

10/20/11

To: Mayor and City Council Members

MEMORANDUM



TO: Honorable Mayor and City Council Members

FROM: Clay J. Pearson, City Manager
Kathy Smith-Roy, Finance Director/Treasurer

CC: Leadership Group

SUBJECT: Quarterly Financial Information Report

DATE: October 19, 2011

The purpose of this memorandum is to transmit certain financial information for the first quarter ended September 30, 2011. Given the economic conditions the City is facing currently and moving forward; this transmittal will also highlight several short-term (current fiscal year) topics that we are most closely managing. Community Development fees are tracking higher with nearly 50% of budgeted revenue received during the first quarter. There are no other significant items to highlight.

Revenue and Expenditures/Budget and Actual First Quarter Ended September 30, 2011 Review Highlights

I. General Fund Revenue

Overall, actual revenue for the three months ended September 30, 2011 was \$26.7 million representing 90.2% of budgeted revenue.

- A. Property Tax budget of \$14.5 million represents 50% of General Fund Revenue Budget of \$29 million.
 1. Tax Tribunals – The City has recorded a liability for unsettled cases in all funds with property tax revenue as of the fiscal year ended June 30, 2011. Additionally, \$75 million of taxable value has been set as a reserve against the 2012 taxable value. At this time the combination of these reserves appears adequate to cover the outstanding cases and projections for the fiscal year.
 2. State Shared Revenue – Budgeted for \$3.57 million represents 12.3% of fiscal year ended June 30, 2012 General Fund Annual Revenue. Receipts from the State Treasury are scheduled to be received in October, December, February, April, June and August (generally received the first week of the following month). The City is expected to receive an additional \$600,000 in 2011-12 as compared to the prior year as a result of the 2010 census.
- B. Investment Income – The budget of \$261,000 compares to the actual through September of approximately \$87,500. Investments are made in institutions meeting the requirements of State regulations and the City's investment policy. Please see the quarterly investment report for additional information.
- C. Licenses, Permits and Charges for Services Revenue – The budget of \$2.31 million, compares to the actual through September of \$1.08 million. The building permit activity and police revenue collections are tracking higher than anticipated.

II. General Fund Expenditures

Overall, total actual expenditures for the three months ended were \$7.9 million or 27.2% of the \$29.1 million expenditure budget.

- A. Several steps have been taken to align resources with workload. Savings continue from reduced positions and as well as reductions in smaller operating line items. Future savings are anticipated through certain concessions.
- B. Other expenditures appear to be in line with the budget when cyclical items are taken into consideration. For example, the property and liability insurance was paid in entirety for the fiscal year in July. Included in the Personal Services category are the transfers to the Retiree Health Care Fund for the entire fiscal year was made in September in the amount of \$1,498,004 (City-wide). The Personal Services category includes the payroll ended September 30, 2011.

III. Other Funds

A. Special Revenue Funds

There are no significant items to highlight in this report. Those Special Revenue Funds with property tax revenue have included an allowance of \$75 million in taxable value the same as the General Fund (as well as a liability account for unresolved cases as of June 30, 2011). The Special Revenue Funds like the General Fund are reported on a modified accrual basis at year-end, and the budgeted amounts represent the amended budget as approved by City Council.

B. Debt Service Funds

There are no significant items to highlight in this report. Those Debt Service Funds with property tax revenue have included an allowance of \$75 million in taxable value the same as the General Fund (as well as a liability account for unresolved cases as of June 30, 2011). The State Budgeting Act does not require the budget for these funds be adopted by City Council.

C. Enterprise Funds

The Enterprise Funds are business-type funds that are reported on a full-accrual accounting basis. As such, certain items are like debt service and capital outlay are recorded differently than the governmental funds. The budget for these funds is not required by the State Budgeting Act.

D. Fiduciary Fund – Retiree Health Care fund

This expendable trust fund accounts for medical benefits provided to retirees that retired after June 30, 1994. Medical benefits for individuals that retired prior to that date are recorded in the General Fund. The net investment loss for the period of \$1.6 million is in line with the City's benchmarks (loss less than other market indices), and should be considered against the gain in the prior fiscal year of approximately 15%, or \$2.55 million. The activity in this fund should be viewed on a long-term basis.

E. Component Unit – Economic Development Corporation (EDC)

This fund is a component unit of the City. The financial statements are provided separately to the EDC upon request.

If you have any questions, or need any additional information, please do not hesitate to contact us.

CITY OF NOVI
REVENUES & EXPENDITURES
Period Ended September 30, 2011

| DESCRIPTION | AMENDED BUDGET | FISCAL YEAR-TO-DATE | % OF BUDGET USED |
|--|----------------------|------------------------|------------------------|
| <i>Fund 101 - GENERAL FUND 101</i> | | | |
| <i>Revenues</i> | | | |
| Property tax revenue | \$ 14,526,000 | \$ 14,939,410 | 102.9% |
| Trailer fees | 7,900 | 1,999 | 25.3% |
| Penalty and interest | 195,000 | - | 0.0% |
| Licenses, permits & charges for services | 2,309,450 | 1,077,618 | 46.7% |
| Federal grants | 35,400 | 13,436 | 38.0% |
| State sources | 3,599,720 | 6,721 | 0.2% |
| Other revenue | 493,095 | 124,952 | 25.3% |
| Fines and forfeitures | 484,500 | 129,912 | 26.8% |
| Interest income | 261,000 | 87,512 | 33.5% |
| Transfers in | 2,380,000 | - | 0.0% |
| Appropriation of fund balance | 4,768,010 | | |
| <i>Total Revenue</i> | <u>\$ 29,060,075</u> | <u>\$ 16,381,560</u> | <u>56.4%</u> |
| <i>Expenditures</i> | | | |
| <i>Dept 101.00: CITY COUNCIL</i> | | | |
| Personal services | \$ 4,625 | \$ 682 | 14.8% |
| Other services and charges | 9,647 | - | 0.0% |
| | <u>\$ 14,272</u> | <u>\$ 682</u> | <u>4.8%</u> |
| <i>Dept 172.00: CITY MANAGER</i> | | | |
| Personal services | \$ 380,127 | \$ 102,303 | 26.9% |
| Other services and charges | 32,424 | 5,278 | 16.3% |
| Supplies | 472 | 128 | 27.1% |
| Capital outlay | 24,000 | - | 0.0% |
| | <u>\$ 437,023</u> | <u>\$ 107,709</u> | <u>24.6%</u> |
| <i>Dept 201.00: FINANCE DEPARTMENT</i> | | | |
| Personal services | \$ 695,561 | \$ 196,161 | 28.2% |
| Other services and charges | 70,180 | 10,172 | 14.5% |
| Capital outlay | 40,700 | 3,235 | 8.0% |
| | <u>\$ 806,441</u> | <u>\$ 209,568</u> | <u>26.0%</u> |
| <i>Dept 205.00: INFORMATION TECHNOLOGY</i> | | | |
| Personal services | \$ 488,461 | \$ 133,167 | 27.3% |
| Other services and charges | 126,030 | 38,206 | 30.3% |
| Supplies | 34,100 | 7,142 | 21.0% |
| | <u>\$ 648,591</u> | <u>\$ 178,515</u> | <u>27.5%</u> |
| <i>Dept 209.00: ASSESSING DEPARTMENT</i> | | | |
| Personal services | \$ 461,955 | \$ 118,759 | 25.7% |
| Other services and charges | 257,455 | 63,182 | 24.5% |
| Supplies | 11,300 | 153 | 1.4% |
| | <u>\$ 730,710</u> | <u>\$ 182,095</u> | <u>24.9%</u> |
| <i>Dept 210.00: CITY ATTORNEY</i> | | | |
| Other services and charges | \$ 372,000 | \$ 39,495 | 10.6% |

CITY OF NOVI
REVENUES & EXPENDITURES
Period Ended September 30, 2011

| DESCRIPTION | AMENDED BUDGET | FISCAL YEAR-TO-DATE | % OF BUDGET USED |
|---|-------------------|------------------------|------------------------|
| <i>Dept 215.00: CLERKS OFFICE</i> | | | |
| Personal services | \$ 455,511 | \$ 121,644 | 26.7% |
| Other services and charges | 32,050 | 6,266 | 19.6% |
| Supplies | 27,000 | 3,349 | 12.4% |
| Capital outlay | 27,380 | - | 0.0% |
| | \$ 541,941 | \$ 131,260 | 24.2% |
| <i>Dept 253.00: TREASURY</i> | | | |
| Personal services | \$ 223,173 | \$ 65,483 | 29.3% |
| Other services and charges | 45,191 | 1,866 | 4.1% |
| Supplies | 15,550 | 5,391 | 34.7% |
| | \$ 283,914 | \$ 72,740 | 25.6% |
| <i>Dept 265.00: FACILITY OPERATIONS</i> | | | |
| Personal services | \$ 255,727 | \$ 64,100 | 25.1% |
| Other services and charges | 395,690 | 83,932 | 21.2% |
| Supplies | 22,800 | 2,814 | 12.3% |
| Capital outlay | 284,000 | 10,857 | 3.8% |
| | \$ 958,217 | \$ 161,702 | 16.9% |
| <i>Dept 270.00: HUMAN RESOURCES</i> | | | |
| Personal services | \$ 330,642 | \$ 93,839 | 28.4% |
| Other services and charges | 60,625 | 15,742 | 26.0% |
| | \$ 391,267 | \$ 109,582 | 28.0% |
| <i>Dept 295.00: NEIGHBORHOOD & BUSINESS RELATIONS GROUP</i> | | | |
| Personal services | \$ 379,307 | \$ 100,462 | 26.5% |
| Other services and charges | 391,580 | 67,541 | 17.3% |
| Supplies | 9,800 | 870 | 8.9% |
| Capital outlay | 281,340 | - | 0.0% |
| | \$ 1,062,027 | \$ 168,872 | 15.9% |
| <i>Dept 299.00: GENERAL ADMINISTRATION</i> | | | |
| Personal services | \$ 1,014,874 | \$ 298,418 | 29.4% |
| Other services and charges | 489,516 | 317,555 | 64.9% |
| Supplies (timing of postage allocations) | 42,490 | (330) | -0.8% |
| Capital outlay | - | 6,221 | 0.0% |
| | \$ 1,546,880 | \$ 621,865 | 40.2% |
| <i>Dept 301.00 & 337.00: PUBLIC SAFETY</i> | | | |
| Personal services | \$ 14,351,061 | \$ 4,169,312 | 29.1% |
| Other services and charges | 1,318,941 | 267,145 | 20.3% |
| Supplies | 301,310 | 70,617 | 23.4% |
| Capital outlay | 6,300 | 6,248 | 99.2% |
| | \$ 15,977,612 | \$ 4,513,323 | 28.2% |

CITY OF NOVI
REVENUES & EXPENDITURES
Period Ended September 30, 2011

| DESCRIPTION | AMENDED BUDGET | FISCAL YEAR-TO-DATE | % OF BUDGET USED |
|--|-----------------------------|----------------------------|------------------------|
| <i>Dept 371.00 & 807.00: COMMUNITY DEVELOPMENT</i> | | | |
| Personal services | \$ 1,611,011 | \$ 454,850 | 28.2% |
| Other services and charges | 259,570 | 29,697 | 11.4% |
| Supplies | 48,900 | 4,394 | 9.0% |
| Capital outlay | 59,300 | - | 0.0% |
| | <u>\$ 1,978,781</u> | <u>\$ 488,941</u> | <u>24.7%</u> |
| <i>Dept 442: DEPARTMENT OF PUBLIC SERVICES</i> | | | |
| Personal services | \$ 2,942,271 | \$ 802,912 | 27.3% |
| Other services and charges | 849,663 | 159,084 | 18.7% |
| Supplies | 143,525 | 22,454 | 15.6% |
| Capital outlay | 1,137,110 | 213,990 | 18.8% |
| Allocated to other funds | (2,071,120) | (568,596) | 27.5% |
| | <u>\$ 3,001,449</u> | <u>\$ 629,844</u> | <u>21.0%</u> |
| <i>Dept 800.00: PLANNING COMMISSION</i> | | | |
| Other services and charges | \$ 12,800 | \$ 25 | 0.2% |
| Supplies | 250 | 224 | 89.6% |
| | <u>\$ 13,050</u> | <u>\$ 249</u> | <u>1.9%</u> |
| <i>Dept 940.00: TRANSFER TO OTHER FUNDS</i> | | | |
| Transfers out | <u>\$ 295,900</u> | <u>\$ 288,750</u> | <u>97.6%</u> |
| TOTAL GENERAL FUND EXPENDITURES | <u><u>\$ 29,060,075</u></u> | <u><u>\$ 7,905,192</u></u> | <u><u>27.2%</u></u> |
| <i>Fund 202 - MAJOR STREET FUND (excluding SAD's)</i> | | | |
| <i>Revenue</i> | | | |
| Gas and Weight Tax | \$ 2,080,400 | \$ 197,288 | 9.5% |
| Interest income | 2,300 | 267 | 11.6% |
| Appropriation of fund balance | 737,920 | | |
| <i>Total Revenue</i> | <u>\$ 2,820,620</u> | <u>\$ 197,555</u> | <u>7.0%</u> |
| <i>Expenditures</i> | | | |
| Transfers out | \$ 520,100 | \$ 131,834 | 25.4% |
| Construction | 1,139,620 | 74,369 | 6.5% |
| Administration | 500 | - | 0.0% |
| Maintenance | 1,160,400 | 185,656 | 16.0% |
| <i>Total Expenditures</i> | <u>\$ 2,820,620</u> | <u>\$ 391,860</u> | <u>13.9%</u> |

CITY OF NOVI
REVENUES & EXPENDITURES
Period Ended September 30, 2011

| DESCRIPTION | AMENDED BUDGET | FISCAL YEAR-TO-DATE | % OF BUDGET USED |
|---|---------------------|------------------------|------------------------|
| <i>Fund 203 - LOCAL STREET FUND (excluding SAD's)</i> | | | |
| <i>Revenue</i> | | | |
| Gas and Weight Tax | \$ 728,300 | \$ 72,432 | 10.0% |
| Other income | - | 487 | 100.0% |
| Interest income | 1,900 | 302 | 15.9% |
| Transfers in | 1,420,100 | 131,834 | 9.3% |
| Appropriation of fund balance | 1,138,050 | | |
| Total Revenue | \$ 3,288,350 | \$ 205,055 | 6.2% |
| <i>Expenditures</i> | | | |
| Construction | \$ 2,367,250 | \$ 226,921 | 9.6% |
| Maintenance | 920,600 | 212,839 | 23.1% |
| Administration | 500 | - | 0.0% |
| Total Expenditures | \$ 3,288,350 | \$ 439,760 | 13.4% |
| <i>Fund 204 - MUNICIPAL STREET FUND (excluding SAD's)</i> | | | |
| <i>Revenue</i> | | | |
| Special assessments levied | \$ 15,370 | \$ - | 0.0% |
| Property tax revenue | 2,234,000 | 2,297,915 | 102.9% |
| Interest income | 14,880 | 8,115 | 54.5% |
| Other revenue | 93,390 | - | 0.0% |
| Appropriation of fund balance | 1,074,020 | | |
| Total Revenue | \$ 3,431,660 | \$ 2,306,030 | 67.2% |
| <i>Expenditures</i> | | | |
| Construction | \$ 2,936,010 | \$ 204,413 | 7.0% |
| Maintenance | 430,000 | 34,113 | 7.9% |
| Administration | 16,900 | 14,300 | 84.6% |
| Capital outlay | 48,750 | - | 0.0% |
| Total Expenditures | \$ 3,431,660 | \$ 252,826 | 7.4% |
| <i>Fund 205 - PUBLIC SAFETY FUND</i> | | | |
| <i>Revenue</i> | | | |
| Property tax revenue | \$ 4,134,000 | \$ 4,251,694 | 102.9% |
| Interest income | 38,900 | 2,619 | 6.7% |
| Appropriation to fund balance | (1,792,900) | | |
| Total Revenue | \$ 2,380,000 | \$ 4,254,313 | 178.8% |
| <i>Expenditures</i> | | | |
| Transfers out | \$ 2,380,000 | \$ - | 0.0% |

CITY OF NOVI
REVENUES & EXPENDITURES
Period Ended September 30, 2011

| DESCRIPTION | AMENDED BUDGET | FISCAL YEAR-TO-DATE | % OF BUDGET USED |
|--|---------------------|------------------------|------------------------|
| <i>Fund 208 - PARKS, RECREATION & FOREST 208</i> | | | |
| <i>Revenue</i> | | | |
| Property tax revenue | \$ 1,116,000 | \$ 1,148,213 | 102.9% |
| Federal grants | 550,806 | - | 0.0% |
| Program revenue | 977,140 | 460,491 | 47.1% |
| Older adult program revenue | 150,059 | 42,320 | 28.2% |
| Interest income | 5,000 | 2,676 | 53.5% |
| Other revenue | 5,000 | 230 | 4.6% |
| Transfers in | 50,000 | 1,030 | 2.1% |
| Appropriation of fund balance | 737,430 | | |
| Total Revenue | \$ 3,591,435 | \$ 1,654,961 | 46.1% |
| <i>Expenditures</i> | | | |
| Personal services | \$ 893,188 | \$ 250,810 | 28.1% |
| Other services and charges | 534,821 | 83,795 | 15.7% |
| Supplies | 50,180 | 2,285 | 4.6% |
| Capital outlay | 1,169,290 | 106,131 | 9.1% |
| Program expenditures | 693,841 | 237,207 | 34.2% |
| Older Adult Program expenditures | 250,115 | 43,874 | 17.5% |
| Total Expenditures | \$ 3,591,435 | \$ 724,103 | 20.2% |
| <i>Fund 209 - TREE FUND</i> | | | |
| <i>Revenue</i> | | | |
| Interest income | \$ 10,200 | \$ 2,950 | 28.9% |
| Other revenue | 10,500 | 4,400 | 41.9% |
| Appropriation of fund balance | 279,300 | | |
| Total Revenue | \$ 300,000 | \$ 7,350 | 2.5% |
| <i>Expenditures</i> | | | |
| Other services and charges | \$ 75,000 | \$ 2,250 | 3.0% |
| Capital - trees | 225,000 | 15,060 | 6.7% |
| Total Expenditures | \$ 300,000 | \$ 17,310 | 5.8% |

CITY OF NOVI
REVENUES & EXPENDITURES
Period Ended September 30, 2011

| DESCRIPTION | AMENDED BUDGET | FISCAL YEAR-TO-DATE | % OF BUDGET USED |
|--|---------------------|------------------------|------------------------|
| <i>Fund 210 - DRAIN FUND (excluding SAD's)</i> | | | |
| <i>Revenue</i> | | | |
| Property tax revenue | \$ 765,000 | \$ 786,253 | 102.8% |
| Federal grants | 202,500 | - | 0.0% |
| Interest income | 54,800 | 15,330 | 28.0% |
| Other income | 5,000 | 24,675 | 493.5% |
| Appropriation of fund balance | 808,690 | | |
| Total Revenue | \$ 1,835,990 | \$ 826,258 | 45.0% |
| <i>Expenditures</i> | | | |
| Construction | \$ 1,077,640 | \$ 34,609 | 3.2% |
| Administration | 50,400 | 2,745 | 5.5% |
| Maintenance | 659,200 | 266,571 | 40.4% |
| Capital outlay | 48,750 | - | 0.0% |
| Total Expenditures | \$ 1,835,990 | \$ 303,925 | 16.6% |
| <i>Dept 211 - DRAIN PERPETUAL MAINTENANCE</i> | | | |
| <i>Revenue</i> | | | |
| Tap-in fees | \$ - | \$ 36,275 | 100.0% |
| Interest income | 89,500 | 30,427 | 34.0% |
| Appropriation to fund balance | (89,500) | | |
| Total Revenue | \$ - | \$ 66,702 | - |
| <i>Fund 235 - SPECIAL ASSESSMENT REVOLVING FUND</i> | | | |
| <i>Revenue</i> | | | |
| Interest income | \$ 25,000 | \$ 3,650 | 14.6% |
| Appropriation to fund balance | 875,500 | | |
| Total Revenue | \$ 900,500 | \$ 3,650 | - |
| <i>Expenditures</i> | | | |
| Other services and charges | \$ 500 | \$ - | 0.0% |
| Transfers out | 900,000 | - | 0.0% |
| Total Expenditures | \$ 900,500 | \$ - | - |
| <i>Fund 265 - CONTRIBUTIONS & DONATIONS FUND</i> | | | |
| <i>Revenue</i> | | | |
| Interest income | \$ 1,520 | \$ 527 | 34.7% |
| Donations | 51,000 | - | 0.0% |
| Appropriation to fund balance | (1,520) | | |
| Total Revenue | \$ 51,000 | \$ 527 | 1.0% |
| <i>Expenditures</i> | | | |
| Program expenditures | \$ - | \$ 1,078 | 100.0% |
| Transfers out | 51,000 | 1,030 | 2.0% |
| Total Expenditures | \$ 51,000 | \$ 2,108 | 4.1% |

CITY OF NOVI
REVENUES & EXPENDITURES
Period Ended September 30, 2011

| DESCRIPTION | AMENDED BUDGET | FISCAL YEAR-TO-DATE | % OF BUDGET USED |
|---------------------------------------|---------------------|------------------------|------------------------|
| <i>Fund 266 - FORFEITURE FUND</i> | | | |
| <i>Revenue</i> | | | |
| Fines and forfeitures | \$ 90,000 | \$ 62,803 | 69.8% |
| Interest income | 1,100 | 110 | 10.0% |
| Other revenue | - | 5,000 | 100.0% |
| Appropriation of fund balance | 372,370 | | |
| Total Revenue | \$ 463,470 | \$ 67,913 | 14.7% |
| <i>Expenditures</i> | | | |
| Other services and charges | \$ 69,420 | \$ 8,398 | 12.1% |
| Supplies | 10,000 | 938 | 9.4% |
| Capital outlay | 384,050 | 276,724 | 72.1% |
| Total Expenditures | \$ 463,470 | \$ 286,060 | 61.7% |
| <i>Fund 268 - LIBRARY FUND</i> | | | |
| <i>Revenue</i> | | | |
| Property tax revenue | \$ 2,234,000 | \$ 2,297,915 | 102.9% |
| State sources | 20,000 | 9,889 | 49.5% |
| Fines and forfeitures | 107,600 | 80,206 | 74.5% |
| Interest income | 14,000 | 12,880 | 92.0% |
| Other revenue | 35,850 | 16,363 | 45.6% |
| Donations | 2,000 | 476 | 23.8% |
| Appropriation of fund balance | 282,537 | | |
| Total Revenue | \$ 2,695,987 | \$ 2,417,730 | 89.7% |
| <i>Expenditures</i> | | | |
| Personal services | \$ 1,764,450 | \$ 421,968 | 23.9% |
| Other services and charges | 415,337 | 99,350 | 23.9% |
| Supplies | 503,700 | 111,286 | 22.1% |
| Capital outlay | 12,500 | - | 0.0% |
| Total Expenditures | \$ 2,695,987 | \$ 632,604 | 23.5% |
| <i>Fund 269 - WALKER LIBRARY FUND</i> | | | |
| <i>Revenue</i> | | | |
| Interest income | \$ 16,300 | \$ 6,882 | 42.2% |
| Donations | - | 1,289 | 100.0% |
| Appropriation to fund balance | (16,300) | | |
| Total Revenue | \$ - | \$ 8,171 | - |
| <i>Expenditures</i> | | | |
| Other services and charges | \$ - | \$ - | 0.0% |
| Supplies | - | 2,041 | 100.0% |
| Total Expenditures | \$ - | \$ 2,041 | - |

CITY OF NOVI
REVENUES & EXPENDITURES
Period Ended September 30, 2011

| Debt Service Funds | | | |
|---|---------------------|------------------------|------------------------|
| DESCRIPTION | BUDGET | FISCAL YEAR-TO-DATE | % OF BUDGET USED |
| <i>Fund 310 - 2002 GENERAL OBLIGATION LIMITED TAX BONDS</i> | | | |
| Revenue - Transfers In | \$ 295,900 | \$ 288,750 | 97.6% |
| Expenditures | | | |
| Principal | \$ 275,000 | \$ 275,000 | 100.0% |
| Interest expense | 20,900 | 13,750 | 65.8% |
| Total Expenditures | <u>\$ 295,900</u> | <u>\$ 288,750</u> | <u>97.6%</u> |
| <i>Fund 317 - 2008 LIBRARY CONSTRUCTION DEBT FUND</i> | | | |
| Revenue | | | |
| Property tax revenue | \$ 558,700 | \$ 574,810 | 102.9% |
| Interest on investments | 800 | 190 | 23.7% |
| Appropriation of fund balance | 600,000 | | |
| Total Revenue | <u>\$ 1,159,500</u> | <u>\$ 575,000</u> | <u>49.6%</u> |
| Expenditures | | | |
| Principal | \$ 500,000 | \$ 500,000 | 100.0% |
| Interest expense | 659,500 | 334,000 | 50.6% |
| Total Expenditures | <u>\$ 1,159,500</u> | <u>\$ 834,000</u> | <u>71.9%</u> |
| <i>Fund 395 - 2010 REFUNDING DEBT FUND</i> | | | |
| Revenue | | | |
| Property tax revenue | \$ 1,112,520 | \$ 1,145,063 | 102.9% |
| Interest on investments | 800 | 18 | 2.3% |
| Appropriation to fund balance | (25,000) | | |
| Total Revenue | <u>\$ 1,088,320</u> | <u>\$ 1,145,081</u> | <u>105.2%</u> |
| Expenditures | | | |
| Principal | \$ 935,000 | \$ 935,000 | 100.0% |
| Interest expense | 153,320 | 80,944 | 52.8% |
| Total Expenditures | <u>\$ 1,088,320</u> | <u>\$ 1,015,944</u> | <u>93.3%</u> |
| <i>Fund 396 - 2003 REFUNDING DEBT</i> | | | |
| Revenue | | | |
| Property tax revenue | \$ 1,001,250 | \$ 1,030,650 | 102.9% |
| Interest on investments | 200 | 40 | 19.8% |
| Appropriation of fund balance | 50,000 | | |
| Total Revenue | <u>\$ 1,051,450</u> | <u>\$ 1,030,690</u> | <u>98.0%</u> |
| Expenditures | | | |
| Principal | \$ 1,000,000 | \$ 1,000,000 | 100.0% |
| Interest expense | 51,450 | 33,488 | 65.1% |
| Total Expenditures | <u>\$ 1,051,450</u> | <u>\$ 1,033,488</u> | <u>98.3%</u> |
| <i>Fund 397 - 2002 STREET & REFUNDING DEBT</i> | | | |
| Revenue | | | |
| Property tax revenue | \$ 2,831,940 | \$ 2,909,995 | 102.8% |
| Interest on investments | 1,000 | 2,526 | 252.6% |
| Appropriation of fund balance | 200,000 | | |
| Total Revenue | <u>\$ 3,032,940</u> | <u>\$ 2,912,520</u> | <u>96.0%</u> |
| Expenditures | | | |
| Principal | \$ 2,745,000 | \$ 2,745,000 | 100.0% |
| Interest expense | 287,940 | 177,906 | 61.8% |
| Total Expenditures | <u>\$ 3,032,940</u> | <u>\$ 2,922,906</u> | <u>96.4%</u> |

CITY OF NOVI
 INTERIM STATEMENT OF CHANGES IN NET ASSETS
 For the three months ended September 30, 2011

| |
|------------------|
| Enterprise Funds |
|------------------|

| DESCRIPTION | BUDGET | FISCAL YEAR-TO-DATE THRU 3/31/11 | % OF BUDGET USED |
|--|-----------------------|--|------------------------|
| <i>Fund 592 - WATER AND SEWER FUND (excluding SAD's)</i> | | | |
| Operating Revenue | | | |
| Sewer service charges | \$ 8,819,000 | \$ 2,842,183 | 32.2% |
| Water sales | 9,596,000 | 3,081,498 | 32.1% |
| Water installations | 130,000 | 94,402 | 72.6% |
| IWC Charges | 404,760 | 112,507 | 27.8% |
| Sewer inspection fees | 10,000 | 6,480 | 64.8% |
| Penalty and interest | 160,000 | 44,014 | 27.5% |
| Other revenue | 25,500 | 3,236 | 12.7% |
| Total operating revenue | <u>\$ 19,145,260</u> | <u>\$ 6,184,319</u> | <u>32.3%</u> |
| Operating Expenses | | | |
| Personal services | \$ 1,026,040 | \$ 249,260 | 24.3% |
| Other services and charges | 17,048,305 | 2,599,752 | 15.5% |
| Depreciation | 3,600,000 | 861,228 | 23.9% |
| Supplies | 53,500 | 11,949 | 22.3% |
| Total operating expenses | <u>\$ 21,727,845</u> | <u>\$ 3,722,189</u> | <u>17.1%</u> |
| Income (Loss) - before non-operating and capital contributions | \$ (2,582,585) | \$ 2,462,130 | -95.3% |
| Nonoperating - interest Income | 280,500 | 62,718 | 22.4% |
| Capital contributions | 1,230,000 | 403,958 | 32.8% |
| Change in Net Assets | <u>\$ (1,072,085)</u> | <u>\$ 2,928,806</u> | <u>-273.2%</u> |

CITY OF NOVI
INTERIM STATEMENT OF CHANGES IN NET ASSETS
For the three months ended September 30, 2011

| DESCRIPTION | BUDGET | FISCAL YEAR-TO-DATE THRU 3/31/11 | % OF BUDGET USED |
|---------------------------------------|---------------------|--|------------------------|
| <i>Fund 594 - SENIOR HOUSING FUND</i> | | | |
| Operating Revenue | | | |
| Rental income | \$ 1,866,495 | \$ 477,532 | 25.6% |
| Other revenue | 19,120 | 4,079 | 21.3% |
| Total operating revenue | <u>\$ 1,885,615</u> | <u>\$ 481,611</u> | <u>25.5%</u> |
| Operating Expenses | | | |
| Other services and charges | \$ 1,001,872 | \$ 224,726 | 22.4% |
| Supplies | 27,100 | 8,083 | 29.8% |
| Total operating expenses | <u>\$ 1,028,972</u> | <u>\$ 232,810</u> | <u>22.6%</u> |
| Nonoperating Income (Expense) | | | |
| Interest income | \$ 10,000 | \$ 1,664 | 16.6% |
| Interest expense | (534,890) | (188,920) | 35.3% |
| | <u>(524,890)</u> | <u>(187,255)</u> | <u>35.7%</u> |
| Change in Net Assets | <u>\$ 331,753</u> | <u>\$ 61,546</u> | <u>18.6%</u> |
| <i>Fund 590 - ICE ARENA FUND</i> | | | |
| Operating Revenue | | | |
| Program revenue | \$ 1,931,280 | \$ 398,843 | 20.7% |
| Cell tower revenue | 65,960 | 0 | 0.0% |
| Other revenue | 1,500 | 0 | 0.0% |
| Pro Shop lease | 18,000 | 4,500 | 25.0% |
| Total operating revenue | <u>\$ 2,016,740</u> | <u>\$ 403,343</u> | <u>20.0%</u> |
| Operating Expenses | | | |
| Other services and charges | \$ 999,822 | \$ 235,181 | 23.7% |
| Program expenditures | 171,979 | 26,628 | 15.5% |
| Depreciation | 259,330 | 63,640 | 24.5% |
| Supplies | 29,300 | 3,780 | 12.9% |
| Total operating expenses | <u>\$ 1,460,431</u> | <u>\$ 329,229</u> | <u>22.5%</u> |
| Nonoperating Income (Expense) | | | |
| Interest income | \$ 14,700 | \$ 1,582 | 10.8% |
| Interest expense | (276,940) | (89,460) | 32.3% |
| | <u>\$ (262,240)</u> | <u>\$ (87,878)</u> | <u>33.5%</u> |
| Change in Net Assets | <u>\$ 294,069</u> | <u>\$ (13,763)</u> | <u>-4.7%</u> |

CITY OF NOVI
 STATEMENT OF ADDITIONS AND DEDUCTIONS
 For the three months ended September 30, 2011

| |
|----------------|
| Fiduciary Fund |
|----------------|

Fund 710 - RETIREE HEALTH CARE FUND

| | |
|--|----------------------------|
| Additions | |
| Contributions employer | \$ 1,498,004 |
| Net investment loss | (1,601,216) |
| Total Additions | <u>(103,212)</u> |
| | |
| Deductions - Healthcare insurance premiums | (133,321) |
| | |
| Change in Net Assets | <u><u>\$ (236,533)</u></u> |

| |
|----------------|
| Component Unit |
|----------------|

CITY OF NOVI
 For the three months ended September 30, 2011

Fund 566 - ECONOMIC DEVELOPMENT CORPORATION

| | |
|---|------------------------|
| Revenue - Interest income | <u><u>\$ 10</u></u> |
| | |
| Expenditures - Other services and charges | <u><u>\$ 1,879</u></u> |