



**GRAND VALLEY  
METROPOLITAN COUNCIL**

**Finance Committee  
January 7, 2011 • 8 AM  
GVMC Offices**

**Agenda**

- 1. Welcome**
- 2. Approval of Minutes dated August 2, 2010**
- 3. Update on Transportation Commission Audit of GVMC Operations  
(December 17 memorandum from MDOT attached).**
- 4. Draft FY 2011 Financial Statements prepared by Vredeveld Haefner (26  
pages – attached)**
- 5. Update: FY 2011 GVMC General Fund Budget**
- 6. Other Items**

# Grand Valley Metro Council Finance Committee Meeting

Monday August 2, 2010

1:00 PM

678 Front Ave NW  
Grand Rapids, MI

## MINUTES

### Members Present

Mike DeVries	Grand Rapids Township
Mary Swanson	Kent County
Denny Hoemke	Algoma Township
Cy Moore	GVMC Treasurer
Bill VerHulst	City of Wyoming

### Members Absent

Scott Buhner	City of Grand Rapids
Jeff Dood	City of Rockford
Keith VanBeek	Ottawa County

### Others

Andy Bowman	Grand Valley Metro Council
Leon Branderhorst	Grand Valley Metro Council
Abed Itani	Grand Valley Metro Council
Gayle McCrath	Grand Valley Metro Council
Don Stypula	Grand Valley Metro Council

### 1. Call To Order

The meeting was called to order at 1:10 p.m. by Chair Cy Moore.

### 2. Presentation and discussion of draft FY 2011 GVMC General Fund Budget

Don Stypula reviewed the proposed budget summary. There is currently a projected \$60,000 deficit. Originally the figures were much worse. The strategic plan which is

under development will dictate how we move forward. We have a number of grant opportunities currently under consideration. The budget was cut in several places and does not include any salary increases.

Cy Moore questioned the \$60,000 deficit and asked if it could be attributed to transportation dues as when the transportation budget and new dues structure was created; it was justified and explained as currently GVMC subsidizes transportation. Cy asked what the fund balance would be at the end of the year.

Leon Branderhorst reported slightly less than \$600,000. However, the MDOT audit could still affect that number.

Don Stypula reported in order to make up the \$60,000 deficit, Land Use would need to cut one or maybe two people. However, that would affect our ability to fulfill other objectives expected to materialize in the new strategic plan. Don explained that without going into the red, the budget has enough money for only about 6 months of the Land Use department.

Mary Swanson questioned the way the budget request was being sought. She suggested that rather than pass a budget with a \$60,000 deficit with the understanding it would be amended with budget cuts if no additional funding was received, it would be better to either pass a balanced budget - \$60,000 with administrative action required or pass a budget with the additional \$60,000 coming from available funds (fund balance).

Much discussion ensued regarding the options.

**MOTION – To Adopt a Balanced Budget and Take the Projected Deficit Amount off Land Use Planning. MOVE – DeVries. SUPPORT – Swanson. MOTION CARRIED.**

The revised budget will be taken to the Executive Committee on August 19.

Don Stypula will send the new reconfigured budget to everyone along with the REGIS budget.

**3. Adjourn – 2:45 p.m.**



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## OFFICE MEMORANDUM

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**DATE:** December 17, 2010

**TO:** Myron G. Frierson, Director  
Finance and Administration

**FROM:** Susan P. Mortel, Director  
Bureau of Transportation Planning

**SUBJECT:** Audit Report 2010-159  
Grand Valley Metropolitan Council  
Contract 93-1675; Contract 96-0721, Authorization 98-1; Contract 96-5373;  
Contract 99-0660, Authorization 00-1, 00-2, 01-01, 01-02, 01-03, 01-05, 01-06,  
01-09, 02-01, 02-02, 02-03, 02-04, 02-05, and 02-07; Contract 99-5485; and  
Contract 2003-0004, Authorization 1, 2, 3, 5, 7, 12, 13, 14, 16, and 18

This is a request for review by the Disputed Audits Review Team (DART) of Audit Report 2010-159 and related documents. Attached is a copy dated April 22, 2010.

These contracts are between the Michigan Department of Transportation (MDOT) and the Grand Valley Metropolitan Council (GVMC), which is the designated Metropolitan Planning Organization (MPO) for the Grand Rapids urbanized area, to carry out the provision of 23 U.S.C. 134, the metropolitan planning process, as described in the Unified Work Program (UWP).

**GVMC Position:**

- GVMC concurs with the Audit Report findings regarding the Ozone Action! Program. GVMC is due credit of \$11,719.
- GVMC concurs with the Audit Report findings regarding the Pavement Management System. GVMC is due credit of \$92,667.
- GVMC concurs with the Audit Report findings regarding the Congestion Management System. MDOT is due credit of \$11,587.
- GVMC concurs with the Audit Report findings regarding the Non-Motorized Planning Grant. GVMC is due credit of \$3,324.
- GVMC concurs with the calculated Fringe and Indirect Rates produced by the auditor. Due to the new rates, GVMC undercharged the department in some years and over charged in others.
- GVMC does not concur with the Audit Report findings regarding Federal Highway Administration (FHWA) Section 112 Planning (PL) Grants.
- GVMC does not concur with the Audit Report findings regarding Federal Transit Administration Section 5303 PL Grants.
- GVMC does not concur with the Audit Report findings regarding the Blueprint State Planning and Research (SPR) Grants, and concurs with the department that GVMC had met its obligation under this grant and should be compensated fully for the work performed.

Myron G. Frierson  
Page 2  
December 17, 2010

- The main disagreement GVMC has with the audit findings is the total disallowance of labor cost of work tasks performed by GVMC Land Use Planning Department staff. As noted in a previous communication, a portion of the GVMC Land Use Planning Department activities are to support the myriad of transportation planning activities conducted by the GVMC MPO. The Land Use Department staff worked on tasks that were essential to meet federal requirements, such as developing the Long-Range Transportation Plan, Transportation Improvement Program, Travel Demand Modeling, Air Quality Modeling, Environmental Justice, and Land Use/Transportation coordination and consultation. All these work tasks and their products were listed in the UWP and approved annually by MDOT and FHWA.

**Department Position:**

The department's position is that the costs incurred by GVMC under the SPR funded project should be allowed. The Bureau of Transportation Planning (BTP) participated with this effort and was aware of the products produced and agrees that the revised data in the November 29, 2010, appeal letter from GVMC identifies reasonable costs for these products.

The department and GVMC worked numerous hours to negotiate the position outlined in the November 29, 2010, appeal letter related to the disallowance of the unsupported labor and agree with the amounts identified as reasonable costs for the products produced with PL 112 and 5303 funds.

We also request that the DART meeting be held before December 22, 2010, so that staff speaking for BTP will be available. Thank you for your prompt consideration of this matter.

If you have any questions, please contact Marsha L. Small, Manager, Statewide Planning Section, at 517-373-9193, or Sandra Cornell-Howe, Transportation Planner, Statewide Planning Section, at 517-335-2971.

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Susan P. Mortel, Director

Attachment  
BTP:STPD:SMC:gms  
Urban\Cornell\DART-GVMCAudit#2010-159Recommendation.doc  
cc: Marsha Small  
Dalrois McBurrows  
DART-4 copies



## FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2010

# GRAND VALLEY METROPOLITAN COUNCIL

## TABLE OF CONTENTS

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<b>FINANCIAL SECTION</b>	<u>PAGE</u>
Independent Auditors' Report	1
Management's Discussion and Analysis	3-7
Basic Financial Statements	
<b>Government-wide Financial Statements</b>	
Statement of Net Assets	9
Statement of Activities	11
<b>Fund Financial Statements</b>	
Balance Sheet - Governmental Funds	12
Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to the Net Assets of Governmental Activities on the Statement of Net Assets	13
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	14
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	15
<b>Notes to Financial Statements</b>	16-23
Required Supplementary Information	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	25
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - REGIS Fund	26
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - LGROW Fund	27

## INDEPENDENT AUDITORS' REPORT

November XX, 2010

Members of the Council Board  
Grand Valley Metropolitan Council  
Grand Rapids, Michigan

We have audited the accompanying financial statements of the governmental activities and each major fund of the Grand Valley Metropolitan Council, as of and for the year ended September 30, 2010, which collectively comprise the Grand Valley Metropolitan Council's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Grand Valley Metropolitan Council. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Grand Valley Metropolitan Council as of September 30, 2010, and the respective changes in financial position, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued under separate cover our report dated November XX, 2010, on our consideration of the Grand Valley Metropolitan Council's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages X through X and XX through XX be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## Management's Discussion and Analysis

### About the Council

Grand Valley Metropolitan Council (the "Council") serves local units of government in the West Michigan area in different facets of transportation and land use planning as well as with a Regional Geographic Information System Agency (REGIS). The Council was established in 1990 under Public Act 292 of the Michigan Public Acts of 1989. The Council is governed by a board appointed by participating municipalities.

### Financial Highlights

- GVMC
  -
- REGIS
  - Expenditures were strategically kept under revenues which allowed for a transfer of \$250,000 to the REGIS capital projects fund.
  - A separate capital projects fund was established for REGIS with an initial transfer of \$250,000 from the REGIS special revenue fund.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Council's basic financial statements. The Council's basic financial statements comprise three components: 1) Government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information (this management discussion and analysis) in addition to the basic financial statements themselves.

### Government-wide financial statements

The *Government-wide financial statements* are designed to provide readers with a broad overview of the Council's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Council's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Council is improving or deteriorating.

The *statement of activities* presents information showing how the Council's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (earned but unused compensated absences).

Both of the government-wide financial statements distinguish functions of the Council that are principally supported by fees and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The Council currently has no business-type activities.

### **Fund financial statements**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Council, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Council only utilizes governmental funds.

### **Governmental funds**

*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the Council's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Council's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances, provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Council adopts an annual appropriated budget for its General and REGIS Funds. A budgetary comparison statement has been provided for the General, REGIS, and LGROW Funds to demonstrate compliance with this budget.

### **Notes to the financial statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

### **Other information**

In addition to the basic financial statements and accompanying notes, this report also presents certain *supplementary information*. This is limited to this discussion and analysis.

## Government-wide Financial Analysis

The following table presents condensed information about the Council's financial position for the past two (2) fiscal years. Net assets decreased \$12,986 during the year. Total net assets include the investment in capital assets. Capital assets represent the capital assets held by the Council, net of related accumulated depreciation

	<u>2010</u>	<u>2009</u>
Current and other assets	\$2,497,532	\$2,500,480
Capital assets	203,038	325,269
<b>Total assets</b>	<b><u>2,700,570</u></b>	<b><u>2,825,749</u></b>
Current and other liabilities	559,733	582,450
Long-term liabilities	123,366	212,842
<b>Total liabilities</b>	<b><u>683,099</u></b>	<b><u>795,292</u></b>
Net assets		
Invested in capital assets, net of related debt:		
Restricted for REGIS	116,706	151,365
Restricted for LGROW	1,210,967	1,097,322
Unrestricted	5,334	4,833
Unrestricted	684,464	776,937
<b>Total net assets</b>	<b><u>\$2,017,471</u></b>	<b><u>\$2,030,457</u></b>

## Income and Expenses

The Council has maintained a stable financial position during the year ended September 30, 2010. Income was slightly less than expenses. A summary of revenues and expenses for the past two (2) fiscal years is presented below:

	<u>2010</u>	<u>2009</u>
<b>Program revenues</b>		
Charges for services	\$1,169,545	\$1,278,543
Operating grants	1,421,534	1,510,400
<b>General revenues</b>		
Metro Council dues	247,008	245,875
Unrestricted interest income	5,903	12,950
<b>Total revenues</b>	<b><u>2,843,990</u></b>	<b><u>3,047,768</u></b>
<b>Functions/program expenses</b>		
Transportation	907,137	907,466
Natural resources	338,547	332,487
Land use	317,375	303,151
Administration	371,274	395,652
REGIS	910,547	977,979
LGROW	2,021	132
Interest expense	10,075	16,391
<b>Total expenses</b>	<b><u>2,856,976</u></b>	<b><u>2,933,258</u></b>
<b>Change in net assets</b>	<b><u>(12,986)</u></b>	<b><u>114,510</u></b>
Net assets, beginning of year	2,030,457	1,915,947
<b>Net assets, end of year</b>	<b><u>\$2,017,471</u></b>	<b><u>\$2,030,457</u></b>

## **Financial Analysis of the Government's Funds**

As noted earlier, the Council uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds** The focus of the Council's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Council's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a Council's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Council's governmental funds reported combined ending fund balances of \$1,937,799 an increase of \$19,769 from the prior year.

The general fund is the chief operating fund of the Council. At the end of the current fiscal year unreserved and undesignated fund balance was \$721,498. The general fund reported a decrease in fund balance primarily due to revenues coming in under budget.

The REGIS fund reported a decrease in fund balance similar to what was budgeted.

The LGROW fund began operations during the year.

### **Budgetary Highlights**

There were no changes to the REGIS Fund budget.

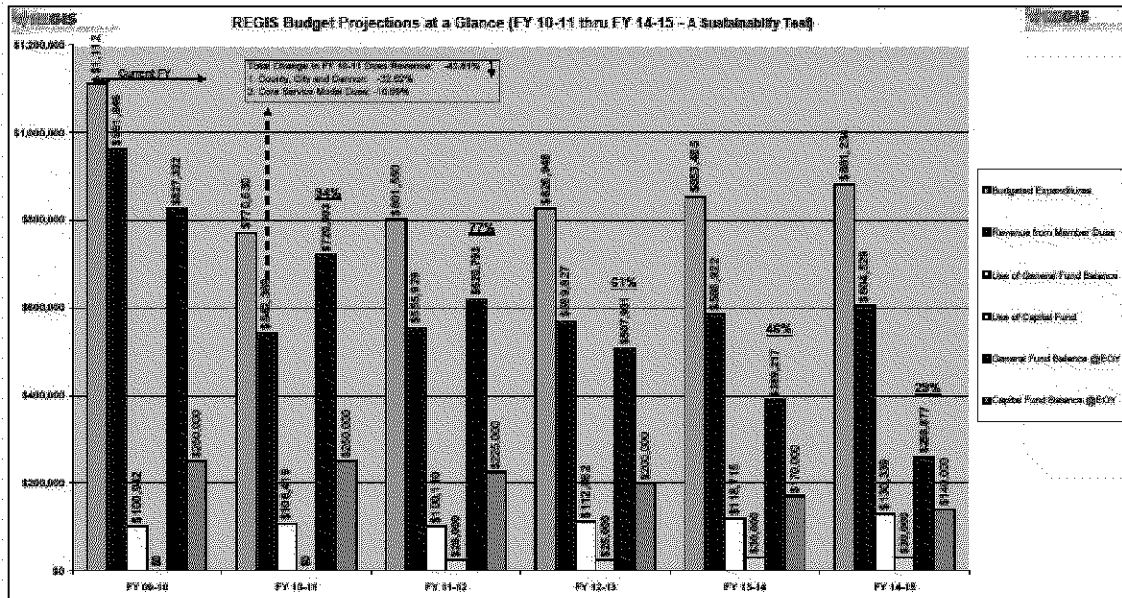
### **Capital Asset and Long-Term Debt Activities**

The Council's capital assets consist of furniture and equipment, vehicles and computer hardware and software. Current year additions to capital assets consisted primarily of office furniture and renovations. Additional information on capital assets can be found in note 4 to the financial statements.

Debt activity consists of repayments made during the year on debt outstanding which was issued for the purchase of a road testing vehicle in 2006. Additional information on long-term debt can be found in note 5 to the financial statements.

## Economic Factors and Next Year's Budget

REGIS had a reduction in the consortium membership revenue due to three membership suspensions. Staffing was reduced 33% to offset the reduction in membership dues. The REGIS budget includes a five year projection maintaining fund balance at 25% of expenditures as well as a separate capital budgets to provide sufficient capital for five years of funding. The following graph details the five year budget.



July 27, 2010 REGIS Board of Directors Meeting - Agenda Item No. 4

James J. Jir

## Contacting the Council Management

This management discussion and analysis provides an overview of the current and prospective financial condition of the Council's operations and financial position. If there are questions concerning this report or if additional information is desired, please contact the Executive Director, Grand Valley Metropolitan Council, 678 Front Ave NW, Suite 200, Grand Rapids, MI 49504.

# GRAND VALLEY METROPOLITAN COUNCIL

## STATEMENT OF NET ASSETS

SEPTEMBER 30, 2010

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 1,750,697
Accounts receivable	727,057
Prepaid items	19,778
Capital assets, net	<u>203,038</u>
<b>Total assets</b>	<u>2,700,570</u>
<b>Liabilities</b>	
Accounts payable and accrued expenses	481,944
Accrued compensation	52,937
Unearned revenue	24,852
Noncurrent liabilities	
Compensated absences	37,034
Due within one year	86,332
Due in more than one year	<u>-</u>
<b>Total liabilities</b>	<u>683,099</u>
<b>Net Assets</b>	
Invested in capital assets, net of related debt	116,706
Restricted for REGIS	1,210,967
Restricted for LGROW	5,334
Unrestricted	<u>684,464</u>
<b>Total net assets</b>	<u>\$ 2,017,471</u>

The accompanying notes are an integral part of these financial statements.

**GRAND VALLEY METROPOLITAN COUNCIL**

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED SEPTEMBER 30, 2010**

<b>Functions/ Programs</b>	<b>Expenses</b>	<b>Indirect Expense Allocation</b>	<b>Program Revenues</b>			<b>Net (Expense) Revenue</b>
			<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	
<b>Primary government</b>						
Governmental activities						
Transportation	\$ 907,137	\$ 275,644	\$ 159,350	\$ 1,014,923	\$ -	\$ (8,508)
Natural resources	338,547	-	-	391,940	-	53,393
Land use	317,375	-	-	10,800	-	(306,575)
Administration	371,274	(275,644)	13,545	-	-	(82,085)
REGIS	910,547	-	996,513	1,486	-	87,452
LGROW	2,021	-	137	2,385	-	501
Interest expense	10,075	-	-	-	-	(10,075)
<b>Total governmental activities</b>	<b>\$ 2,856,976</b>	<b>\$ -</b>	<b>\$ 1,169,545</b>	<b>\$ 1,421,534</b>	<b>\$ -</b>	<b>(265,897)</b>
<b>General revenues</b>						
Membership						247,008
Interest earnings						5,903
<b>Total general revenues</b>						<b>252,911</b>
<b>Change in net assets</b>						<b>(12,986)</b>
<b>Net assets, beginning of year</b>						<b>2,030,457</b>
<b>Net assets, end of year</b>						<b>\$ 2,017,471</b>

The accompanying notes are an integral part of these financial statements.

# GRAND VALLEY METROPOLITAN COUNCIL

## GOVERNMENTAL FUNDS COMBINING BALANCE SHEET

**SEPTEMBER 30, 2010**

	Special Revenue			Capital Projects	Total
	General	REGIS	LGROW	REGIS	
<b>Assets</b>					
Cash and cash equivalents	\$ 506,749	\$ 1,001,504	\$ 5,334	\$ 237,110	\$ 1,750,697
Accounts receivable	725,010	2,047	-	-	727,057
Prepaid expenditures	11,355	8,423	-	-	19,778
<b>Total Assets</b>	<b>\$ 1,243,114</b>	<b>\$ 1,011,974</b>	<b>\$ 5,334</b>	<b>\$ 237,110</b>	<b>\$ 2,497,532</b>
<b>Liabilities and fund balances</b>					
<b>Liabilities</b>					
Accounts payable and accrued liabilities	\$ 457,285	\$ 22,177	\$ -	\$ 2,482	\$ 481,944
Accrued compensation and benefits	39,479	13,458	-	-	52,937
Deferred revenue	24,852	-	-	-	24,852
<b>Total Liabilities</b>	<b>521,616</b>	<b>35,635</b>	<b>-</b>	<b>2,482</b>	<b>559,733</b>
<b>Fund balances</b>					
Unreserved					
Undesignated	721,498	976,339	5,334	234,628	1,937,799
<b>Total fund balances</b>	<b>721,498</b>	<b>976,339</b>	<b>5,334</b>	<b>234,628</b>	<b>1,937,799</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,243,114</b>	<b>\$ 1,011,974</b>	<b>\$ 5,334</b>	<b>\$ 237,110</b>	<b>\$ 2,497,532</b>

The accompanying notes are an integral part of these financial statements.

# GRAND VALLEY METROPOLITAN COUNCIL

## RECONCILIATION OF FUND BALANCE ON THE BALANCE SHEET FOR GOVERNMENTAL FUNDS TO NET ASSETS OF GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET ASSETS

SEPTEMBER 30, 2010

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<b>Fund balances - total governmental funds</b>	<b>\$ 1,937,799</b>
Amounts reported for <i>governmental activities</i> in the statement of net assets are different because	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Add - capital assets (net)	203,038
Certain liabilities, such as notes payable, are not due and payable in the current period and therefore are not reported in the funds.	
Deduct - compensated absences payable	(37,034)
Deduct - notes payable	(86,332)
<b>Net assets of governmental activities</b>	<b><u>\$ 2,017,471</u></b>

The accompanying notes are an integral part of these financial statements.

**GRAND VALLEY METROPOLITAN COUNCIL**

**GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES**

**FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	Special Revenue			Capital Projects	Total
	General	REGIS	LGROW	REGIS	
<b>Revenues</b>					
Federal grants - transportation	\$ 987,222	\$ -	\$ -	\$ -	\$ 987,222
Federal grants - other	194,575	-	-	-	194,575
State and local grants	212,566	-	-	-	212,566
Membership and project fees	399,254	961,845	2,385	-	1,363,484
Membership recovery fees	-	5,281	-	-	5,281
Donations	12,500	-	-	-	12,500
Charges for services	31,449	18,995	137	1,486	52,067
Interest income	5,903	10,392	-	-	16,295
<b>Total revenues</b>	<b>1,843,469</b>	<b>996,513</b>	<b>2,522</b>	<b>1,486</b>	<b>2,843,990</b>
<b>Expenditures</b>					
<b>Current</b>					
<b>General government</b>					
Salaries	805,481	444,971	-	-	1,250,452
Fringes	276,742	153,255	-	-	429,997
Contract services	495,600	156,328	-	-	651,928
Professional fees	-	17,989	-	-	17,989
Legal services	21,915	488	-	-	22,403
Audit services	8,725	2,850	-	-	11,575
Advertising	3,149	161	-	-	3,310
Insurance	14,629	6,747	-	-	21,376
Meeting expenditures	22,642	941	1,386	-	24,969
Dues and subscriptions	2,018	1,208	-	-	3,226
Equipment rental	4,578	2,092	-	-	6,670
Office supplies	6,995	5,313	635	-	12,943
Mileage	11,712	5,248	-	-	16,960
Postage	4,592	397	-	-	4,989
Printing	-	1,082	-	-	1,082
Electricity	3,582	3,178	-	-	6,760
Telephone	16,846	9,311	-	-	26,157
Professional development	1,750	1,562	-	-	3,312
Rent	48,486	42,531	-	-	91,017
Equipment	2,516	2,461	-	-	4,977
Repairs and maintenance	24,881	3,244	-	-	28,125
Fuel & oil	967	-	-	-	967
Miscellaneous	62,393	4,376	-	71	66,840
Capital outlay	-	1,763	-	16,787	18,550
Debt service					
Principal	87,572	-	-	-	87,572
Interest	10,075	-	-	-	10,075
<b>Total expenditures</b>	<b>1,937,846</b>	<b>867,496</b>	<b>2,021</b>	<b>16,858</b>	<b>2,824,221</b>
Revenues over (under) expenditures	(94,377)	129,017	501	(15,372)	19,769
Other financing sources (uses)					
Transfers in	-	-	-	250,000	250,000
Transfers out	-	(250,000)	-	-	(250,000)
Total other financing sources (uses)	-	(250,000)	-	250,000	-
Net changes in fund balances	(94,377)	(120,983)	501	234,628	19,769
Fund balances, beginning of year	815,875	1,097,322	4,833	-	1,918,030
Fund balances, end of year	\$ 721,498	\$ 976,339	\$ 5,334	\$ 234,628	\$ 1,937,799

The accompanying notes are an integral part of these financial statements.

# GRAND VALLEY METROPOLITAN COUNCIL

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2010

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Net changes in fund balances - total governmental funds	\$ 19,769
Amounts reported for <i>governmental activities</i> in the statement of activities are different because	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.	
Add - capital outlay	16,076
Deduct - depreciation expense	(137,157)
Deduct - net book value of disposed capital assets	(1,150)
Bond or note proceeds provide current financial resources to governmental funds in the period issued, but issuing notes increases long-term liabilities in the statement of net assets. Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	
Add - principal payments on long-term debt	87,572
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.	
Deduct - increase in compensated absences	<u>1,904</u>
<b>Change in net assets of governmental activities</b>	<b><u>\$ (12,986)</u></b>

The accompanying notes are an integral part of these financial statements.

# GRAND VALLEY METROPOLITAN COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2010

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Grand Valley Metropolitan Council (the "Council") conform to generally accepted accounting principles as applicable to governments. The following is a summary of the significant policies.

#### **Reporting Entity**

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the Grand Valley Metropolitan Council. There are no component units to be included. The criteria for including a component unit include significant operational or financial relationships with the Council.

#### **Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by member fees and intergovernmental revenues are reported in total. The Council has no business-type or fiduciary activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Member fees and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

All individual governmental funds are reported as separate columns in the fund financial statements.

The Council reports the following major governmental funds

The *General Fund* is the general operating fund of the Council. It is used to account for all financial resources, except those required to be accounted for in another fund.

The *REGIS Fund* accounts for the accumulation and disbursement of resources for the Regional Geographic Information System agency.

The *LGROW Fund* accounts for the accumulation and disbursement of resources for the Lower Grand River Organization of Watersheds agency.

When both restricted and unrestricted resources are available for use, it is the Council's policy to use restricted resources first, then unrestricted resources as they are needed.

# GRAND VALLEY METROPOLITAN COUNCIL

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED SEPTEMBER 30, 2010**

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#### ***Measurement Focus and Basis of Accounting***

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Member fees are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for reimbursement-based grants and interest which use a one year collection period. Grants and similar items are recognized as revenue when the related expenditure is recognized. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. Exceptions to this general rule include: (1) principal and interest on long-term debt and compensated absences which are recognized when due.

All Governmental Funds are accounted for on a spending or "flow of financial resources" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance is considered a measure of "available, spendable resources".

Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available, spendable resources" during a period.

#### ***Budgets and Budgetary Accounting***

Comparisons to budget are presented for the General and REGIS Funds. The Council follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to September 1, the Executive Director submits to the Council Board a proposed operating budget for the fiscal year commencing the following October 1.
2. Public hearings are conducted to obtain comments.
3. Prior to October 1, the budget is legally enacted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year for the funds.

# GRAND VALLEY METROPOLITAN COUNCIL

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED SEPTEMBER 30, 2010**

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5. The budgets for the General and REGIS Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).
6. Adoption and amendments of all budgets used by the Council are governed by Michigan Law. The appropriations ordinances are based on the projected expenditures budget of the various functions of the Council. Any amendment to the original budget must meet the requirements of Michigan Law. The Council did amend its budget for the year ended September 30, 2008. Any revisions that alter the expenditures at the function level within the fund must be approved by the Council Board.

#### ***Deposits and Investments***

State statutes authorize the Council to invest in:

- a. Bond, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified financial institution.
- c. Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
- d. Bankers acceptances of United States banks.
- e. Obligations of the State of Michigan and its political subdivisions that, at the time of purchase are rated as investment grade by at least one standard rating service.
- f. Mutual funds registered under the Investment Company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.
- g. External investment pools as authorized by Public Act 20 as amended.

The Council's investment policy is more restrictive than state requirements and allows for investment in only those investment vehicles identified in items g. above.

#### ***Accounts Receivable***

All receivables are recorded at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Uncollectible balances are immaterial to the financial statements.

# GRAND VALLEY METROPOLITAN COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2010

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### **Capital Assets**

Capital assets, which include furniture and fixtures, equipment, computers, and vehicles are reported in the governmental activities column in the government-wide financial statements.

Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Depreciation on capital assets is computed using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Furniture and fixtures	7
Equipment	7
Computers	5
Vehicles	5

### **Deferred Revenue**

Funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period or for resources that have been received, but not yet earned.

### **Compensated Absences**

Under employee policy, employees have a vested right to receive payments for unused vacation benefits under formulas and conditions specified in the personnel procedures manual. Accumulated vacation time related to governmental funds is recorded on the statement of net assets and not on the governmental fund balance sheets because it is not expected to be liquidated with expendable available financial resources.

### **Membership dues**

The Council receives dues from local units of government in west Michigan who wish to participate. Dues are computed on a per capita basis based on the most recent population data. Dues revenue is recognized as revenue in the year for which it is levied.

### **Grants and Other Intergovernmental Revenues**

Grants and assistance awards made on the basis of entitlement periods are recorded as intergovernmental receivables and revenue when entitlement occurs. Reimbursement-type grants are recorded as intergovernmental receivables and revenues when the related expenditure/expenses are incurred.

# GRAND VALLEY METROPOLITAN COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2010

### **Interfund Transactions**

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

### **Long-Term Obligations**

In the government-wide financial statements the long-term debt is reported as a liability in the governmental activities statement of net assets.

### **Risk Management**

The Council is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended September 30, 2010, the Council carried commercial insurance to cover risks of losses. The Council has had no settled claims resulting from these risks that exceeded their commercial coverage in any of the past three fiscal years.

## **2. EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS**

PA. 621 of 1978, as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Council's actual expenditures and budgeted expenditures for the budgetary funds have been shown at the line item level while the legal level of budgetary control as set by the board is at the function level.

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance (Unfavorable)</u>
<b>LGROW Fund</b>			
<b>General Government</b>	\$ -	\$2,021	\$(2,021)

## **3. DEPOSITS AND INVESTMENTS**

The balance on the financial statements for cash and cash equivalents of \$1,750,697 consists of deposits in a bank of \$212,258 and funds held in the Kent County Public Funds Investment Pool of \$1,538,439.

This balance is in a financial institution located in Michigan. State policy limits the Council's investing options to financial institutions located in Michigan. All accounts are in the name of the Council and a specific fund or common account. They are recorded in Council records at fair value.

# GRAND VALLEY METROPOLITAN COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2010

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### **Deposit risk**

*Custodial Credit Risk - Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the Council's deposits may not be returned. As of year-end, \$250,000 of the Council's bank balance of \$337,867 is insured; the remaining amount is collateralized with securities held by the pledging financial institutions trust department but not in the Council's name.

### **Investment and deposit risk**

*Interest Rate Risk.* State law and Council policy limit the allowable investments and the maturities of some of the allowable investments as identified in Note 1, the summary of significant accounting policies. The Council's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. There is no stated maturity date for the investment in the Kent County Public Funds Investment Pool identified above.

*Credit Risk.* State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified in Note 1, the summary of significant accounting policies. The Council's investment policy does not have specific limits in excess of state law on investment credit risk. The investment in the Kent County Public Funds Investment Pool is not rated as to risk. The Kent County Public Funds Investment pool is required to follow state law.

*Custodial Credit Risk - Investments.* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Council will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require and the Council does not have a policy for investment custodial credit risk. Custodial credit risk associated with the investment in the Kent County Public Funds Investment Pool cannot be determined because the investment does not consist of specifically identifiable securities.

*Concentration of Credit Risk.* State law limits allowable investments but does not limit concentration of credit risk as identified in Note 1, the summary of significant accounting policies. The Council's investment policy does not have specific limits in excess of state law on concentration of credit risk. All investments held at year-end are reported above.

# GRAND VALLEY METROPOLITAN COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED SEPTEMBER 30, 2010**

### 4. CAPITAL ASSETS

Capital asset activity for the year was as follows:

	<b>Balance October 1, 2009</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance September 30, 2010</b>
<b>Governmental activities</b>				
<b>Capital assets, being depreciated</b>				
Furniture and fixtures	\$187,186	\$ -	\$ 27,257	\$159,929
Equipment and vehicles	909,098	16,076	94,173	831,001
Total capital assets, being depreciated	1,096,284	16,076	121,430	990,930
Less accumulated depreciation for				
Furniture and fixtures	101,748	5,742	27,257	80,233
Equipment and vehicles	669,267	131,415	93,023	707,659
Total accumulated depreciation	771,015	137,157	120,280	787,892
<b>Governmental activities capital assets, net</b>	<b>\$325,269</b>	<b>\$(121,081)</b>	<b>\$ 1,150</b>	<b>\$203,038</b>

Depreciation expense was charged to functions/programs of the primary government as follows:

<b>Governmental activities</b>	
Transportation	\$ 97,076
REGIS	40,081
<b>Total</b>	<b>\$137,157</b>

### 5. LONG-TERM LIABILITIES

The following is a summary of the long-term liabilities transactions of the Council for the year.

	<b>Balance October 1, 2009</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance September 30, 2010</b>	<b>Due Within One Year</b>
<b>Governmental Activities</b>					
Note payable to a bank: Payments due in monthly installments of \$8,137 through August 2011, including interest at 7.4%	\$173,904	\$ -	\$ 87,572	\$86,332	\$86,332
Compensated absences payable	\$ 38,938	\$41,047	\$ 38,938	\$ 41,047	\$41,047

# GRAND VALLEY METROPOLITAN COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED SEPTEMBER 30, 2010

The annual requirements to amortize all debt outstanding as of September 30, 2010 are as follows:

<u>Year Ended September 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2011	\$ 86,332	\$ 3,229
2012	-	-
<b>Total</b>	<b>\$86,332</b>	<b>\$3,229</b>

#### 6. LEASES

The Council leases office space under a lease agreement expiring June 30, 2019, with an option to renew for two additional five year terms. Rent expenditures for the office lease were \$91,017 for the year ended September 30, 2010. The Council also leases office equipment under various lease terms expiring through 2013. Equipment rental expenditures were \$6,670 for the year ended September 30, 2010.

The following is a schedule of future minimum lease payments required under non-cancelable operating leases with remaining lease terms in excess of one year as of September 30, 2010:

<u>Year</u>	<u>Amount</u>
2011	\$ 103,857
2012	106,448
2013	106,638
2014	106,314
2015	109,455
2016-2019	440,019
<b>Total</b>	<b>\$972,722</b>

#### 7. DEFINED CONTRIBUTION PENSION PLAN

The Council maintains a defined contribution plan, which provides pension benefits to participating full-time employees. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees who voluntarily elect to participate in the plan are required to contribute 3% of eligible wages. The Council contributes 9% of each participant's eligible wages to the plan. The plan provisions and contribution amounts were established and may be amended by the Council Board. The Council's total payroll for the year ending September 30, 2010 was \$1,250,452. The Council's contribution of \$107,669 was calculated using the base salary amount of \$1,196,322. Council employees made contributions to the plan totaling \$35,896, which was 3% of covered payroll.

**GRAND VALLEY METROPOLITAN COUNCIL**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL**

**FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	Budget Amounts		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Federal grants - transportation	\$ 1,247,990	\$ 1,247,990	\$ 987,222	\$ (260,768)
Federal grants - other	206,668	206,668	194,575	(12,093)
State and local grants	182,093	182,093	212,566	30,473
Membership and project fees	398,931	398,931	399,254	323
Donations	7,500	7,500	12,500	5,000
Charges for service	29,100	29,100	31,449	2,349
Interest income	16,000	16,000	5,903	(10,097)
<b>Total revenues</b>	<u>2,088,282</u>	<u>2,088,282</u>	<u>1,843,469</u>	<u>(244,813)</u>
<b>Expenditures</b>				
Current				
General government				
Salaries	849,218	849,218	805,481	43,737
Fringes	292,855	292,855	276,742	16,113
Contract services	461,550	461,550	495,600	(34,050)
Professional fees	1,000	1,000	-	1,000
Legal services	3,000	3,000	21,915	(18,915)
Audit services	9,350	9,350	8,725	625
Advertising	4,250	4,250	3,149	1,101
Insurance	17,300	17,300	14,629	2,671
Meeting expenditures	35,700	35,700	22,642	13,058
Dues and subscriptions	5,600	5,600	2,018	3,582
Equipment rental	6,400	6,400	4,578	1,822
Office supplies	12,500	12,500	6,995	5,505
Mileage	28,000	28,000	11,712	16,288
Postage	3,800	3,800	4,592	(792)
Printing	2,400	2,400	-	2,400
Electricity	8,100	8,100	3,582	4,518
Telephone	14,300	14,300	16,846	(2,546)
Professional development	18,000	18,000	1,750	16,250
Rent	46,500	46,500	48,486	(1,986)
Equipment, furniture and software	1,000	1,000	2,516	(1,516)
Repairs and maintenance	36,500	36,500	24,881	11,619
Fuel & oil	5,000	5,000	967	4,033
Miscellaneous	146,300	146,300	62,393	83,907
Debt service				
Principal	87,820	87,820	87,572	248
Interest	9,840	9,840	10,075	(235)
<b>Total expenditures</b>	<u>2,106,283</u>	<u>2,106,283</u>	<u>1,937,846</u>	<u>168,437</u>
Net changes in fund balance	(18,001)	(18,001)	(94,377)	(76,376)
<b>Fund balance, beginning of year</b>	<u>815,875</u>	<u>815,875</u>	<u>815,875</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 797,874</u>	<u>\$ 797,874</u>	<u>\$ 721,498</u>	<u>\$ (76,376)</u>

**GRAND VALLEY METROPOLITAN COUNCIL**

**REGIS FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL**

**FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	Budget Amounts		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Membership dues	\$ 961,846	\$ 961,846	\$ 961,845	\$ (1)
Membership recovery fees (new members)	5,281	5,281	5,281	-
Charges for services	25,000	25,000	18,995	(6,005)
Interest income	19,322	19,322	10,392	(8,930)
<b>Total revenues</b>	<b>1,011,449</b>	<b>1,011,449</b>	<b>996,513</b>	<b>(14,936)</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>General government</b>				
Salaries	507,324	507,324	444,971	62,353
Fringes	196,870	196,870	153,255	43,615
<b>Contract services</b>				
Software maintenance agreements	118,450	118,450	115,831	2,619
Software license	20,000	20,000	11,839	8,161
Other contractual services	27,732	27,732	28,658	(926)
Professional fees	25,750	25,750	17,989	7,761
Legal services	3,377	3,377	488	2,889
Audit services	3,939	3,939	2,850	1,089
Advertising	1,639	1,639	161	1,478
Insurance	2,060	2,060	6,747	(4,687)
Meeting expenditures	6,896	6,896	941	5,955
Dues and subscriptions	1,126	1,126	1,208	(82)
Equipment rental	3,825	3,825	2,092	1,733
Office supplies	8,924	8,924	5,313	3,611
Mileage	7,805	7,805	5,248	2,557
Postage	546	546	397	149
Printing	2,060	2,060	1,082	978
Electricity	5,305	5,305	3,178	2,127
Telephone	8,000	8,000	9,311	(1,311)
Professional development	6,000	6,000	1,562	4,438
Rent	41,000	41,000	42,531	(1,531)
Equipment and furniture	6,185	6,185	2,461	3,724
Repairs and maintenance	3,278	3,278	3,244	34
Miscellaneous	25,000	25,000	4,376	20,624
Capital outlay	-	-	1,763	(1,763)
<b>Total expenditures</b>	<b>1,033,091</b>	<b>1,033,091</b>	<b>867,496</b>	<b>165,595</b>
Revenues over (under) expenditures	(21,642)	(21,642)	129,017	150,659
Transfers in	-	-	-	-
Transfers out	(79,300)	(79,300)	(250,000)	(170,700)
Total other financing sources (uses)	(79,300)	(79,300)	(250,000)	(170,700)
Net changes in fund balance	(100,942)	(100,942)	(120,983)	(20,041)
Fund balance, beginning of year	1,097,322	1,097,322	1,097,322	-
Fund balance, end of year	\$ 996,380	\$ 996,380	\$ 976,339	\$ (20,041)

**GRAND VALLEY METROPOLITAN COUNCIL**

**LGROW FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL**

**FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	Budget Amounts		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Membership dues	\$ -	\$ -	\$ 2,385	\$ 2,385
Charges for services	-	-	137	137
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>2,522</u>	<u>2,522</u>
<b>Expenditures</b>				
Current				
General government				
Meeting expenditures	-	-	1,386	(1,386)
Office supplies	-	-	635	(635)
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>2,021</u>	<u>(2,021)</u>
Net changes in fund balance	-	-	501	501
<b>Fund balance, beginning of year</b>	<u>4,833</u>	<u>4,833</u>	<u>4,833</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 4,833</u>	<u>\$ 4,833</u>	<u>\$ 5,334</u>	<u>\$ 501</u>