

# TELLING YOUR FINANCIAL STORY



LOCAL GOVERNMENT  
**HISPANIC  
NETWORK**

**LGHN**

**Conference**

January 27 – 29, 2025

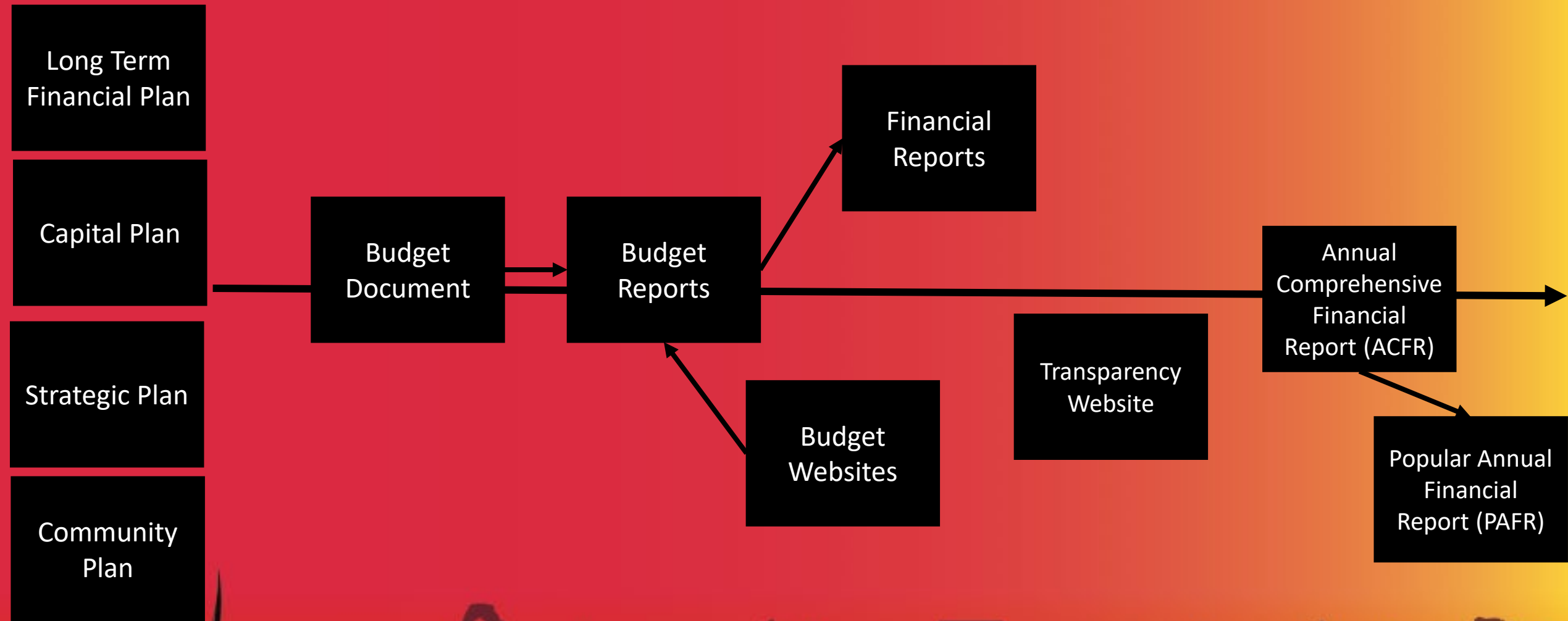
Mesa Convention Center  
**MESA, ARIZONA**

Mike Mucha, GFOA

3:15 – 4:45  
(1/29/25)

# Key Terms

# Where do governments report?





# Government reporting is unique

## Private Sector

- Provide services to generate revenue

## Public Sector

- Collect revenue to provide services

*Services*

*Payment*

- Payment connected to services

- Payment often unrelated

*Ability to  
Apply  
Resources*

- Almost unlimited

- Restricted by:
  - Grantors
  - Lenders
  - Legal Budget



# Use of funds

- **Governmental funds**

- Used to account for activities primarily supported by taxes, grants, and similar revenue sources;

- **Proprietary funds**

- Used to account for activities that receive significant support from fees and charges; and

- **Fiduciary funds**

- Used to account for activities conducted by a government or its component units for the benefit of those outside of the government and for certain pension and OPEB arrangements.



# Fund Types

- Governmental Funds
  - General Fund
  - Special Revenue Funds
  - Capital Project Funds
  - Debt Service Funds
  - Permanent Funds
- Proprietary Funds
  - Enterprise Funds
  - Internal Service Funds
- Fiduciary Funds
  - Fiduciary Funds
  - Pension Trust Funds
  - Investment Trust Funds
  - Private-Purpose Trust Funds
  - Custodial Funds



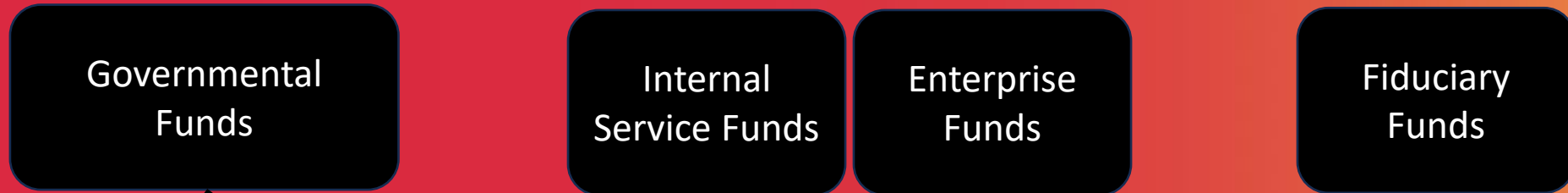
# Reporting on Each Fund

- **Assets**
- **Liabilities**
- **Fund Balance / Net Position**



# Where is information reported?

## Fund Statements



## Government-Wide Financial Statements

*Total Reporting Entity*

*Total Primary Government*

Governmental Activities

+

Business Type Activities

+

Component Units



# Why report?

- **Accountability**
- **Liquidity**
- **Long-Term Sustainability**



# Cash basis vs. Accrual

- Cash Basis

- Transactions and events are recognized when cash flow occurs

Government Wide

Proprietary Funds

Trust

- Accrual Basis

- Transactions and events recognized when they occur

Governmental Funds

- Modified Accrual

- Start with Accrual

- Revenue recognized only if available to make payments made during period end (or soon after)
- Expenditures recognized only if payments normally made during the period (or soon after)

# Statement of Activities

- Expenses
- Revenue
- Change in Net Position

## STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2023

FUNCTIONS/PROGRAMS PRIMARY GOVERNMENT	Program Revenues				Net (Expense)
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and
					Change in Net Position
Governmental Activities					Total
General government	\$ 6,126,362	\$ 52,797	\$ -	\$ 200,000	\$ (5,873,565)
Recreation	13,543,719	11,993,509	52,827	27,268	(1,470,115)
Interest and fiscal charges	817,746	-	-	-	(817,746)
Total governmental activities	20,487,827	12,046,306	52,827	227,268	(8,161,426)
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 20,487,827</b>	<b>\$ 12,046,306</b>	<b>\$ 52,827</b>	<b>\$ 227,268</b>	<b>(8,161,426)</b>

### General Revenues

Taxes	
Property	14,717,237
Intergovernmental	
Replacement	461,577
Investment income	996,396
Other	379,372
Total	16,554,582

CHANGE IN NET POSITION 8,393,156

NET POSITION, JANUARY 1 70,723,393

NET POSITION, DECEMBER 31 \$ 79,116,549

# Statement of Net Position

- Assets
- Deferred Outflows (future expenses)
- 
- Liabilities
- Deferred Inflows (future revenue)
- =
- Net Position

December 31, 2023

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and investments	\$ 36,296,157
Receivables (net, where applicable, of allowances for uncollectibles)	
Property taxes	15,008,525
Grants	203,501
Programs	394,095
Other	355,736
Prepaid expenses	77,683
Inventory	15,328
Net pension asset	5,655,708
Capital assets not being depreciated	8,028,040
Tangible and intangible capital assets being depreciated (net of accumulated depreciation and amortization)	60,041,022
<b>Total assets</b>	<b>126,075,795</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension items - IMRF	3,613,599
OPEB items	161,749
Deferred charges	85,172
<b>Total deferred outflows of resources</b>	<b>3,860,520</b>
<b>Total assets and deferred outflows of resources</b>	<b>129,936,315</b>
<b>LIABILITIES</b>	
Accounts payable	1,798,913
Accrued payroll	386,880
Accrued interest payable	41,088
Unearned revenue	2,708,986
Noncurrent liabilities	
Due within one year	2,440,121
Due in more than one year	28,139,071
<b>Total liabilities</b>	<b>35,515,059</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred property tax revenue	15,003,447
Pension items - IMRF	40,631
OPEB items	260,629
<b>Total deferred inflows of resources</b>	<b>15,304,707</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>50,819,766</b>
<b>NET POSITION</b>	
Net investment in capital assets	38,882,422
Restricted for	
Retirement	5,655,708
Debt service	43,814
Special recreation	331,814
Unrestricted	34,202,791
<b>TOTAL NET POSITION</b>	<b>\$ 79,116,549</b>

# Statement of Revenues, Expenditures, and Change in Fund Balance

- Revenues
- Expenditures
- Other Sources (Uses)
- Change in Fund Balance

PARK DISTRICT OF HIGHLAND PARK  
HIGHLAND PARK, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES

For the Year Ended December 31, 2023

	General	Recreation
<b>REVENUES</b>		
Taxes	\$ 6,194,961	\$ 5,880,858
Charges for services	52,797	11,993,509
Donations	-	48,314
Intergovernmental - grants	-	4,513
Replacement taxes	461,577	-
Investment income	170,722	550,374
Miscellaneous	74,828	150,167
Total revenues	<u>6,954,885</u>	<u>18,627,735</u>
<b>EXPENDITURES</b>		
Current		
General government	6,038,243	-
Recreation	-	13,685,509
Capital outlay	-	89,311
Debt service		
Principal retirement	-	-
Interest and fiscal charges	-	-
Total expenditures	<u>6,038,243</u>	<u>13,774,820</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>916,642</u>	<u>4,852,915</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	-	-
Transfers (out)	(2,094,620)	(3,053,280)
Total other financing sources (uses)	<u>(2,094,620)</u>	<u>(3,053,280)</u>
NET CHANGE IN FUND BALANCES	(1,177,978)	1,799,635
FUND BALANCES, JANUARY 1	<u>4,827,066</u>	<u>6,727,049</u>
<b>FUND BALANCES, DECEMBER 31</b>	<u>\$ 3,649,088</u>	<u>\$ 8,526,684</u>



# Reserves – How much is enough?

- Traditional “best practice” of 16% of budget
- Rethinking Reserves to focus on risk
- Develop policies to guide decision making

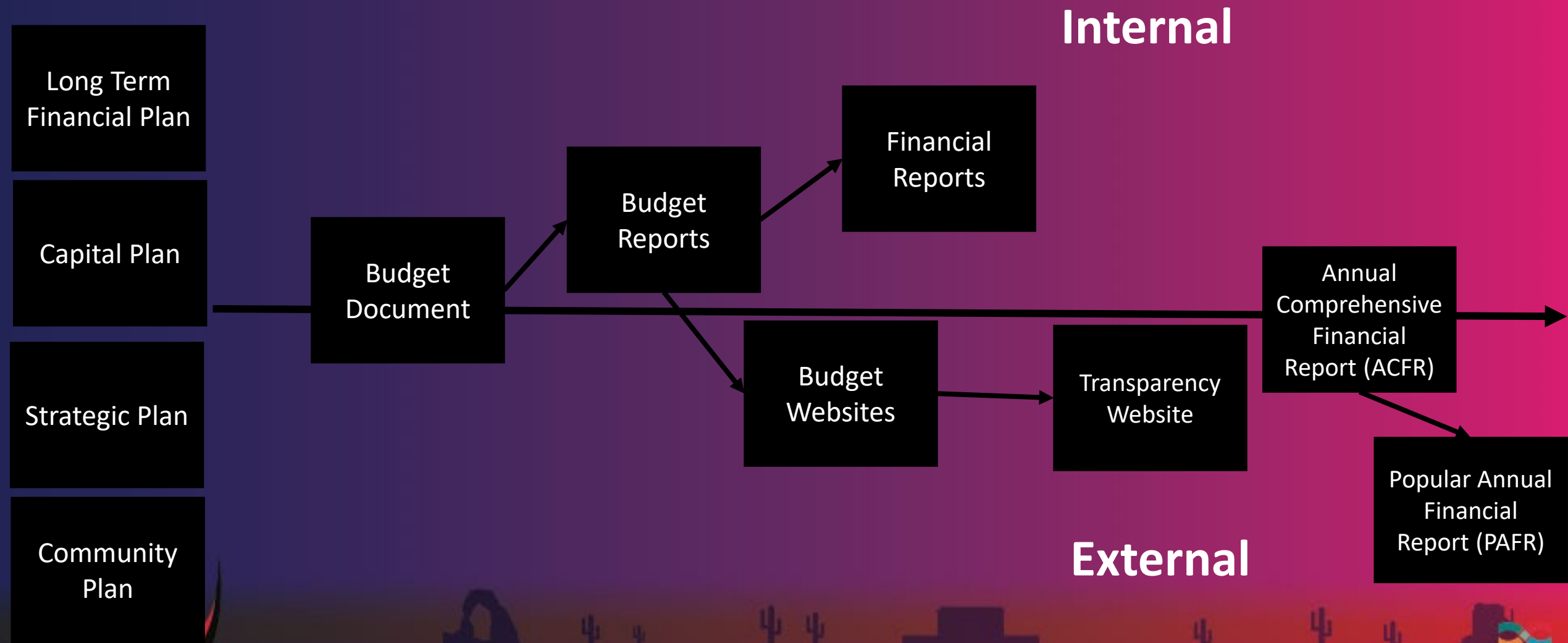


<https://www.gfoa.org/materials/rethinkingreserves>

# Telling Your Story to Non-Financial Audience

# Understand the Audience

- Who do we report for?



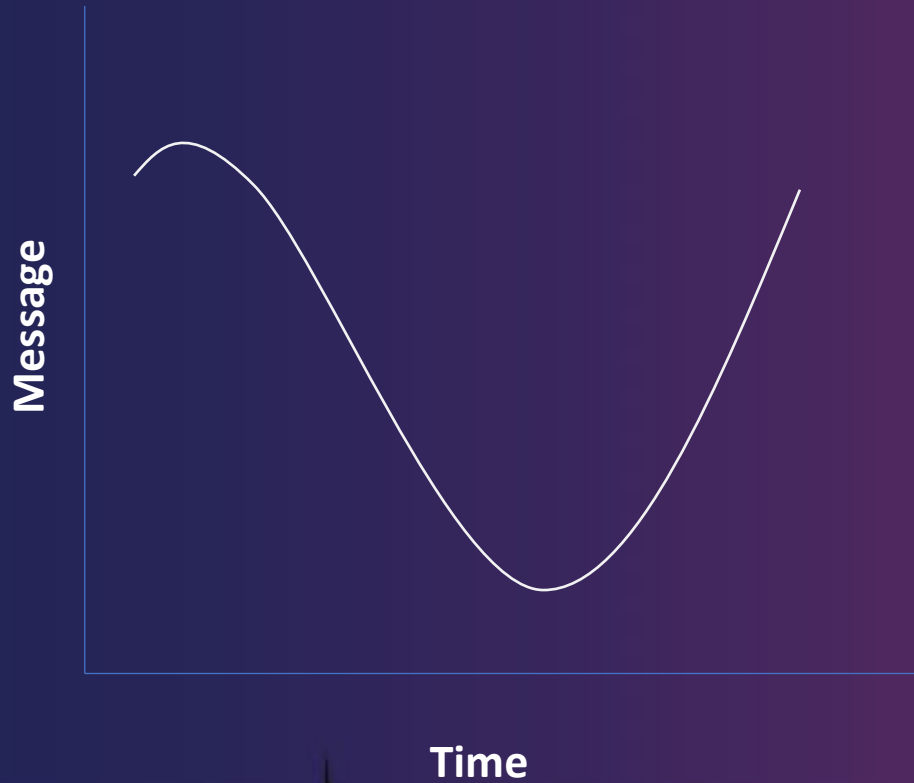
# Know Your Audience

- Who are they?
- What do they know?
- What is their level of interest?
- What is their bias?
  
- What's in it for them?





# Refining Your Message





# Telling Your Story

- Who are the characters?
- Where have we been?
- Where are we going?
- Where are we now?
- Are we headed in the right direction?
  - (and what could get in our way)



# City of Sunnyvale

- Focus on value of city services
  - “day in the life” of a resident
  - Focus on City rather than departments
  - Explanation of how revenue goes to pay for services
- Revenue for the City is a cost to the resident



<https://www.gfoa.org/2024-awards-for-excellence-winners>



# Effective use of Charts and Graphs

# Five Steps to Creating a Better Graph

1. Use a message title
2. Chose the right design
3. Use color
4. Decide on effective labels
5. Make it simple



# GFOA Fiscal Fluency

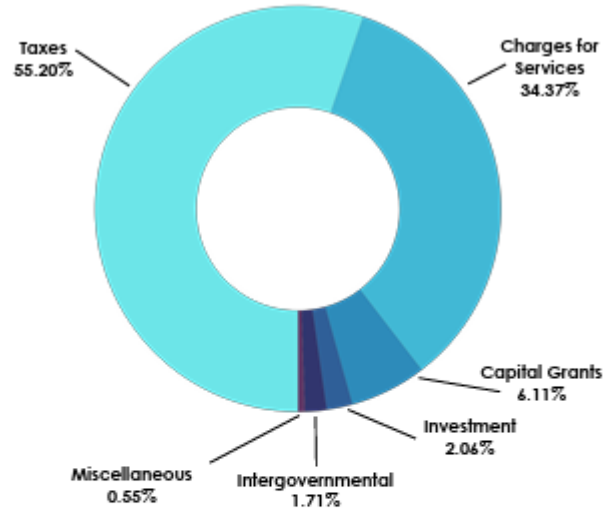
- Communicating numbers is difficult
- Translate numbers to human scale
  - Make it relevant
- Use infographics and visuals



<https://www.gfoa.org/materials/fiscalfluency>



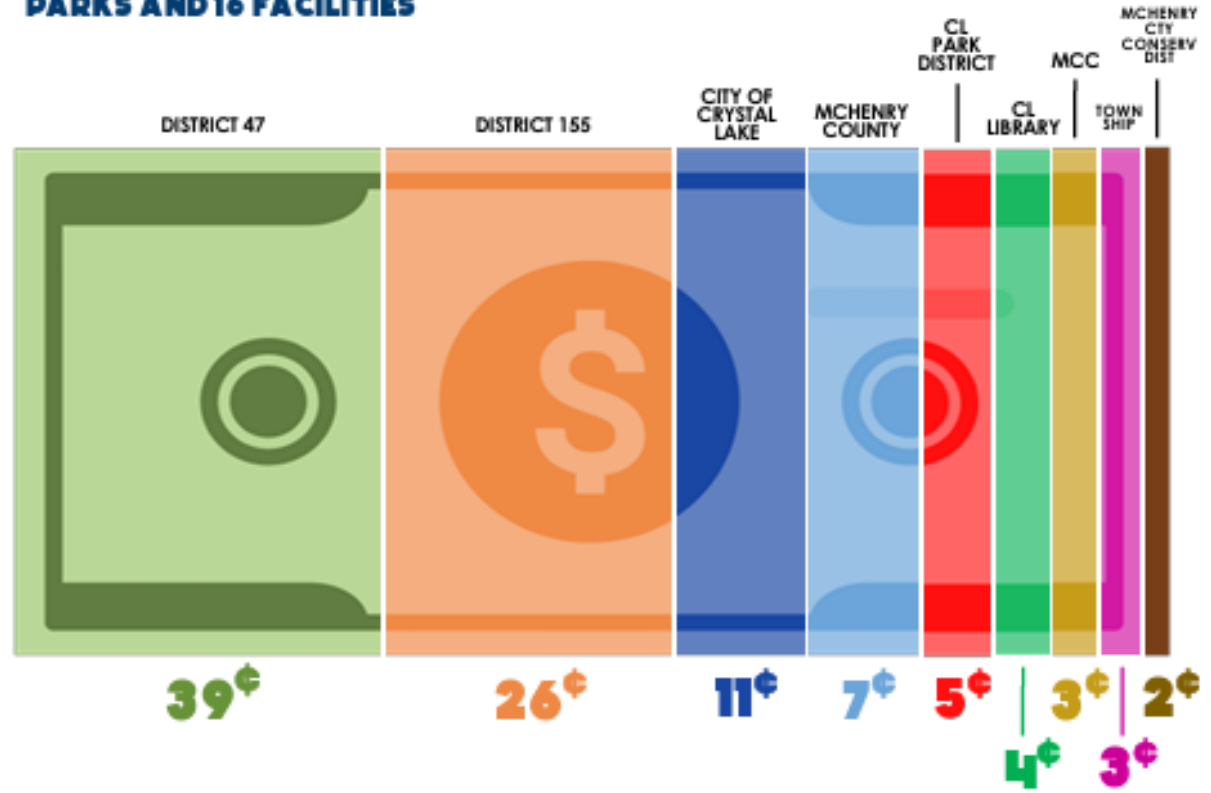
**REVENUES BY TYPE**  
FISCAL YEAR ENDED APRIL 30, 2023



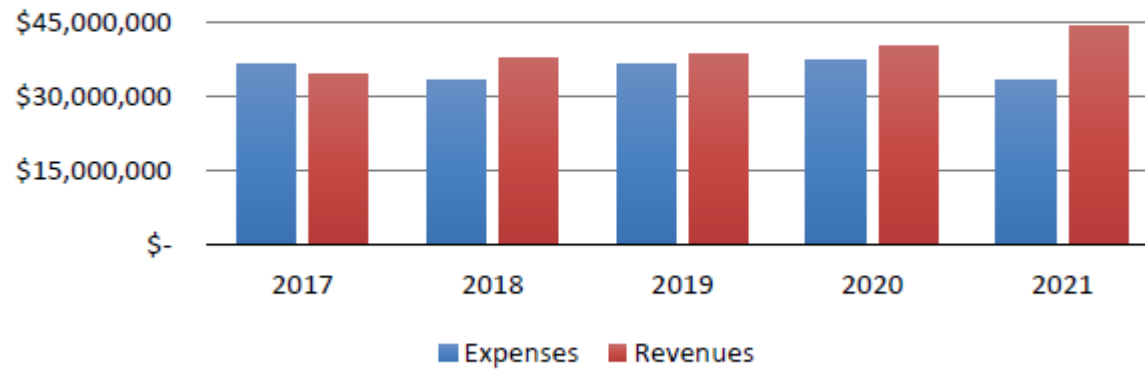
Revenue Type	2022-2023
Taxes	\$ 7,925,460
Charges for Services	\$ 4,934,341
Capital Grants	\$ 877,053
Investment	\$ 295,636
Intergovernmental	\$ 245,393
Miscellaneous	\$ 78,828
<b>Total Revenue</b>	<b>\$ 14,356,711</b>

**PROPERTY TAX RATES PER \$100  
EQUALIZED ASSESSED VALUE**

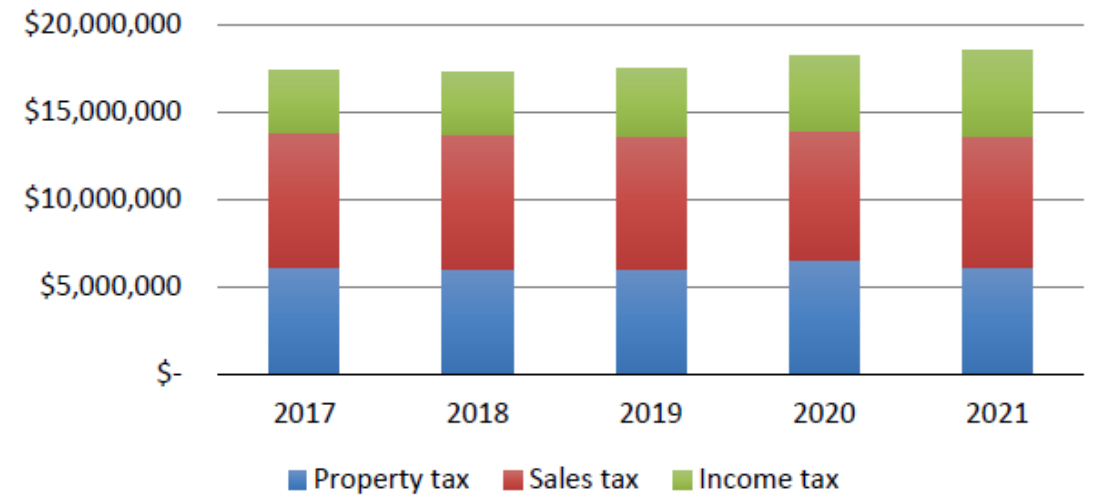
**THE CRYSTAL LAKE PARK DISTRICT RECEIVES LESS THAN 5 CENTS PER DOLLAR PAID IN TAXES TO MAINTAIN 36 PARKS AND 16 FACILITIES**



## Revenue and Expense History

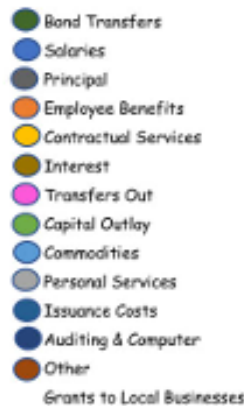
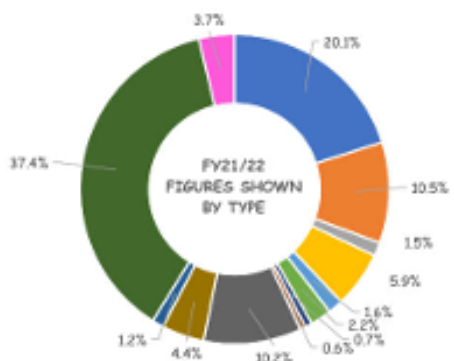
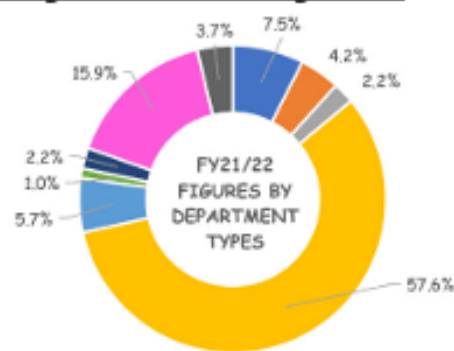


## Annual General Fund Revenues by Source



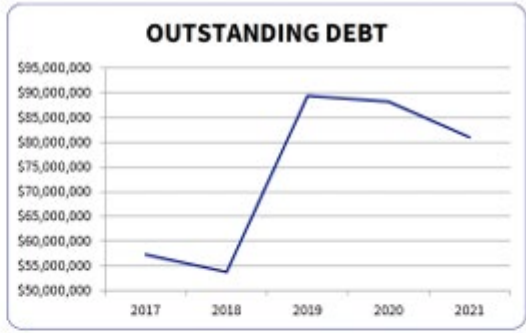
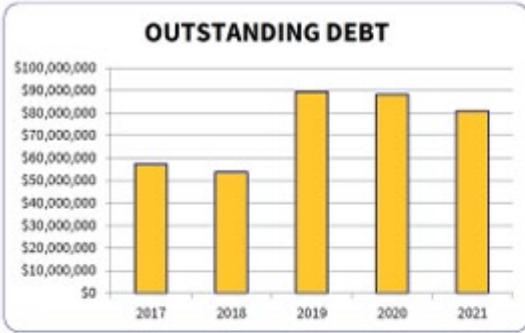
## Expenditures (including Other Financing Uses)

In FY 2022, Public Safety expenditures accounted for 57.6% of governmental expenditures. This was a direct result of the Pension Bonds the City issued with the proceeds totaling \$4.226 million ultimately being used to fund the Police Pension Fund. In FY 2021, the City issued refunding bonds totaling \$6.627 million to refund the City's Series 2014 G.O. Bonds. Other notable fluctuations between fiscal years included grant expenditures decreasing \$424,766 and salaries increasing \$171,619. Grant expenditures decreased as the City received grants to be given in out directly to local businesses in FY 2021 whereas no such grants were given in FY 2022. Salaries increased due to annual raises being given in addition to the City Administrator being hired in FY 2022.

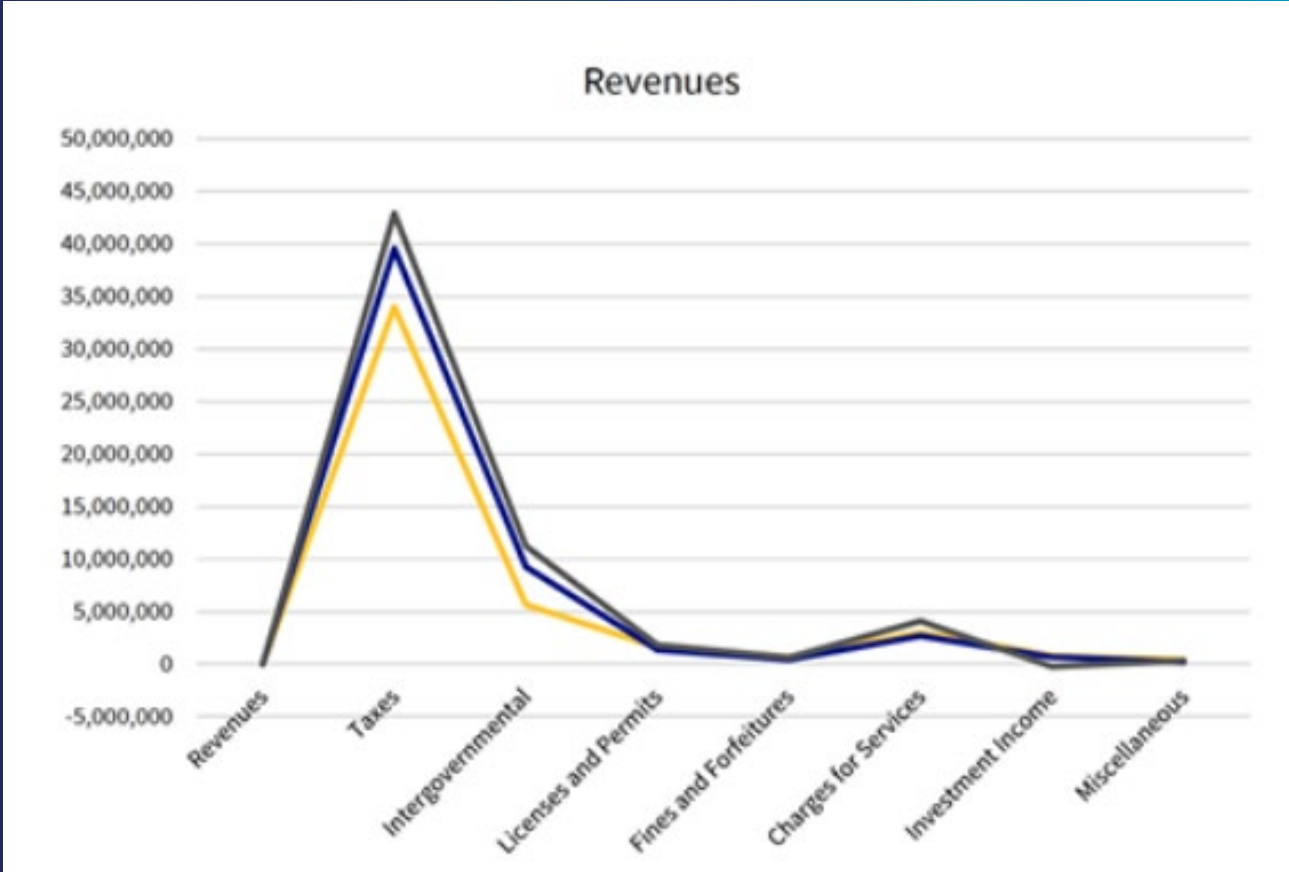


	FY21	FY22	+(-)
\$	2,184,284	\$ 6,505,565	\$ 4,321,281
	1,810,862	1,795,673	(15,189)
	1,024,322	845,784	(178,538)
	571,113	640,478	69,365
	377,711	480,762	103,051
	-	420,777	420,777
	556,143	253,117	(303,026)
	230,611	243,771	13,160
	114,619	115,162	543
	6,627,369	-	(6,627,369)
\$	13,497,034	\$ 11,301,089	\$ (2,195,945)

	FY21	FY22	+(-)
\$	6,627,369	\$ 4,226,000	\$ (2,401,369)
	2,099,745	2,271,364	171,619
	1,045,983	1,155,806	109,823
	1,255,298	1,190,896	(64,402)
	705,769	663,120	(42,649)
	570,396	499,128	(71,268)
	-	420,777	420,777
	216,978	248,319	31,341
	112,720	178,423	65,703
	106,595	158,390	51,795
	193,255	138,511	(54,744)
	86,284	84,123	(2,161)
	51,876	66,232	14,356
	424,766	-	(424,766)
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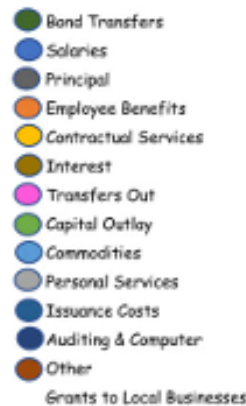
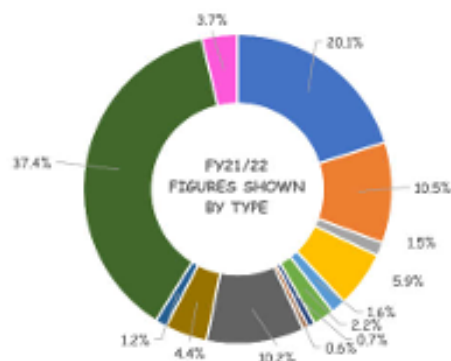
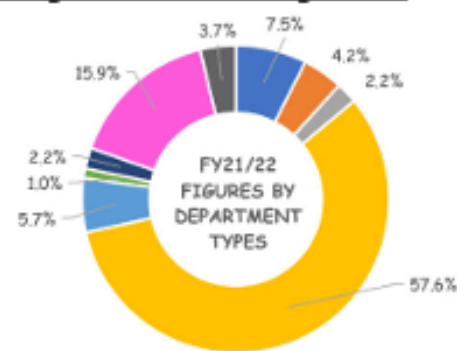


	2017	2018	2019	2020	2021
<b>GOVERNMENTAL ACTIVITIES</b>					
Neighborhood Improvement District	\$69,800	\$-	\$-	\$-	\$-
Leasehold Revenue	615,379	541,486	464,593	384,700	301,807
Certificates of Participation	21,904,551	20,046,822	57,463,210	55,675,234	53,043,199
Notes Payable	3,449,130	4,372,070	5,276,316	8,642,108	6,894,881
Tax Increment Revenue	1,002,000	1,002,000	942,000	892,000	821,000
<b>TOTAL</b>	<b>\$27,040,860</b>	<b>\$25,962,378</b>	<b>\$64,146,119</b>	<b>\$65,594,042</b>	<b>\$61,060,887</b>
<b>BUSINESS-TYPE ACTIVITIES</b>					
Leasehold Revenue	\$1,947,381	\$1,651,810	\$1,344,239	\$1,024,668	\$693,030
Certificates of Participation	3,161,822	2,759,286	2,351,750	1,902,984	1,454,833
Sewer System Revenue	25,119,545	23,363,120	21,556,695	19,702,270	17,799,845
<b>TOTAL</b>	<b>\$30,228,748</b>	<b>\$27,774,216</b>	<b>\$25,252,684</b>	<b>\$22,629,922</b>	<b>\$19,947,708</b>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$57,269,608</b>	<b>\$53,736,594</b>	<b>\$89,398,803</b>	<b>\$88,223,964</b>	<b>\$81,008,595</b>



## Expenditures (including Other Financing Uses)

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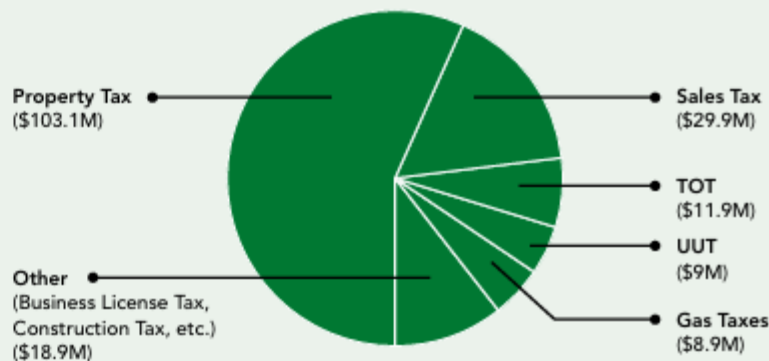
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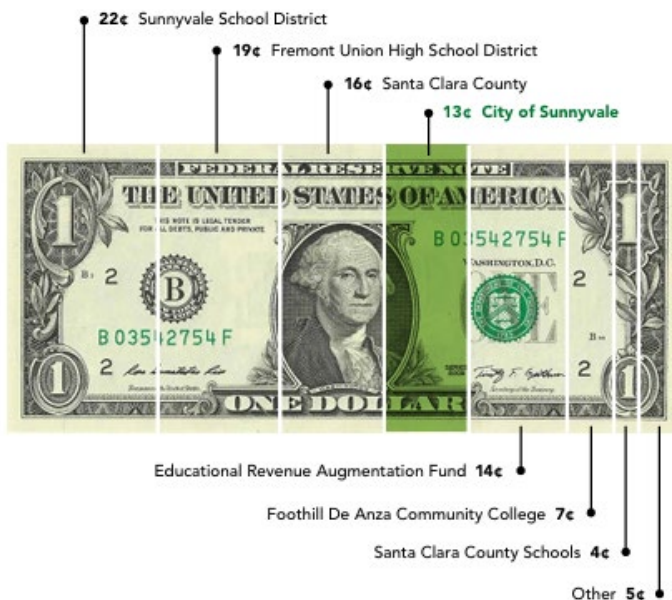


**A**bout a third of the City's revenue (\$181.7 million) comes from taxes. Taxes are important because they fund the services that the general community uses. This includes police and fire response, traffic lights, park maintenance, and the library. Property Tax and Sales & Use Tax are by far our two largest sources of tax revenue. They're a quarter of our total revenue and three quarters of our tax revenue. Most people don't realize that we only receive a small part of what you actually pay in these taxes. Let's take a closer look at the five main types of taxes collected and how they're distributed.

### Budgeted Tax Revenue: The Breakdown



### Property Tax: How \$1 of Property Tax is Distributed



### Property Tax

The City will receive about \$103.1 million this year in Property Tax.

- The County assesses property tax every year and collects and distributes the revenue.
- Only 13% of the property tax you pay goes to the City.
- Most of the property tax goes to school and community college districts and the County. Special districts for open space and air quality also receive this funding.

### Property Tax Compared to Other Typical Services

	Broadband Internet Service <sup>2</sup>	\$75/Mo.
	<b>Property Tax (portion Sunnyvale receives)</b>	<b>\$85/Mo.</b>
	Cell Phone <sup>3</sup>	\$104/Mo.
	Car Insurance <sup>4</sup>	\$132/Mo.



# Thank You

Mike Mucha

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[www.gfoa.org](http://www.gfoa.org)

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