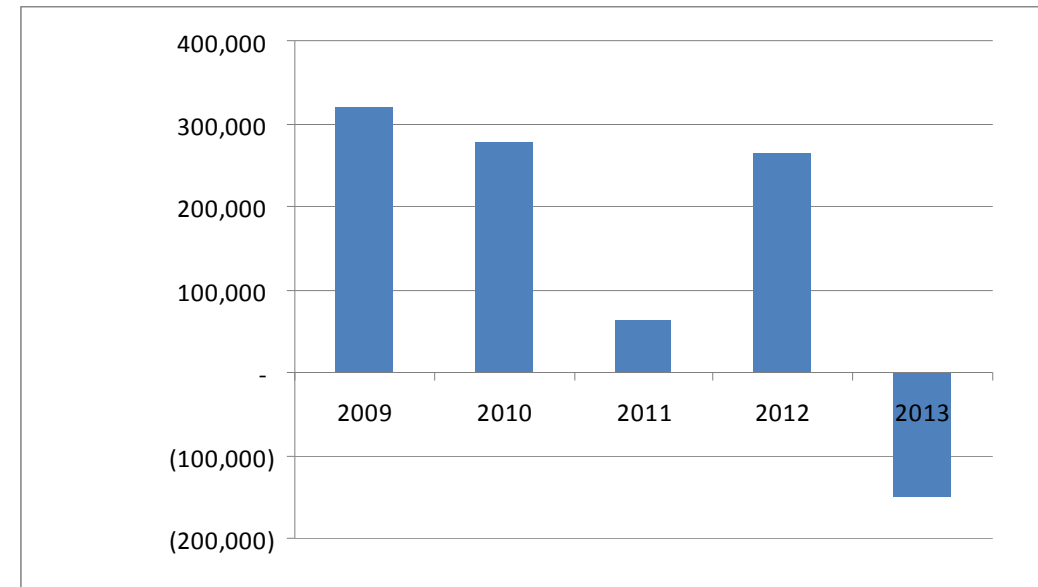


REVENUE (cont)

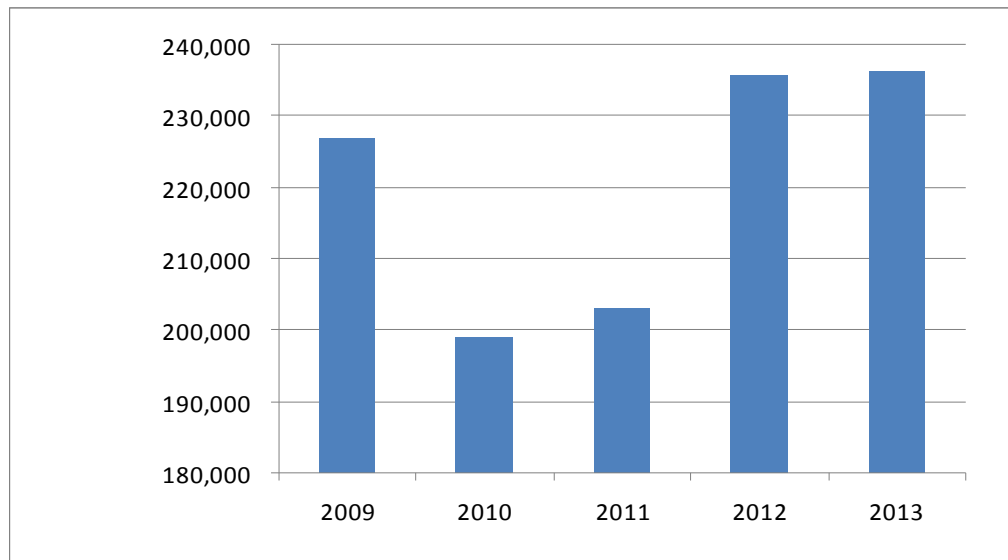
Source: Charges for Services



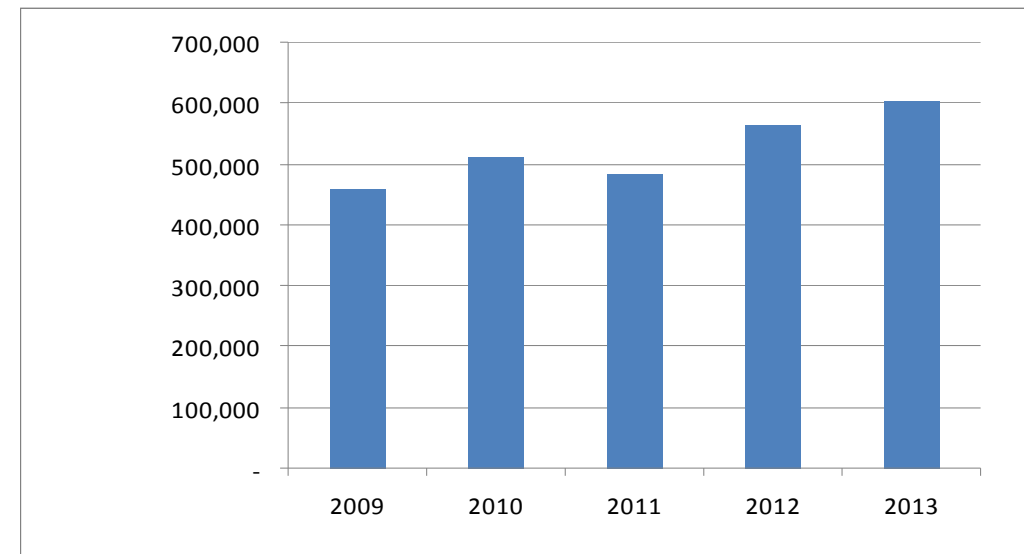
Source: Interest and Rent



Source: Fines and Forfeitures

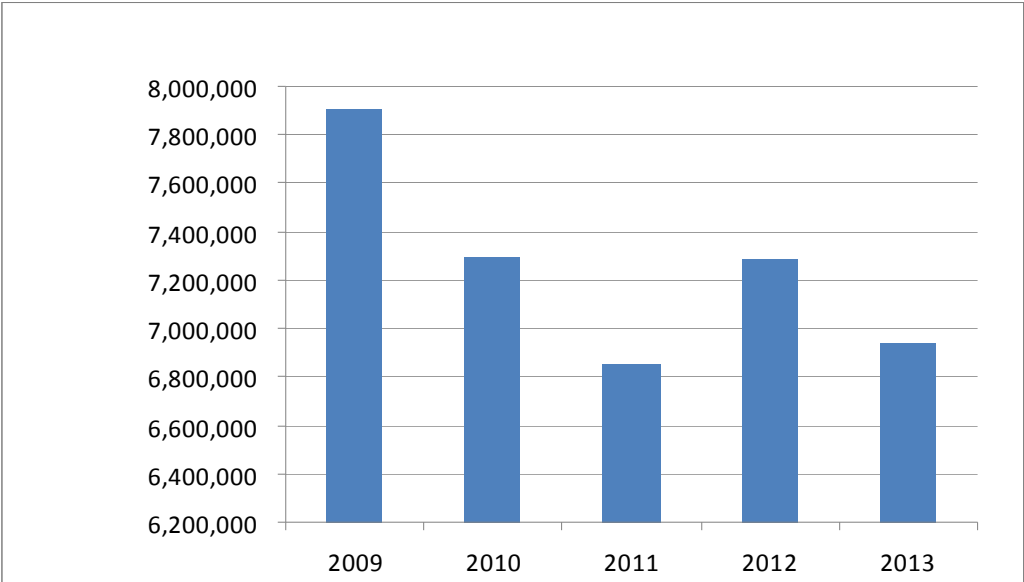


Source: Other Revenue



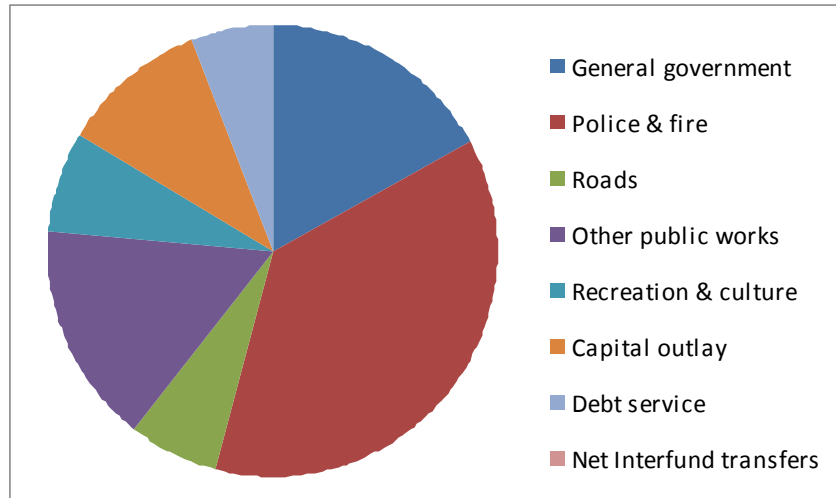
REVENUE (cont)

Total Revenue

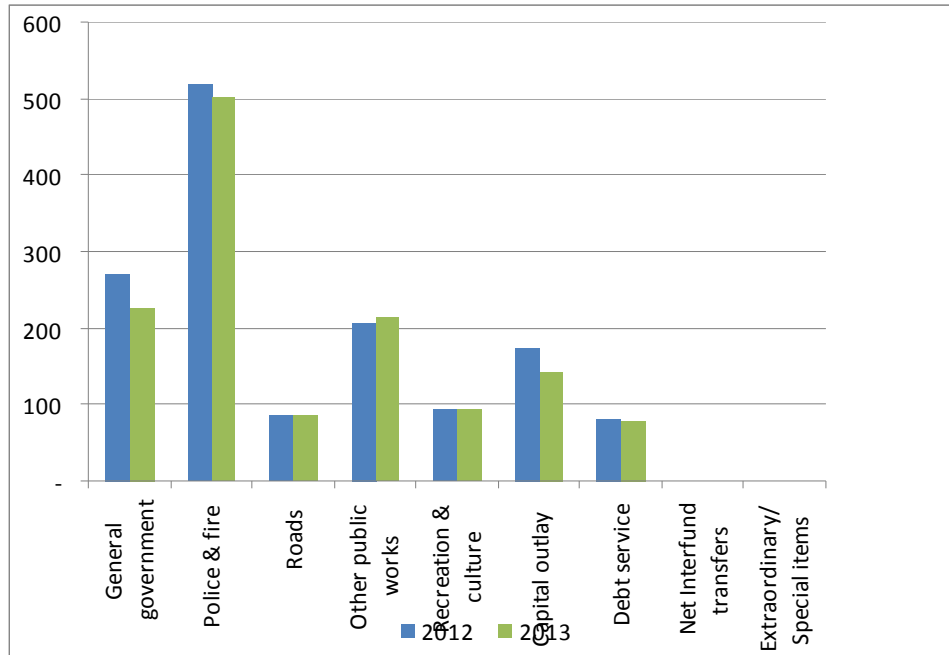


EXPENDITURE SECTION

1. Where we spend our money (all governmental funds)



3. Spending per capita - compared to the prior year



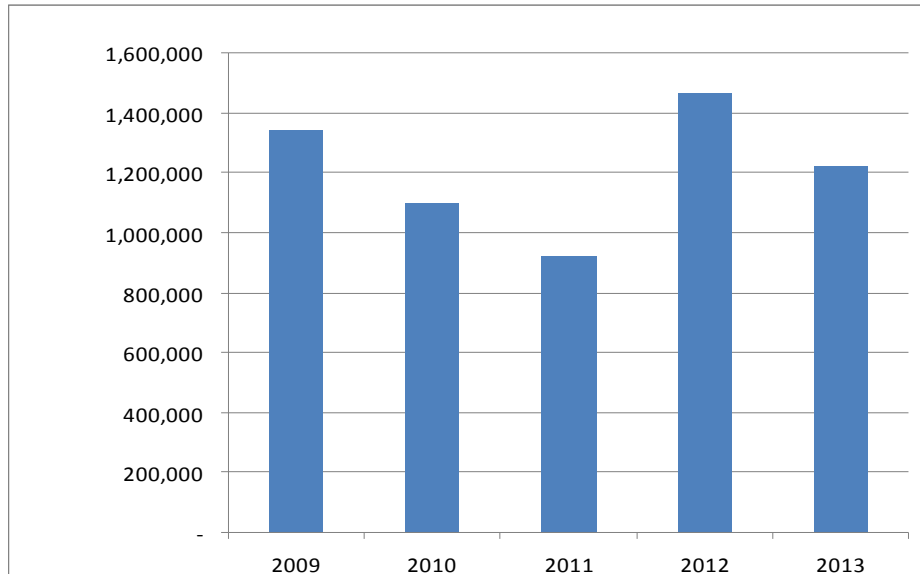
4. Historical trends of individual departments follows -

	2012	2013	% change
General government	\$ 1,463,165	\$ 1,222,698	-16%
Police & fire	2,816,137	2,718,211	-3%
Other public safety	-	-	n/a
Roads	467,798	460,109	-2%
Other public works	1,118,090	1,160,663	4%
Health & welfare	-	-	n/a
Community & economic development	-	-	n/a
Recreation & culture	512,987	512,735	0%
Capital outlay	952,731	777,407	-18%
Debt service	437,120	420,327	-4%
Interfund transfers (net)	-	-	n/a
total expenditures	\$ 7,768,028	\$ 7,272,150	-6%

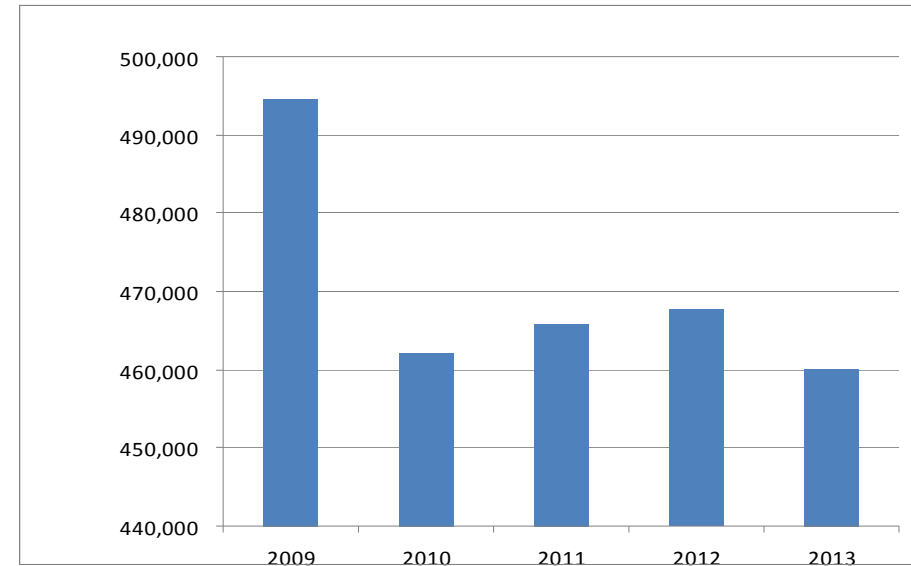
Commentary: In light of the revenue constraints, in order to achieve balanced budgets, expenditures for majority of the departments have been reduced. Reductions to date have been primarily in the administrative and overhead type categories. With legacy costs continuing to rise exponentially and taxable values capped at inflationary increases, the City has had to restructure services to keep expenditures in line with revenues. The restructuring is intended to allow departments to operate more efficiently with as little impact on service levels as possible.

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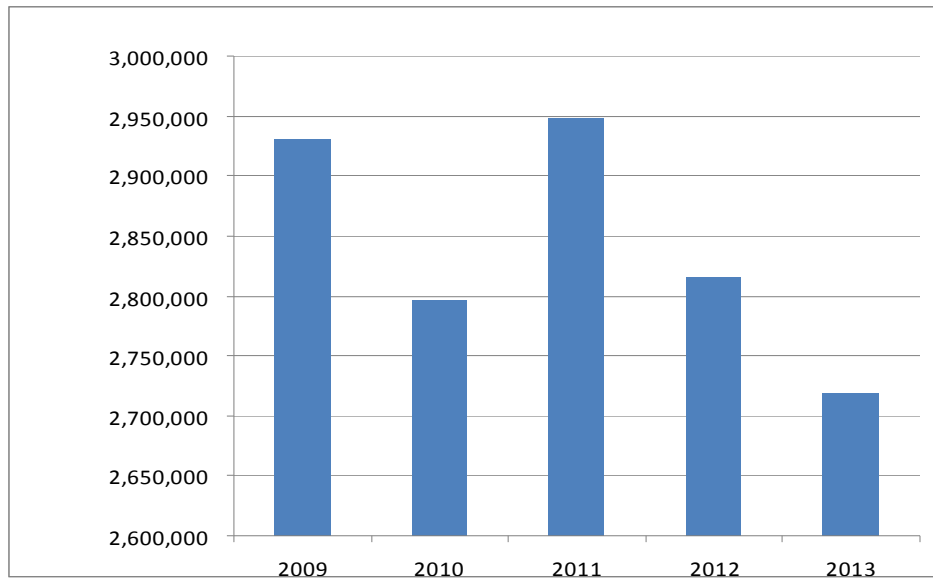
Department: General Government



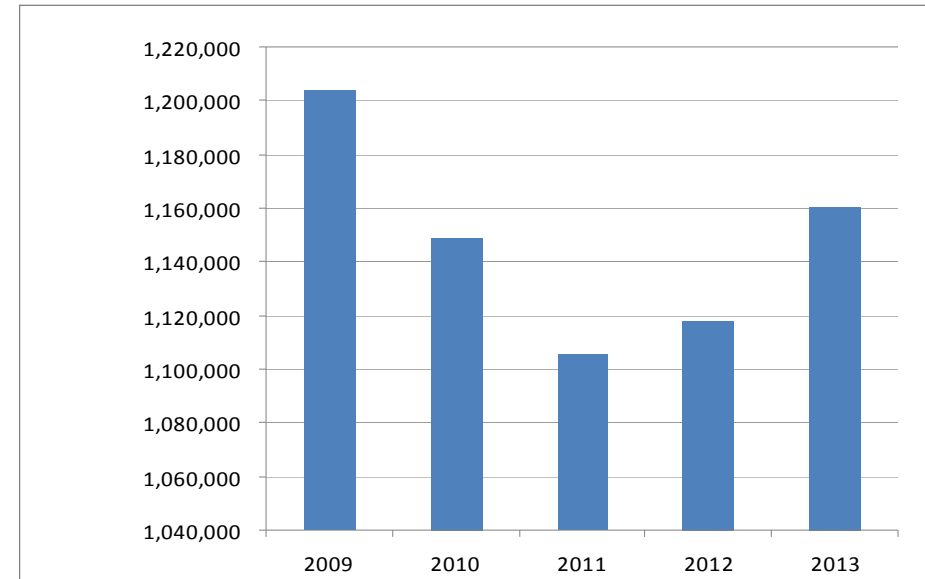
Department: Roads



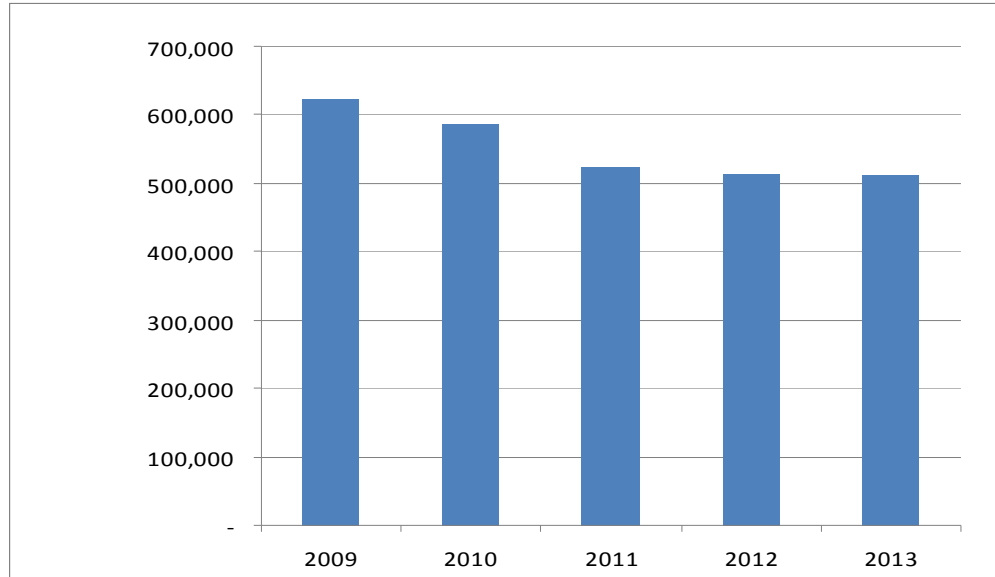
Department: Police and Fire



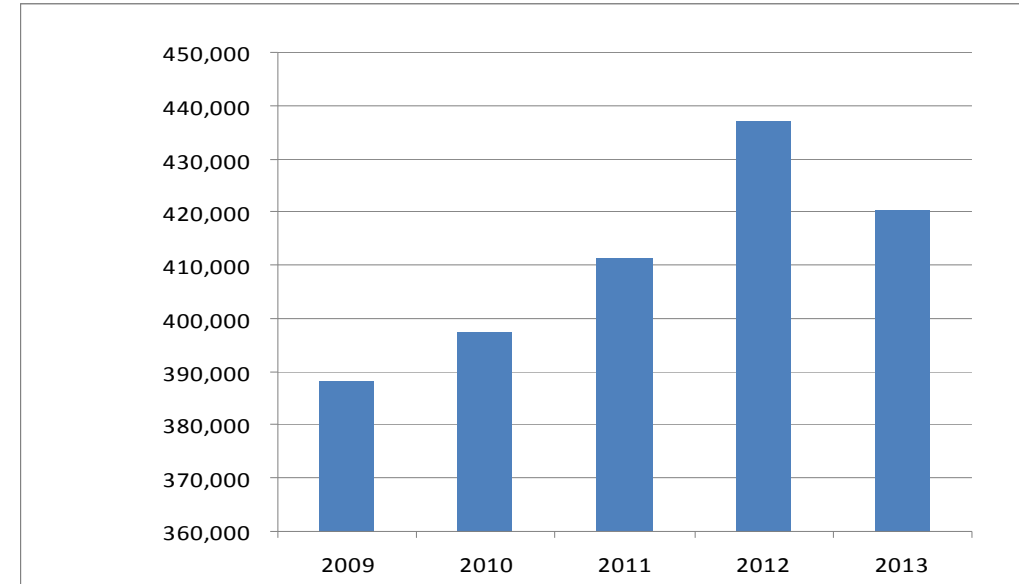
Department: Other Public Works



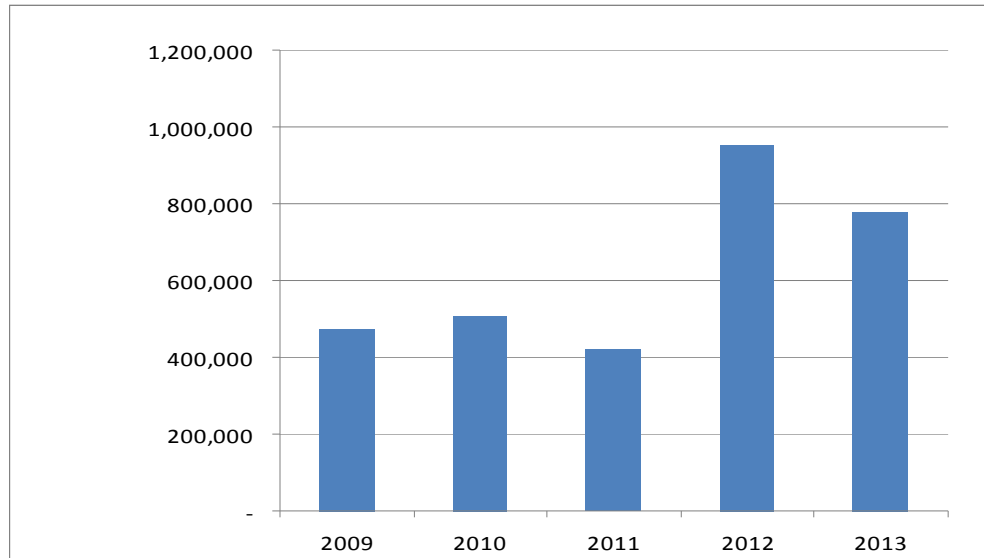
Department: Recreation and Culture



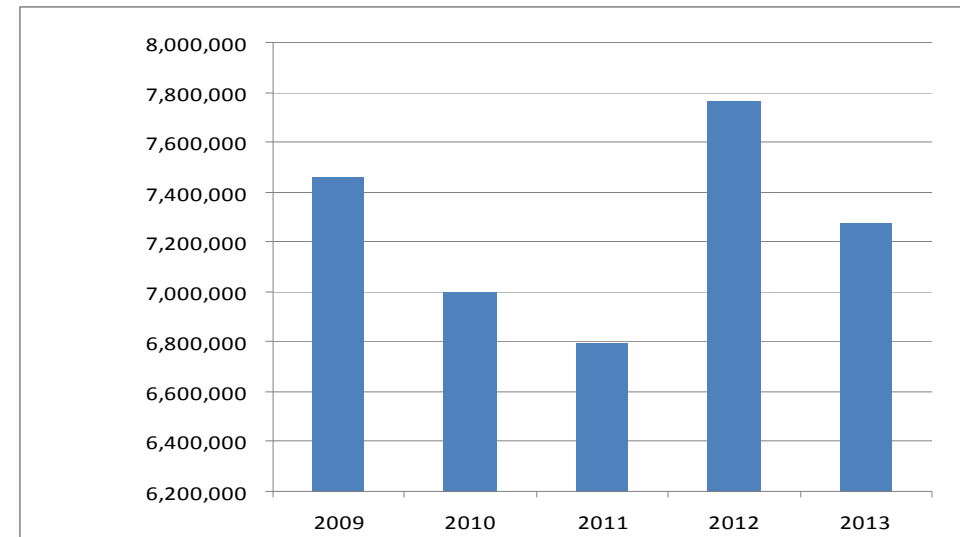
Department: Debt Service



Department: Capital Outlay

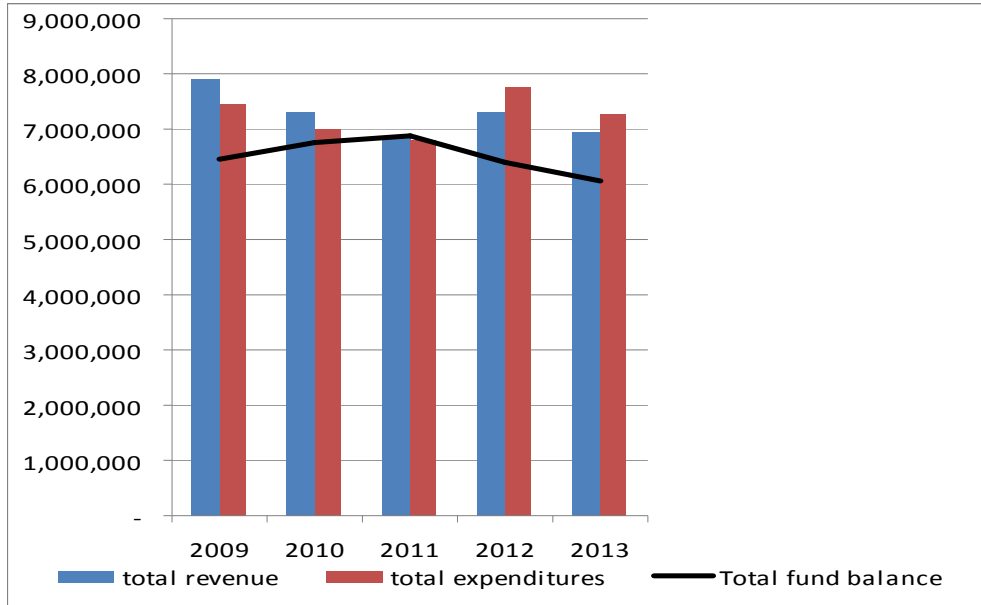


Department: Total Expenditures

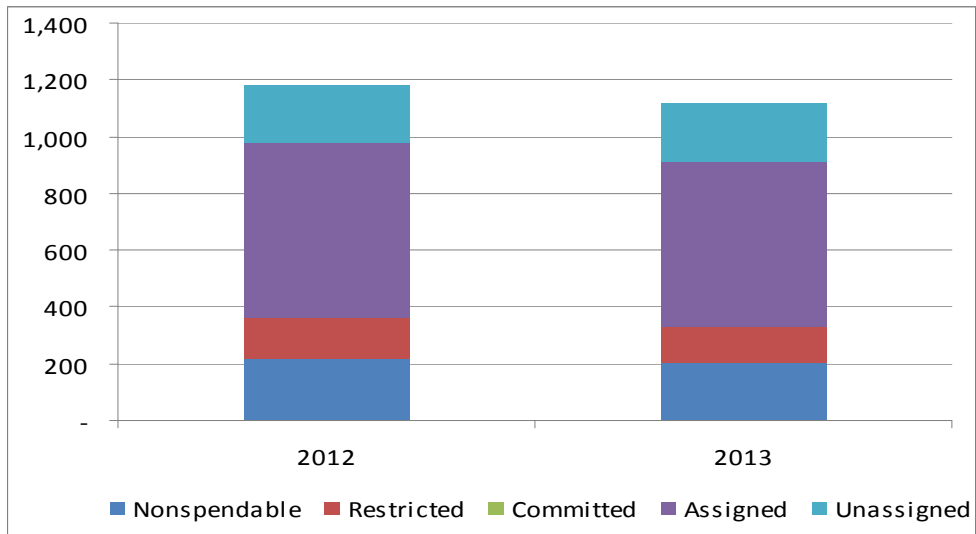


FINANCIAL POSITION

1. How have we managed our governmental fund resources (fund balance)?



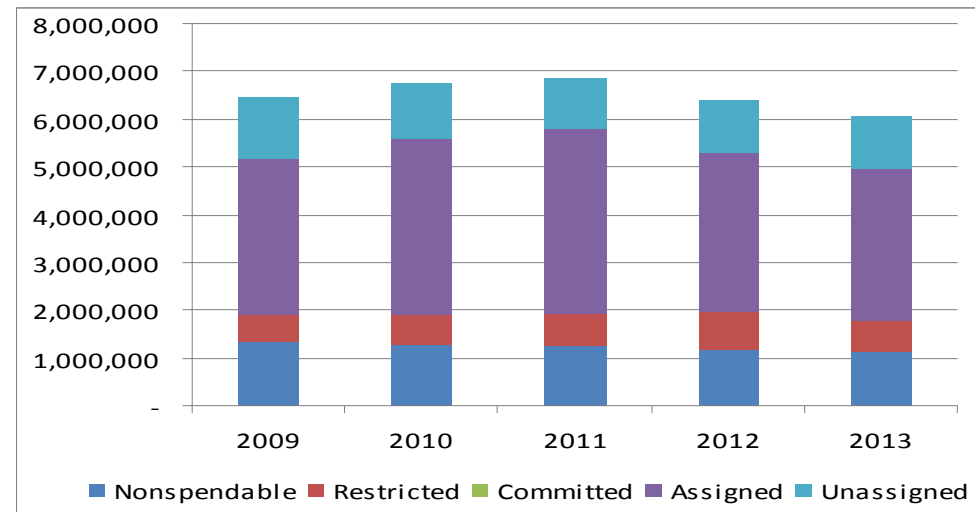
3. Fund balance per capita - compared to the prior year



2. Compared to the prior year

	2012	2013	% change
Revenue	7,292,140	6,943,423	-5%
Expenditures	7,768,028	7,272,150	-6%
Surplus (shortfall)	(475,888)	(328,727)	-31%
Fund balance, by component:			
Nonspendable	1,185,671	1,123,985	-5%
Restricted	783,737	661,783	-16%
Committed	-	-	0%
Assigned	3,338,859	3,180,809	-5%
Unassigned	1,090,481	1,103,444	1%
total fund balance	1,969,408	1,785,768	-9%

4. Historical trends of individual components

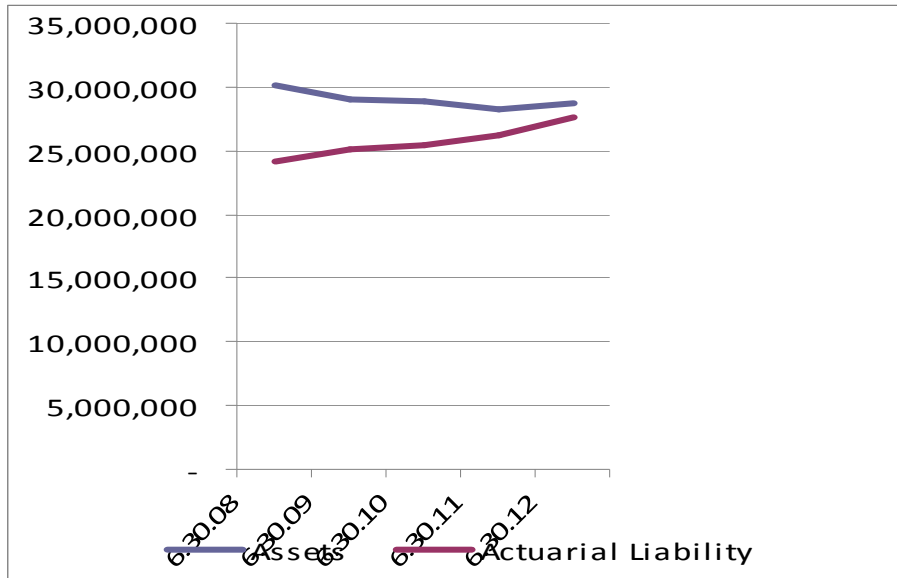


Commentary: The City has adopted a targeted range of maintaining an unrestricted fund balance of approximately 20 percent of the subsequent year's budgeted expenditures. The City annually transfers excess unrestricted fund balance into the Retiree Healthcare Fund.

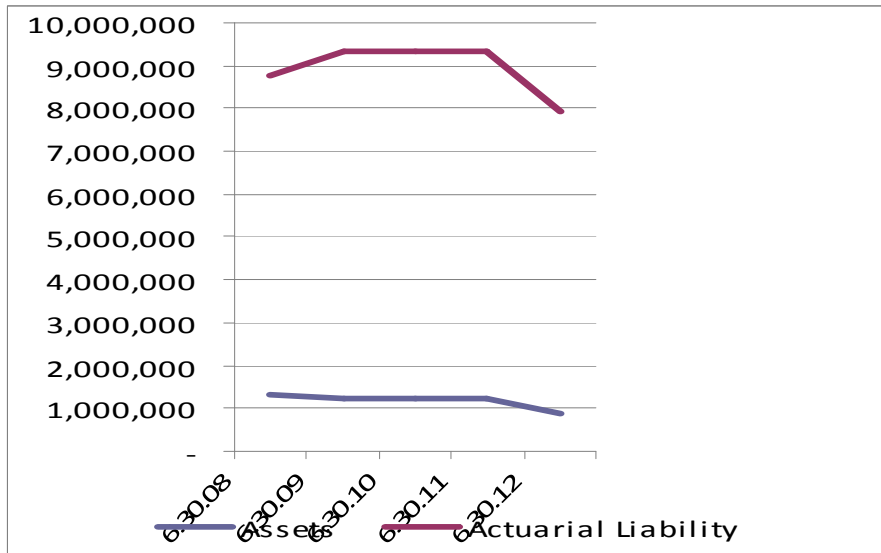
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OTHER LONG TERM OBLIGATIONS

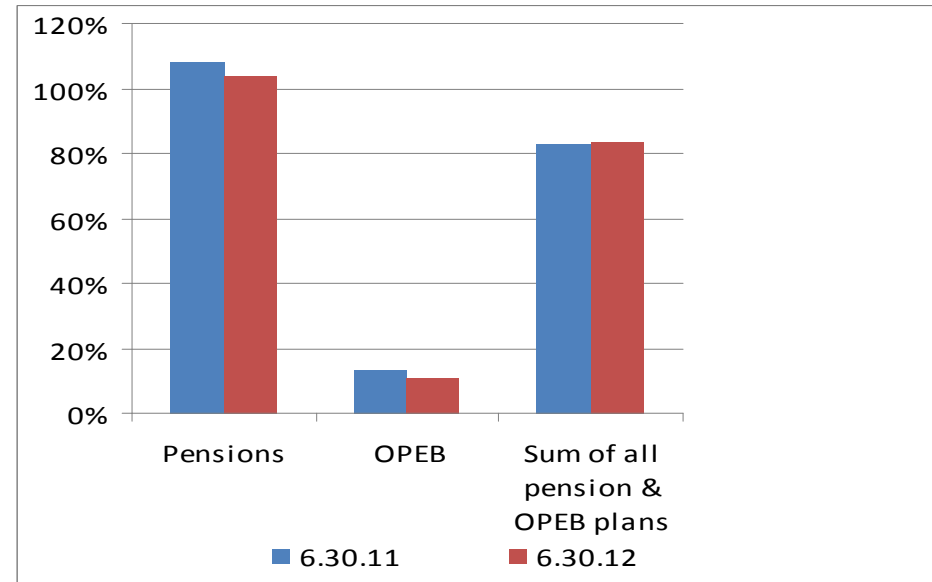
1. Pension funding status



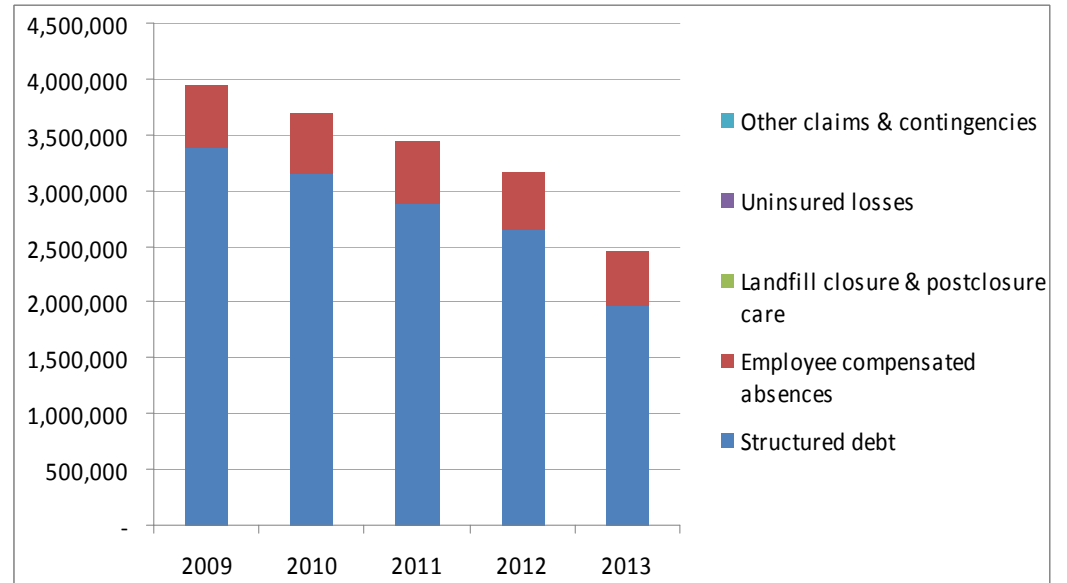
2. Retiree Health care funding status



3. Percent funded - compared to the prior year

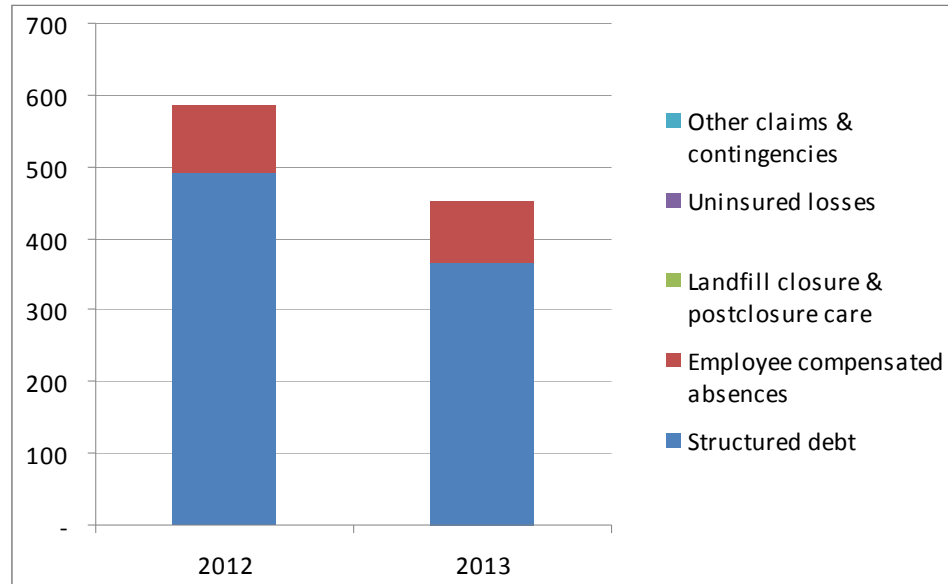


4. Long Term Debt obligations:



OTHER LONG TERM OBLIGATIONS (cont)

4. Debt & other long term obligations per capita - compared to the prior year



Commentary: With the decline in the equity markets, the pension system has gone from significantly overfunded of more than 150 percent a few years ago to an estimated 104 percent. The City has been required to start contributing to the pension system and these required contributions continue to rise. The Retiree Healthcare Fund had been funded by transferring excess pension funds. However, there will not likely be excess pension funds to transfer, precluding a funding method that had been utilized as a way to pay for these retiree healthcare expenses, which now exceed \$400,000 per year. The City has started to transfer any unrestricted General Fund balance in excess of 20 percent of the subsequent year's budget expenditures, to the Retiree Healthcare Fund, if available. Without replenishment of the Retiree Healthcare Fund, the General Fund will assume the entire cost of providing healthcare to retirees.

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