

CITY OF LAPEER, MICHIGAN
COUNTY OF LAPEER
COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2018
INDEPENDENT AUDITORS' REPORT

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Commission
City of Lapeer
Lapeer, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lapeer, Michigan, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lapeer, Michigan as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

1000 Coolidge Road
East Lansing, MI 48823

(517) 332-1900
(517) 332-2082 fax
Info@LNRCPA.com

Vickie L. Crouch, CPA, CGFM
Principal
Vickie@LNRCPA.com

Stephen D. Plumb, JD, CPA
Principal
Steve@LNRCPA.COM

Emphasis of Matter

As disclosed in Note 30, the City implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, in the current year. Accordingly, beginning net position of the governmental activities, the business-type activities and the enterprise funds were restated. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 16 and 82 through 89 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Lapeer, Michigan's basic financial statements. The combining and individual nonmajor fund financial statements, general long-term debt, and capital assets schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, general long-term debt schedule, and capital assets schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2018, on our consideration of the City of Lapeer, Michigan's internal control over financial reporting and on 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Lapeer, Michigan's internal control over financial reporting and compliance.


Layton & Richardson, P.C.
Certified Public Accountants

East Lansing, Michigan
December 21, 2018

Management's Discussion and Analysis

Our discussion and analysis of the City of Lapeer's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2018. Please read it in conjunction with the City's financial statements.

FINANCIAL HIGHLIGHTS

- State Revenue Sharing funds continued to be lower than historical levels. The City received \$794,354 in the current year compared to \$896,611 in the prior year, a decrease of \$102,257 or 11.4%. When compared to State Revenue Sharing received in FY 2001-2002, actual funds received in the current year were reduced from \$1,037,526 to \$794,354, a decrease of \$243,172 or 23.4%.
- The current year net City income tax revenue of \$3,267,617 was \$124,060 or 4.0% more than the prior year revenue of \$3,143,157.
- The current year City property tax revenue of \$2,742,477 was \$289,921 or 11.8% more than the prior year revenue of \$2,452,556.
- The current year General Fund interest on investments revenue of \$18,955 was \$7,133 or 60.3% more than the prior year revenue of \$11,822.
- Among other improvement projects, the City completed the DeMille Street - Harrison to the boulevard - scrap tire grant (\$462,809), the Irwin School to Cedar Street sewer main lining (\$166,542), the Calhoun Street - Nepessing to Genesee - reconstruction (\$667,417) and the Court Street reconstruction with water main (\$749,129).
- The City's general obligation bond rating from Moody's Investor Services remained stable at A1 in the current year while the Standard & Poor's rating remained stable at A+.
- The City retired four debt issues: 2007 General Obligation Bond, 2007 Special Assessment Bond, 2008 Series A General Obligation Bond and 2008 Series A Special Assessment Bond and issued new debt of \$1,740,000 for the 2017 General Obligation Capital Improvement Bond.
- The City adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension*, as required. Beginning net position of governmental activities, the auto parking enterprise fund, the water treatment enterprise fund and the water supply enterprise fund were therefore decreased by \$10,521,458, \$309,843, \$1,959,297 and \$538,886 respectively.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements provide more detailed information about the City's most significant funds - not the City as a whole. These statements tell how these services were financed in the short term as well as what remains for future spending. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

Reporting the City as a Whole

One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's *net assets* and changes in them. You can think of the City's net assets - the difference between assets and liabilities - as one way to measure the City's financial health, or *financial position*. Over time, *increases* or *decreases* in the City's net assets are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the City's property tax base and the condition of the City's roads, to assess the *overall health* of the City:

In the Statement of Net Position and the Statement of Activities, we divide the City into three kinds of activities:

- **Governmental activities** - Most of the City's basic services are reported here, including police, fire, public works, parks, and general administration. Property taxes, income taxes, franchise fees, and state and federal grants finance most of these activities.
- **Business-type activities** - The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water and sewer systems and parking facilities are reported here.
- **Component units** - The City includes five separate legal entities in its report: Brownfield Redevelopment Authority, Downtown Development Authority, Economic Development Corporation, Local Development Finance Authority, and Tax Increment Finance Authority.

Reporting the City's Most Significant Funds

The fund financial statements provide detailed information about the most significant funds - not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, the City Commission establishes many other funds to help it control and manage money for particular purposes (like the Capital Improvement Fund) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants received from the Michigan State Housing Development Authority). The City's two kinds of funds - *governmental* and *proprietary* - use different accounting approaches.

- *Governmental funds* - Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual accounting*, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* in reconciliation at the bottom of the fund financial statements.
- *Proprietary funds* - When the City charges customers for the services it provides - whether to outside customers or to other units of the City - these services are usually reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. We use internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the City's other programs and activities - such as the City's Motor Pool Fund.

The City as Trustee

The City is the trustee, or *fiduciary*, for the Mt. Hope Cemetery Perpetual Care Fund. It is also responsible for other assets as an agent for others. All of the City's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE CITY AS A WHOLE

Table 1 was summarized from the government-wide Statement of Net Position and provides a comparison between the current and prior years. The City's combined net position for the primary government increased from \$55,809,446 as restated to \$59,395,859, an increase of \$3,586,413 or 6.4%. In the prior year the net position decreased from \$72,096,382 to \$69,103,104, a decrease of \$2,993,278 or 4.1%. The net position for the governmental activities increased from \$34,571,595 as restated to \$37,575,721, an increase of \$3,004,126 or 8.6%. In the prior year the net position decreased from \$48,185,153 to \$45,057,227, a decrease of \$3,127,926 or 6.4%. The net position for the business-type activities increased from \$21,237,851 as restated to \$21,820,138, an increase of \$582,287 or 2.7%. In the prior year the net position increased from \$23,911,229 to \$24,045,877, an increase of \$134,648 or 0.1%.

Table 1
Net Position
(In Millions)

	Governmental <u>Activities</u> 2018	Business-type <u>Activities</u> 2018	Total Primary <u>Government</u> 2018
Current assets	\$14.1	\$ 5.4	\$19.5
Non-current assets	59.2	27.9	87.1
Deferred outflows	<u>1.1</u>	<u>0.0</u>	<u>1.1</u>
Total assets	<u>74.4</u>	<u>33.3</u>	<u>107.7</u>
Long-term debt outstanding	5.5	5.9	11.4
Other liabilities	<u>24.2</u>	<u>3.9</u>	<u>28.1</u>
Total liabilities	<u>29.7</u>	<u>9.8</u>	<u>39.5</u>
Net assets:			
Deferred inflows	7.1	1.6	8.7
Invested in capital assets, Net of debt	52.1	21.4	73.5
Restricted	0.0	0.0	0.0
Unrestricted (deficit)	<u>(14.6)</u>	<u>0.4</u>	<u>(14.2)</u>
Total net assets	<u>\$37.6</u>	<u>\$21.8</u>	<u>\$59.4</u>

	Governmental <u>Activities</u> 2017	Business-type <u>Activities</u> 2017	Total Primary <u>Government</u> 2017
Current assets	\$13.5	\$5.1	\$18.6
Non-current assets	58.6	28.4	87.0
Deferred Outflows	<u>1.3</u>	<u>0.0</u>	<u>1.3</u>
Total assets	<u>73.4</u>	<u>33.5</u>	<u>106.9</u>
Long-term debt outstanding	5.4	6.3	11.7
Other liabilities	<u>22.1</u>	<u>3.2</u>	<u>25.3</u>
Total liabilities	<u>27.5</u>	<u>9.5</u>	<u>37.0</u>
Net assets:			
Deferred Inflows	0.8	0.0	0.8
Invested in capital assets, Net of debt	52.1	21.5	73.6
Restricted	0.0	0.0	0.0
Unrestricted (deficit)	<u>(7.0)</u>	<u>2.5</u>	<u>(4.5)</u>
Total net assets	<u>\$45.9</u>	<u>\$24.0</u>	<u>\$69.9</u>

Table 2 was summarized from the government-wide Statement of Activities and provides a comparison between the current and prior years. Total revenue from all sources totaled \$24.0 million of which \$15.5 million was from governmental activities and \$8.5 million was from business-type activities. In the prior year, total revenue from all sources totaled \$21.9 million of which \$14.0 million was from governmental activities and \$7.9 million was from business-type activities. The total revenue from all sources increased \$2.1 million or 9.5%.

Table 2
Changes in Net Position
(In Millions)

	<u>Governmental</u> <u>Activities</u> 2018	<u>Business-Type</u> <u>Activities</u> 2018	<u>Total</u> <u>Primary</u> <u>Government</u> 2018
Revenues:			
Program revenues:			
Charges for services	\$2.8	\$7.5	\$10.3
Operating grants and contributions	2.3	0.9	3.2
General revenues:			
Taxes	8.0	0.0	8.0
State shared revenue	0.8	0.0	0.8
Other	<u>1.6</u>	<u>0.1</u>	<u>1.7</u>
Total Revenues	<u>15.5</u>	<u>8.5</u>	<u>24.0</u>
Expenses:			
General government	\$3.1	\$0.0	\$3.1
Public safety	3.8	0.0	3.8
Public works	0.8	0.0	0.8
Community development and enrichment	1.2	0.0	1.2
Highway and streets	2.6	0.0	2.6
Culture and recreation	1.9	0.0	1.9
Other	0.9	0.0	0.9
Interest on long-term debt	0.2	0.0	0.2
Water	0.0	2.9	2.9
Wastewater	0.0	4.5	4.5
Parking	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Expenses	<u>14.5</u>	<u>7.4</u>	<u>21.9</u>
Change in net Position			
Before transfers	1.0	1.1	2.1
Transfers	<u>2.0</u>	<u>(0.5)</u>	<u>1.5</u>
Change in Net Position	3.0	0.6	3.6
Net posit restated, July 1	<u>34.6</u>	<u>21.2</u>	<u>55.8</u>
Net position, June 30	<u>\$37.6</u>	<u>\$21.8</u>	<u>\$59.4</u>

Table 2
Changes in Net Position
(In Millions)

	<u>Governmental</u> <u>Activities</u> 2017	<u>Business-Type</u> <u>Activities</u> 2017	<u>Total</u> <u>Primary</u> <u>Government</u> 2017
Revenues:			
Program revenues:			
Charges for services	\$2.8	\$7.3	\$10.1
Operating grants and contributions	1.9	0.6	2.5
General revenues:			
Taxes	6.9	0.0	6.9
State shared revenue	0.9	0.0	0.9
Other	<u>1.5</u>	<u>0.0</u>	<u>1.5</u>
Total Revenues	<u>14.0</u>	<u>7.9</u>	<u>21.9</u>
Expenses:			
General government	\$5.6	\$0.0	\$5.6
Public safety	4.0	0.0	4.0
Public works	0.6	0.0	0.6
Community development and enrichment	1.1	0.0	1.1
Highway and streets	2.5	0.0	2.5
Culture and recreation	2.4	0.0	2.4
Other	1.3	0.0	1.3
Interest on long-term debt	0.2	0.0	0.2
Water	0.0	2.9	2.9
Wastewater	0.0	4.4	4.4
Parking	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Expenses	<u>17.7</u>	<u>7.3</u>	<u>25.0</u>
Change in net position			
Before transfers	(3.7)	0.6	(3.1)
Transfers	<u>0.4</u>	<u>(0.4)</u>	<u>0.0</u>
Change in Net Position	(3.3)	0.2	(3.1)
Net position, July 1	48.1	24.0	72.1
Prior period adjustment	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Net position, June 30	<u>\$44.8</u>	<u>\$24.2</u>	<u>\$69.0</u>

Governmental Activities

The net position for the governmental activities increased from \$34,571,595 as restated to \$37,575,721, an increase of \$3,004,126 or 8.7%. In the prior year, the net position decreased from \$48,185,153 to \$45,057,227, a decrease of \$3,127,926 or 6.4%.

The governmental activities revenue of \$15.5 million reflects an increase of \$0.5 million or 3.2% from the prior year. The governmental activities received \$8.0 million or 51.6 % from taxes. 18.0% of governmental activity was funded from charges for services and 5.1% was funded by state shared revenue. 14.8% of governmental activity was funded from operating grants and contributions. The remaining 10.5% of revenue was from unrestricted investment earnings and other revenue.

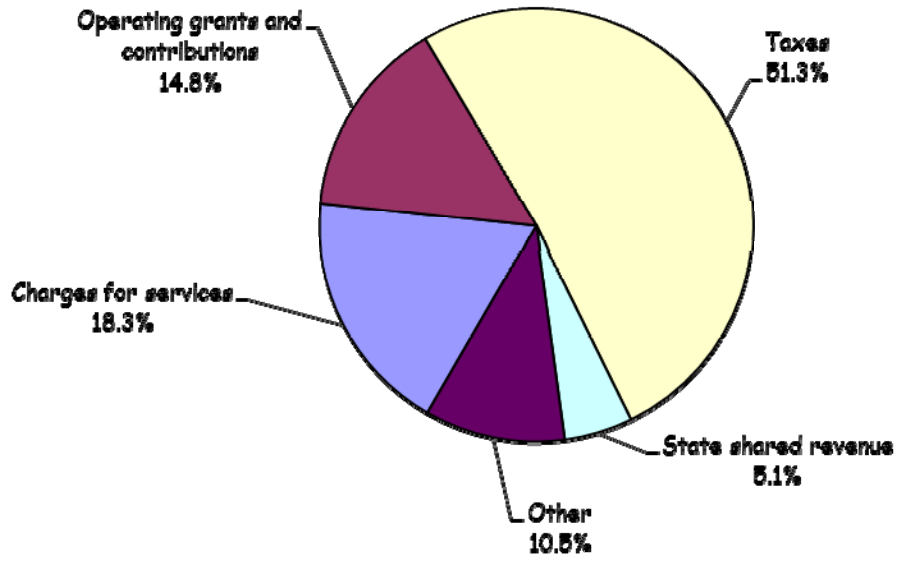
The governmental activities of the city had an expense of \$14.5 million dollars for the past fiscal year. Due to utilizing full accrual on the government-wide statements, the expenditures for capital assets including infrastructure are not recorded as expenses in the current year but are capitalized on the Statement of Net Position and are depreciated over the useful life of the asset. Only the current year depreciation would be included as an expense.

The \$14.5 million for governmental activities was partially funded from \$5.1 million in program revenues. The balance of this cost was funded from taxes and other revenues. The expenditures for governmental activities by classification occurred in general government at \$3.1 million, public safety at \$3.8 million, public works at \$0.8 million, community development and enrichment at \$1.2 million, highway and streets at \$2.6 million, culture and recreation at \$1.9 million, other at \$0.9 million and interest on long-term debt at \$0.2 million. The program revenues received as a percentage of the expense for these activities were 48.0% for general government, 13.4% for public safety, 0.0% for public works, 48.3% for community development and enrichment, 47.6% for highways and streets, 71.2% for culture and recreation, 0.0% for other and 0.0% for interest on long-term debt.

The following charts illustrate the distribution of revenues by source and the program revenues compared with the expenses for the governmental activities.

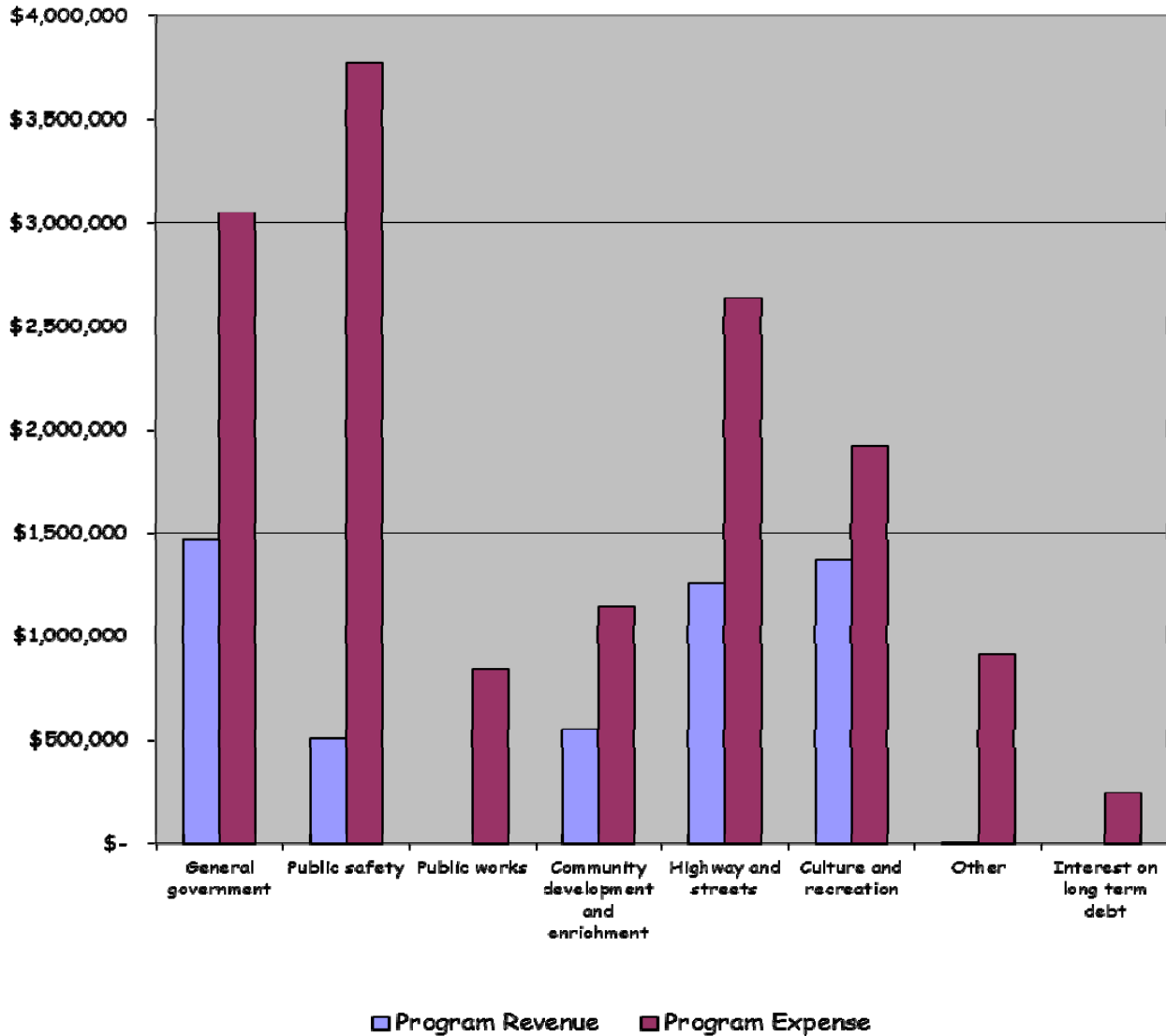
FY 2017-2018

Revenues by Source - Governmental Activities



FY 2017-2018

Expenses and Program Revenues – Governmental Activities



Business-type Activities

The net position of the City's business-type activities increased from \$21,237,851 as restated to \$21,820,138, an increase of \$582,287 or 2.7%. In the prior year, the net position of the City's business-type activities increased from \$23,911,229 to \$24,045,877, an increase of \$134,648 or 0.5%.

The business-type activities revenue of \$8.5 million reflects an increase of \$0.6 million or 7.1% from the prior year. The business-type activities received \$7.5 million or 88.0% from charges for services, \$0.9 million or 10.0% from operating grants and contributions and \$0.1 million from unrestricted investment earnings and other revenue.

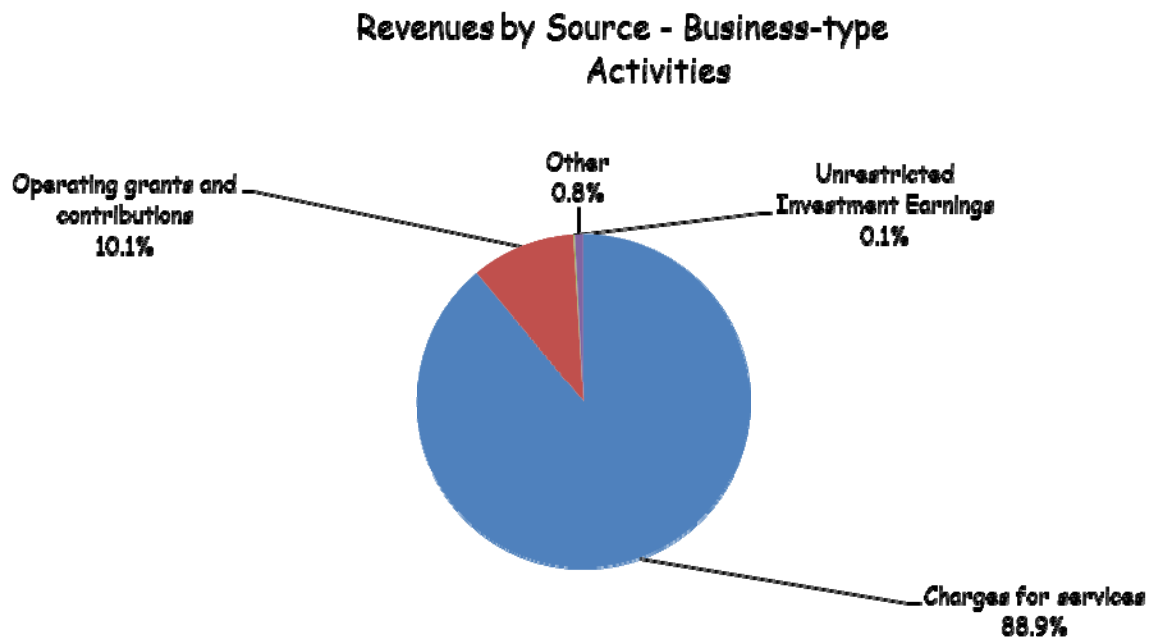
The Water Fund total operating expenses were \$2.9 million compared to \$3.1 million in program revenues. The City is a member of the Great Lakes Water Authority which purchases its water from the Detroit Water System. The current year purchase of water increased by \$4,660 from the prior year of \$1,375,469 to \$1,380,129. This represented 47.0% of the fund's operating expenses. The City last increased its rates to customers effective for billings on or after August 1, 2017. The flat monthly charge was \$6.82 and the volume charge was \$5.90.

The Wastewater Fund total operating expenses were \$4.5 million compared to \$5.2 million in program revenues. The City last increased its rates to customers effective for billings on or after August 1, 2017. The flat monthly charge was \$12.12 and the volume charge was \$8.81.

The Parking Fund had program revenues of \$16,293 and expenses of \$19,623.

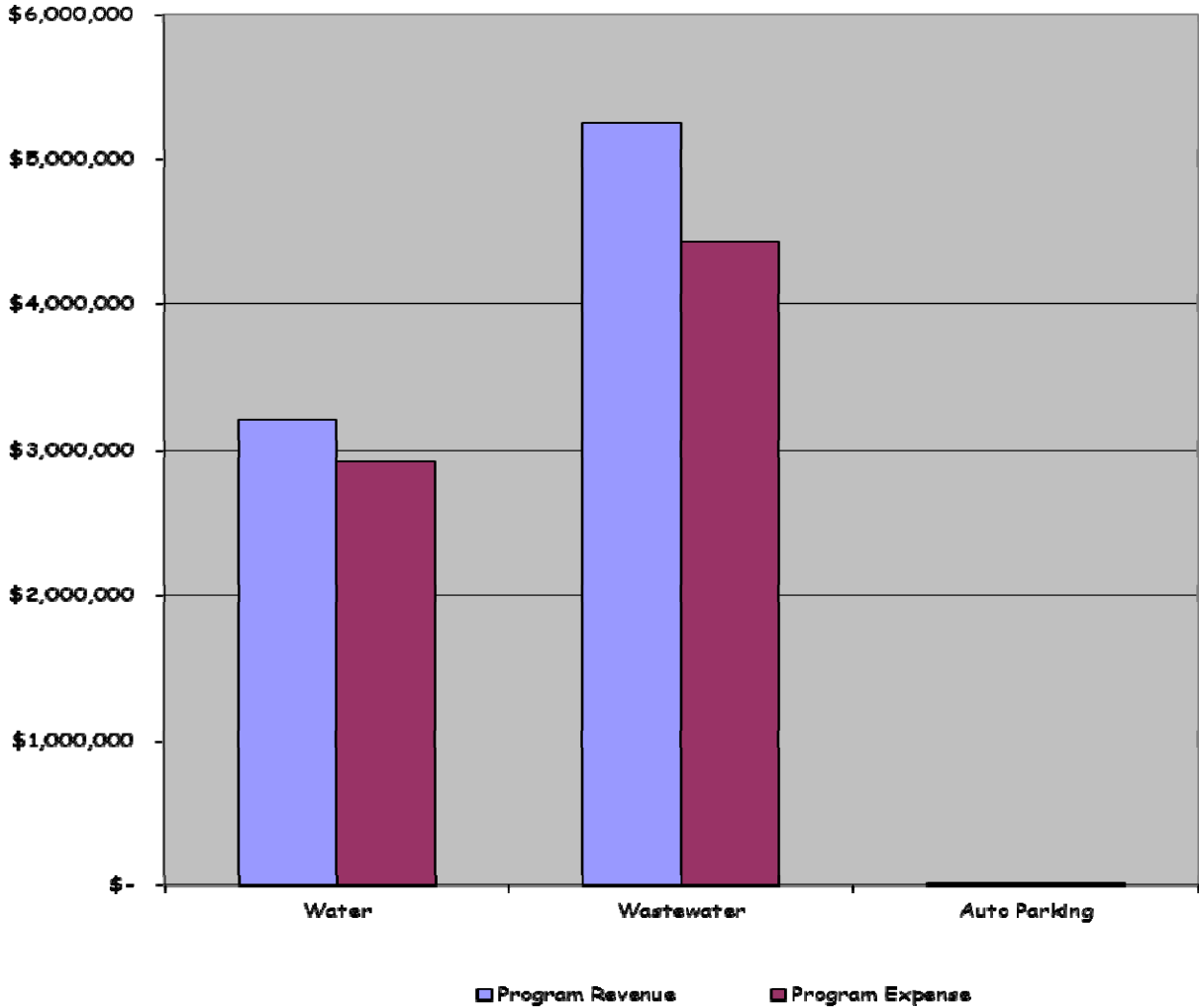
The following charts illustrate the distribution of revenues by source and the program revenues compared with the expenses for the business-type activities.

FY 2017-2018



FY 2017-2018

Expense and Program Revenues - Business-type Activities



THE CITY'S FUNDS

The General Fund revenue was \$9.5 million, an increase of \$0.7 million from the prior year. The expenditures were \$8.5 million compared to \$8.3 million the prior year. The net transfers to other funds were \$1.1 million compared to \$0.5 million the prior year. The unassigned fund balance decreased from \$2,376,061 to \$2,222,568, a decrease of \$153,493 or 6.5%. In the prior year, the unassigned fund balance decreased from \$2,444,698 to \$2,376,061, a decrease of \$68,637 or 2.8%.

The Major Street Fund receives revenues from grants, donations, and transfers from bond construction funds which vary greatly from year to year. Total revenues in the current year were \$1.1 million, the expenditures were \$1.5 million and the net transfers in were \$1.4 million. The assigned fund balance increased from \$98,373 to \$1,071,510, an increase of \$973,137 or 989.2%. In the prior year, the assigned fund balance decreased from \$421,518 to \$98,373, a decrease of \$323,145 or 76.6%.

The Local Street Fund receives revenues from grants, donations and transfers from bond construction funds which vary greatly from year to year. Total revenues in the current year were \$1.3 million, the expenditures were \$0.8 million and the net transfers in were \$0.5 million. The assigned fund balance increased from \$230,565 to \$1,220,087, an increase of \$989,522 or 429.2%. In the prior year, the assigned fund balance increased from \$128,874 to \$230,565, an increase of \$101,691 or 78.9%.

The Parks and Recreation Fund current year revenues were \$1.4 million, the expenditures were \$1.9 million and the net transfers in were \$0.5 million. The assigned fund balance increased from \$301,174 to \$326,202, an increase of \$25,028 or 8.3%. In the prior year, the assigned fund balance decreased from \$340,674 to \$301,174, a decrease of \$39,500 or 11.5%.

The Land Acquisition Fund current year revenues were \$0.4 million, the expenditures were \$0.0 million and the net transfers in were \$(0.1) million. The assigned fund balance increased from \$919,538 to \$1,060,151, an increase of \$140,613 or 15.3%. In the prior year, the assigned fund balance increased from \$454,823 to \$919,538, an increase of \$464,715 or 102.1%.

General Fund Budgetary Highlights

The difference between the General Fund original and amended budgets were expenditure increases totaling \$369,175 or 3.7% of the total originally budgeted and detailed as follows:

- the Fire Department Budget increased \$2,696 for Fire Prevention activities funded from donations received in prior years.
- the Police Department Budget increased \$5,000 for additional overtime coverage and \$5,700 for additional fulltime wages.
- the Transfers Out Budget increased \$345,205 for Return of Excess Revenue transfer to Capital Improvement Fund for the fire truck purchase.
- the Contributions to Component Units Budget increased \$9,426 for additional transfers to Downtown Development Authority for additional Executive Director compensation (\$5,000) and additional expense for the M-24 electronic sign purchase (\$4,246).
- the City Commission Budget increased \$1,328 for additional Accidental Insurance coverage for the volunteers' program.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City of Lapeer's investment in capital assets for its governmental and business type activities as of June 30, 2018 was \$84,971,257 (net of accumulated depreciation). This is a decrease of \$338,462 over the prior year amount of \$85,309,719. This investment in capital assets includes land, buildings, infrastructure systems and improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total decrease in the City of Lapeer's investment in capital assets for the current fiscal year was 0.0% (a 0.0% increase for governmental activities of \$208,102 over the prior year amount of \$57,467,923 and a 1.9% decrease for business-type activities of \$546,546 over the prior year amount of \$27,841,796).

Major capital asset events during the current fiscal year included the following:

- Projects continued/completed included Annrook Park pavilion roof replacement (\$9,463), DeMille Street - Harrison to the boulevard - scrap tire grant (\$462,809), the Irwin School to Cedar Street sewer main lining (\$166,542), the Calhoun Street - Nepessing to Genesee - reconstruction (\$667,417), the Court Street reconstruction with water main (\$749,129), sidewalk repair and maintenance (\$31,699), Rowden Park bridges and decks (\$6,125), crack seal projects (Major - \$305,445 and Local - \$46,726), crack seal and micro-seal projects (Local - \$158,231), Rotary Park pavilion roof replacement (\$8,950) and Prairies and Ponds boardwalks (\$34,950). Projects started included Baldwin Road micro-seal and reconstruction, O-2 lift station upgrade at 3201 Oregon Street, Farmers Creek river bank erosion control, McCormick Street pump station replacement and Local Street improvements in TIFAs 1 and 3.
- Equipment purchases included 72" Scag Zero turn mower (\$12,048), Toro Turbine Debris Blower (\$6,800), Trackless Vehicle with Broom and Snowblower (\$25,350), AED replacement (\$5,672), Live Scan fingerprint system (\$15,670), 2018 John Deere backhoe 410L (\$117,230), Kyocera Taskalfa 4002i copier (\$6,328), Vactor sewer cleaning truck (\$435,505), two (2) 20018 Ford Police Interceptor Utility AWD (\$33,148 each), Street Scout speed trailer (\$5,843), fire Rescue equipment (\$45,000), Dell computer server (\$10,160), rear salt and sand spreader for Trackless vehicle (\$6,840), Cuda parts washer (\$5,500), 1999 KME Excel fire truck repairs (\$76,145), sewer video cable and system upgrade to 12 pin (\$13,334), GPS unit and data collector (\$28,683) and replacement of the electronic sign on M-24 (\$48,737).
- The City also purchased a vacant parcel of land on Clark Street for \$352,077.
- Dispositions included (sale price in parenthesis) Kyocera Mita copier (\$25), Kubota RTV 900 (\$7,401), 2010 Ford Crown Victoria (\$3,500) and 2004 Sterling Vactor truck (\$92,100).

Debt

At year-end, the City of Lapeer's total bonded debt outstanding was at \$11.5 million versus \$11.7 million last year - a decrease of \$193,670 or 1.6% - as shown in Table 3.

Table 3
Outstanding Debt at Year-End
(In Millions)

	Governmental Activities		Business-type Activities		Totals	
	2018	2017	2018	2017	2018	2017
General obligation bonds (backed by the City)	\$ 5.2	\$ 4.8	\$0.0	\$0.0	\$ 5.2	\$ 4.8
Special assessment bonds (with city commitment)	\$ 0.2	\$ 0.3	\$0.0	\$0.0	\$ 0.2	\$ 0.3
Revenue bonds and notes (backed by specific tax and fee revenues)	\$ 0.1	\$ 0.3	\$6.0	\$6.3	\$ 6.1	\$ 6.6
Totals	<u>\$ 5.4</u>	<u>\$ 5.4</u>	<u>\$6.0</u>	<u>\$6.3</u>	<u>\$11.5</u>	<u>\$11.7</u>

The City retired four debt issues: 2007 General Obligation Bond, 2007 Special Assessment Bond, 2008 Series A General Obligation Bond and 2008 Series A Special Assessment Bond and issued new debt of \$1,740,000 for the 2017 General Obligation Capital Improvement Bond.

None of the component units had any outstanding debt as of the year ended 06/30/2018.

The City's general obligation bond rating from Moody's Investor Services remained stable at A1 in the current year while the Standard & Poor's rating remained stable at A+. The State limits the amount of general obligation debt that cities can issue to 10 percent of State Equalized Value of all taxable property within the City's corporate limits. The City's outstanding general obligation debt is significantly below the current year \$31.0 million state-imposed limit.

Other obligations include accrued vacation and sick leave of \$505,695. More detailed information about the City's long-term liabilities is presented in Note 9 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The following factors were considered in preparing the City of Lapeer's budget for Fiscal Year 2017-2018:

- The unemployment rate for the County of Lapeer was at 4.4% for June 2018, an increase of 7.3% from the prior year-end unemployment rate of 4.1%.
- Inflationary trends and economic development in the region compare favorably to national indices.

The current year unassigned fund balance for the General Fund decreased from \$2,376,061 to \$2,222,568, a decrease of \$153,493 or 6.4%. In the prior year, the unassigned fund balance decreased from \$2,444,698 to \$2,376,061, a decrease of \$68,637 or 2.0%. The current year unassigned fund balance of \$2,222,568 is \$478,025 higher than the \$1,744,543 projected \$652,134 of fund balance in FY 2018-2019.

The City of Lapeer will return contributed capital of \$250,000 to the General Fund from the Wastewater Fund as part of the FY 2018-2019 budget. Additionally, the City maintained the same 9.80 property tax millage rate in the current year as in the prior year. Half of one mill of this millage rate is allocated to the Local Street Fund and half of one mill to the Capital Improvement Fund.

Requests for Information

This financial report is designed to provide a general overview of the City of Lapeer's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Lapeer, Director of Financial Services, 576 Liberty Park, Lapeer, MI 48446.

GENERAL PURPOSE FINANCIAL STATEMENTS

General purpose financial statements provide a summary overview of the financial position of all funds and account groups and of the operating results of all funds. They also serve as an introduction to the more detailed statements and schedules that follow.

CITY OF LAPEER, MICHIGAN
STATEMENT OF NET POSITION
JUNE 30, 2018

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMPONENT UNITS
ASSETS				
Cash	\$ 9,676,066	\$ 1,747,873	\$ 11,423,939	\$ 1,373,570
Investments	2,609,502	640,498	3,250,000	
Receivables				
Notes				180,000
Taxes	70,259		70,259	
Accounts	262,554	731,509	994,063	
Special assessments	871,413		871,413	
Deposits		900	900	
Due from				
Other funds	107,802	2,148,015	2,255,817	
State	422,287		422,287	
Other governmental units	10,432		10,432	3,717
Inventory	62,901	131,036	193,937	
Noncurrent assets				
Land held for investment	1,520,675	579,595	2,100,270	
Fixed assets not being depreciated	25,442,910	21,295	25,464,205	375,174
Fixed assets (net of accumulated depreciation)	<u>32,233,115</u>	<u>27,273,937</u>	<u>59,507,052</u>	<u>3,018,509</u>
TOTAL ASSETS	<u>73,289,916</u>	<u>33,274,658</u>	<u>106,564,574</u>	<u>4,950,970</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows - pension	695,053		695,053	
Prepaid expenses	<u>440,403</u>	<u>32,396</u>	<u>472,799</u>	
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>1,135,456</u>	<u>32,396</u>	<u>1,167,852</u>	
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 74,425,372</u>	<u>\$ 33,307,054</u>	<u>\$ 107,732,426</u>	<u>\$ 4,950,970</u>

See accompanying notes to financial statements.

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMPONENT UNITS
LIABILITIES				
Current liabilities				
Payables				
Accounts	\$ 1,040,715	\$ 565,748	\$ 1,606,463	\$ 4,188
Payroll and payroll taxes	124,274	49,021	173,295	
Due to				
Other units	57,979		57,979	
Other funds	2,148,015		2,148,015	
Accrued interest	67,628		67,628	
Deposits payable	236,950	3,580	240,530	5,314
Bonds and notes payable	1,576,322	360,000	1,936,322	
Accrued sick and vacation pay	91,466	36,466	127,932	
Noncurrent liabilities				
Bonds and notes payable	3,960,000	5,581,650	9,541,650	
Net Pension liability	7,700,388		7,700,388	
Net OPEB liability	12,322,595	3,261,823	15,584,418	
Accrued sick and vacation pay	414,229		414,229	
TOTAL LIABILITIES	<u>29,740,561</u>	<u>9,858,288</u>	<u>39,598,849</u>	<u>9,502</u>
DEFERRED INFLOWS OF RESOURCES				
Pension	956,420		956,420	
OPEB	6,152,670	1,628,628	7,781,298	
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>7,109,090</u>	<u>1,628,628</u>	<u>8,737,718</u>	
NET POSITION				
Net investment in capital assets				
Unrestricted	52,139,703	21,353,582	73,493,285	3,393,683
	<u>(14,563,982)</u>	<u>466,556</u>	<u>(14,097,426)</u>	<u>1,547,785</u>
TOTAL NET POSITION	<u>37,575,721</u>	<u>21,820,138</u>	<u>59,395,859</u>	<u>4,941,468</u>
TOTAL LIABILITIES DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 74,425,372</u>	<u>\$ 33,307,054</u>	<u>\$ 107,732,426</u>	<u>\$ 4,950,970</u>

CITY OF LAPEER, MICHIGAN
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

		PROGRAM REVENUES	
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS
FUNCTIONS/PROGRAMS			
Primary Government			
Governmental Activities			
General government	\$ 3,052,503	\$ 947,134	\$ 517,460
Public safety	3,770,765	469,137	36,782
Public works	841,169		
Community development and enrichment	1,147,075	251,322	302,784
Highways and streets	2,640,588		1,258,033
Culture and recreation	1,920,207	1,176,387	191,573
Other	912,471	53	
Interest on long-term debt	245,845		
Total Governmental Activities	<u>14,530,623</u>	<u>2,844,033</u>	<u>2,306,632</u>
Business-Type Activities			
Water	2,922,655	3,130,172	14,967
Wastewater	4,442,691	4,413,423	828,916
Auto parking	19,623	3,350	12,943
Total Business-Type Activities	<u>7,384,969</u>	<u>7,546,945</u>	<u>856,826</u>
Total Primary Government	<u>\$ 21,915,592</u>	<u>\$ 10,390,978</u>	<u>\$ 3,163,458</u>
Component Units			
Tax Increment Finance Authority	\$ 2,036,732	\$	\$
Brownfield Redevelopment	2,679		
Downtown Development Authority	237,909		108,843
Local Development Finance Authority	367,305		
Economic Development Corporation	250		
Total Component Units	<u>\$ 2,644,875</u>	<u>\$</u>	<u>\$ 108,843</u>

General Revenues

Property taxes levied for general purposes
Miscellaneous
State revenue sharing
Gain on sale of fixed assets
Unrestricted investment earnings
Transfers

Total General Revenues and Transfers

Change in Net Position

Restated Net Position, July 1

Net Position, June 30

See accompanying notes to financial statements.

NET (EXPENSE) REVENUE AND
CHANGES IN NET POSITION

PROGRAM REVENUES CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT			COMPONENT UNITS
	GOVERNMENTAL ACTIVITIES	BUSINESS - TYPE ACTIVITIES	TOTAL	
\$	\$ (1,587,909)	\$	\$ (1,587,909)	\$
	(3,264,846)		(3,264,846)	
	(841,169)		(841,169)	
	(592,969)		(592,969)	
	(1,382,555)		(1,382,555)	
	(552,247)		(552,247)	
	(912,418)		(912,418)	
	(245,845)		(245,845)	
	<u>(9,379,958)</u>		<u>(9,379,958)</u>	
		222,484	222,484	
		799,648	799,648	
		(3,330)	(3,330)	
		<u>1,018,802</u>	<u>1,018,802</u>	
\$	<u>(9,379,958)</u>	<u>1,018,802</u>	<u>(8,361,156)</u>	
\$				(2,036,732)
				(2,679)
				(129,066)
				(367,305)
				<u>(250)</u>
\$				<u>(2,536,032)</u>
	7,964,878		7,964,878	1,588,463
	1,542,053	16,063	1,558,116	92,443
	794,354		794,354	
		53,037	53,037	
	86,979	12,621	99,600	3,692
	<u>1,995,820</u>	<u>(518,236)</u>	<u>1,477,584</u>	
	<u>12,384,084</u>	<u>(436,515)</u>	<u>11,947,569</u>	<u>1,684,598</u>
	3,004,126	582,287	3,586,413	(851,434)
	<u>34,571,595</u>	<u>21,237,851</u>	<u>55,809,446</u>	<u>5,792,902</u>
\$	<u>37,575,721</u>	\$ <u>21,820,138</u>	\$ <u>59,395,859</u>	\$ <u>4,941,468</u>

CITY OF LAPEER, MICHIGAN

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2018

	GENERAL	MAJOR STREET	PARKS AND RECREATION
ASSETS			
Cash	\$ 1,461,308	\$ 775,300	\$ 410,746
Investments	930,123	462,874	
Receivables			
Taxes	70,259		
Accounts	129,000	15,817	17,749
Special assessments		121,290	
Due from			
Other funds		2,263	
State	262,537	122,794	
Other governmental units	10,432		
Inventory	23,211		
Land held for investment			
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	2,886,870	1,500,338	428,495
DEFERRED OUTFLOWS OF RESOURCES			
Prepaid expenses	<hr/>	<hr/>	<hr/>
	96,295	6,108	13,105
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ <u>2,983,165</u>	\$ <u>1,506,446</u>	\$ <u>441,600</u>

See accompanying notes to financial statements.

2009 GENERAL OBLIGATION LIMITED TAX BOND	LAND ACQUISITION	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 3,697,544	\$ 1,056,645 630,846	\$ 1,862,244 585,659	\$ 9,263,787 2,609,502
			70,259
721,826		94,323 28,297	256,889 871,413
102,636		2,903 36,956	107,802 422,287
<hr/>	<hr/>	<hr/>	<hr/>
4,522,006	1,520,675 3,208,166	2,610,382	1,520,675 15,156,257
<hr/>	<hr/>	<hr/>	<hr/>
750		313,851	430,109
<hr/>	<hr/>	<hr/>	<hr/>
<u>\$ 4,522,756</u>	<u>\$ 3,208,166</u>	<u>\$ 2,924,233</u>	<u>\$ 15,586,366</u>

CITY OF LAPEER, MICHIGAN
BALANCE SHEET
GOVERNMENTAL FUNDS - Concluded
JUNE 30, 2018

	GENERAL	MAJOR STREET	PARKS AND RECREATION
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE			
LIABILITIES			
Payables			
Accounts	\$ 122,726	\$ 311,872	\$ 96,085
Payroll and payroll taxes	94,436	1,774	19,313
Due to			
Other units	57,979		
Other funds			
Deposits payable	<u>236,950</u>		
TOTAL LIABILITIES	<u>512,091</u>	<u>313,646</u>	<u>115,398</u>
DEFERRED INFLOWS OF RESOURCES			
Special assessment deferred revenue		<u>121,290</u>	
FUND BALANCE			
Nonspendable for receivables	129,000		
Nonspendable for prepaid expenses	96,295		
Nonspendable for inventory	23,211		
Restricted for debt service			
Committed for cemetery perpetual care			
Assigned			
Special revenue funds		1,071,510	326,202
Capital projects funds			
Permanent fund			
Unassigned, reported in			
General fund	<u>2,222,568</u>		
TOTAL FUND BALANCE	<u>2,471,074</u>	<u>1,071,510</u>	<u>326,202</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 2,983,165</u>	<u>\$ 1,506,446</u>	<u>\$ 441,600</u>

See accompanying notes to financial statements.

2009 GENERAL OBLIGATION LIMITED TAX BOND	LAND ACQUISITION	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$	\$	\$ 458,910	\$ 989,593
		5,352	120,875
	2,148,015		57,979
			2,148,015
			236,950
<hr/>	<hr/>	<hr/>	<hr/>
	2,148,015	464,262	3,553,412
<hr/>	<hr/>	<hr/>	<hr/>
721,826		28,297	871,413
			129,000
			96,295
			23,211
3,800,930		295,311	4,096,241
		9,912	9,912
		1,648,576	3,046,288
	1,060,151	477,534	1,537,685
		341	341
			2,222,568
<hr/>	<hr/>	<hr/>	<hr/>
3,800,930	1,060,151	2,431,674	11,161,541
<hr/>	<hr/>	<hr/>	<hr/>
\$ 4,522,756	\$ 3,208,166	\$ 2,924,233	\$ 15,586,366

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CITY OF LAPEER, MICHIGAN
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
JUNE 30, 2018

Total fund balances - governmental funds		\$ 11,161,541
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$89,690,068 and the accumulated depreciation is \$33,764,448.		
Internal fixed assets	\$ 55,925,620 <u>1,750,405</u>	57,676,025
An internal service fund is used by the City's management to charge the costs of vehicle use to the individual funds. The assets and liabilities of the internal service fund are included with governmental activities.		
		413,407
Net pension liability is not due and payable in the current period and is not reported in the funds		
		(7,700,388)
Certain pension contributions and changes in pension plan net position are reported as deferred outflows (inflows) of resources in the statement of net position, but are reported as expenses in the governmental funds		
		(261,367)
Retiree health insurance earned by eligible employees is not payable in the current period and therefore is not reported in the funds. However, these amounts are included in the statement of net position.		
Total other postemployment benefit liability	\$ (12,322,595)	
Deferred inflow related to OPEB	<u>(6,152,670)</u>	(18,475,265)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported as liabilities in the funds.		
Long-term liabilities at year-end consist of:		
Accrued interest	\$ 67,628	
Bonds and notes payable	5,536,322	
Compensated absences	<u>505,695</u>	(6,109,645)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
		<u>871,413</u>
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES		\$ <u><u>37,575,721</u></u>

See accompanying notes to financial statements.

CITY OF LAPEER, MICHIGAN

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2018

	GENERAL	MAJOR STREET	PARKS AND RECREATION
REVENUES			
Taxes and special assessments	\$ 6,111,220	\$	\$
Licenses and permits	52,990		
Intergovernmental	993,334	971,527	
Charges for services	1,416,271		1,138,002
Fines and forfeits	37,378		
Interest and rentals	163,335	5,539	53,443
Contribution from component units	504,790	2,919	191,573
Other revenues	<u>218,800</u>	<u>76,608</u>	<u>18,705</u>
TOTAL REVENUES	<u>9,498,118</u>	<u>1,056,593</u>	<u>1,401,723</u>
EXPENDITURES			
General government	1,851,196		
Public safety	4,060,764		
Public works	838,240		
Culture and recreation			1,866,695
Health and welfare			
Community development and enrichment	711,264		
Debt service			
Principal retirement			
Interest and fiscal charges			
Other	1,050,467		
Highways and streets		1,512,780	
Capital outlay			
TOTAL EXPENDITURES	<u>8,511,931</u>	<u>1,512,780</u>	<u>1,866,695</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>986,187</u>	<u>(456,187)</u>	<u>(464,972)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds of bond issues and loans			
Operating transfers in	390,944	1,589,300	500,000
Operating transfers out	<u>(1,500,111)</u>	<u>(159,976)</u>	<u>(10,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,109,167)</u>	<u>1,429,324</u>	<u>490,000</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(122,980)	973,137	25,028
FUND BALANCE, JULY 1	<u>2,594,054</u>	<u>98,373</u>	<u>301,174</u>
FUND BALANCE, JUNE 30	\$ <u><u>2,471,074</u></u>	\$ <u><u>1,071,510</u></u>	\$ <u><u>326,202</u></u>

2009 GENERAL OBLIGATION LIMITED TAX BOND	LAND ACQUISITION	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 837,570	\$	\$ 22,854	\$ 6,971,644
			52,990
		402,764	2,367,625
		289,707	2,843,980
			37,378
5,697	8,324	9,042	245,380
	348,098	1,057,222	1,756,504
<u>843,267</u>	<u>356,422</u>	<u>385,848</u>	<u>1,048,059</u>
			1,851,196
		46,736	4,107,500
			838,240
			1,866,695
		157,583	157,583
		487,039	1,198,303
610,000		973,670	1,583,670
38,543		163,020	201,563
	50,908	39,935	1,141,310
		785,156	2,297,936
		36,111	36,111
<u>648,543</u>	<u>50,908</u>	<u>2,689,250</u>	<u>15,280,107</u>
<u>194,724</u>	<u>305,514</u>	<u>(521,813)</u>	<u>43,453</u>
		1,740,000	1,740,000
117,126		1,966,889	4,564,259
(369,900)	(164,901)	(1,928,551)	(4,133,439)
<u>(252,774)</u>	<u>(164,901)</u>	<u>1,778,338</u>	<u>2,170,820</u>
(58,050)	140,613	1,256,525	2,214,273
<u>3,858,980</u>	<u>919,538</u>	<u>1,175,149</u>	<u>8,947,268</u>
<u>\$ 3,800,930</u>	<u>\$ 1,060,151</u>	<u>\$ 2,431,674</u>	<u>\$ 11,161,541</u>

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CITY OF LAPEER, MICHIGAN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

Net changes in fund balances - total governmental funds	\$	2,214,273
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.</p>		
Expenditures for capital assets		3,022,328
Less: current year depreciation		(2,814,226)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(886,757)
<p>Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which proceeds exceeded repayments.</p>		
Unfunded retiree health insurance		1,198,392
Accrued interest		(44,282)
Principal payments		(156,330)
<p>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 governmental funds.</p>		
Change in long-term compensated absences		27,236
Increase in pension liability reported in the statement of activities does not require the use of resources, and therefore is not reported in the fund statements until it comes due for payment		732,823
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. The net (expense) of the internal service funds is reported with governmental activities.</p>		
		<u>(289,331)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u><u>3,004,126</u></u>

See accompanying notes to financial statements.

CITY OF LAPEER, MICHIGAN

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

JUNE 30, 2018

WITH COMPARATIVE TOTALS FOR JUNE 30, 2017

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS	
	AUTO PARKING	WASTE WATER TREATMENT PLANT
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 185,255	\$ 1,072,814
Investments		640,498
Accounts receivable		456,666
Deposits		900
Inventory		
Land held for investment		579,595
Due from other funds		933,653
	<u>185,255</u>	<u>3,684,126</u>
TOTAL CURRENT ASSETS	<u>185,255</u>	<u>3,684,126</u>
PROPERTY, PLANT AND EQUIPMENT		
Construction in progress		170,900
Land and improvements	1,298,101	436,664
Buildings and structures		19,444,057
Infrastructure		11,520,078
Vehicles and equipment		1,331,780
	<u>1,298,101</u>	<u>32,903,479</u>
Less: accumulated depreciation	620,105	14,250,188
	<u>677,996</u>	<u>18,653,291</u>
NET PROPERTY, PLANT AND EQUIPMENT	<u>677,996</u>	<u>18,653,291</u>
TOTAL ASSETS	<u>863,251</u>	<u>22,337,417</u>
DEFERRED OUTFLOWS OF RESOURCES		
Prepaid expenses		22,400
	<u>22,400</u>	<u>22,400</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 863,251</u>	<u>\$ 22,359,817</u>

BUSINESS-TYPE ACTIVITIES
ENTERPRISE FUNDS

GOVERNMENTAL
ACTIVITIES

WATER SUPPLY	TOTAL		INTERNAL SERVICE FUNDS	
	2018	2017 (RESTATED)	2018	2017
\$ 489,804	\$ 1,747,873	\$ 1,724,267	\$ 412,279	\$ 716,453
	640,498	378,350		
274,843	731,509	736,931	5,665	
	900	900		
131,036	131,036	126,981	39,690	45,136
	579,595	579,595		
<u>1,214,362</u>	<u>2,148,015</u>	<u>2,148,015</u>		
<u>2,110,045</u>	<u>5,979,426</u>	<u>5,695,039</u>	<u>457,634</u>	<u>761,589</u>
	170,900	312,992		
69,850	1,804,615	1,804,615	22,328	22,328
228,512	19,672,569	19,672,569		
13,109,639	24,629,717	23,957,285		
<u>294,945</u>	<u>1,626,725</u>	<u>1,695,865</u>	<u>4,233,721</u>	<u>3,541,104</u>
13,702,946	47,904,526	47,443,326	4,256,049	3,563,432
<u>5,739,001</u>	<u>20,609,294</u>	<u>19,601,530</u>	<u>2,505,644</u>	<u>2,310,988</u>
<u>7,963,945</u>	<u>27,295,232</u>	<u>27,841,796</u>	<u>1,750,405</u>	<u>1,252,444</u>
10,073,990	33,274,658	33,536,835	2,208,039	2,014,033
<u>9,996</u>	<u>32,396</u>	<u>30,623</u>	<u>10,294</u>	<u>5,033</u>
<u>\$ 10,083,986</u>	<u>\$ 33,307,054</u>	<u>\$ 33,567,458</u>	<u>\$ 2,218,333</u>	<u>\$ 2,019,066</u>

CITY OF LAPEER, MICHIGAN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS - Concluded
JUNE 30, 2018
WITH COMPARATIVE TOTALS FOR JUNE 30, 2017

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS	
	AUTO PARKING	WASTE WATER TREATMENT PLANT
LIABILITIES, NET POSITION AND CONTRIBUTED CAPITAL		
CURRENT LIABILITIES		
Accounts payable	\$	\$ 302,175
Accrued payroll and related items		16,098
Performance bonds payable		
Accrued vacation		36,466
Bonds payable		360,000
TOTAL CURRENT LIABILITIES		714,739
LONG-TERM LIABILITIES		
Net OPEB liability	345,742	2,142,245
Bonds payable		5,581,650
TOTAL LONG-TERM LIABILITIES	345,742	7,723,895
TOTAL LIABILITIES	345,742	8,438,634
DEFERRED INFLOWS OF RESOURCES		
Deferred other postemployment benefit amounts	172,629	1,069,623
NET POSITION AND CONTRIBUTED CAPITAL		
CONTRIBUTED CAPITAL		
Municipality	330,000	
Federal		57,387
TOTAL CONTRIBUTED CAPITAL	330,000	57,387
NET POSITION		
Invested in capital assets, net of related debt	677,996	12,711,641
Restricted for		
Prepaid expenses		22,400
Inventory		
Unrestricted	(663,116)	60,132
TOTAL NET POSITION	14,880	12,794,173
TOTAL NET POSITION AND CONTRIBUTED CAPITAL	344,880	12,851,560
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, NET POSITION AND CONTRIBUTED CAPITAL	\$ 863,251	\$ 22,359,817

See accompanying notes to financial statements.

BUSINESS-TYPE ACTIVITIES
ENTERPRISE FUNDS

GOVERNMENTAL
ACTIVITIES

WATER SUPPLY	TOTAL		INTERNAL SERVICE FUNDS	
	2018	2017 (RESTATED)	2018	2017
\$ 263,573	\$ 565,748	\$ 763,687	\$ 51,122	\$ 60,574
32,923	49,021	21,345	3,399	3,310
3,580	3,580	2,330		
	36,466			
	<u>360,000</u>	<u>350,000</u>		
<u>300,076</u>	<u>1,014,815</u>	<u>1,137,362</u>	<u>54,521</u>	<u>63,884</u>
773,836	3,261,823	5,250,595		
	<u>5,581,650</u>	<u>5,941,650</u>		
<u>773,836</u>	<u>8,843,473</u>	<u>11,192,245</u>		
<u>1,073,912</u>	<u>9,858,288</u>	<u>12,329,607</u>	<u>54,521</u>	<u>63,884</u>
<u>386,376</u>	<u>1,628,628</u>			
	330,000	330,000		
	<u>57,387</u>	<u>303,693</u>		
	<u>387,387</u>	<u>633,693</u>		
7,963,945	21,353,582	21,550,146	1,750,405	1,252,444
9,996	32,396	30,623	10,294	5,033
131,036	131,036	126,981	39,690	45,136
<u>518,721</u>	<u>(84,263)</u>	<u>(1,103,592)</u>	<u>363,423</u>	<u>652,569</u>
<u>8,623,698</u>	<u>21,432,751</u>	<u>20,604,158</u>	<u>2,163,812</u>	<u>1,955,182</u>
<u>8,623,698</u>	<u>21,820,138</u>	<u>21,237,851</u>	<u>2,163,812</u>	<u>1,955,182</u>
<u>\$ 10,083,986</u>	<u>\$ 33,307,054</u>	<u>\$ 33,567,458</u>	<u>\$ 2,218,333</u>	<u>\$ 2,019,066</u>

CITY OF LAPEER, MICHIGAN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2017

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS	
	AUTO PARKING	WASTE WATER TREATMENT PLANT
OPERATING REVENUES		
Charges for services	\$ 3,350	\$ 4,413,423
Miscellaneous		8,032
Intergovernmental	12,943	828,916
Equipment rentals		
	16,293	5,250,371
OPERATING EXPENSES		
Salaries and wages	4,489	596,793
Fringe benefits	20,659	572,426
Fringe benefits - OPEB changes	(38,174)	(236,529)
Office supplies		12,616
Operating supplies		131,366
Administrative fees		270,721
Professional and contractual services		52,872
Printing		1,804
Insurance and bonds		37,392
Public utilities		186,425
Repairs and maintenance		135,825
Rentals	7,379	126,168
Miscellaneous		13,657
Property taxes		110,175
Special assessment		544,829
Depreciation	25,270	784,795
Capital outlay		946,831
Conferences		1,609
	19,623	4,289,775
OPERATING INCOME (LOSS)	(3,330)	960,596
NONOPERATING REVENUES (EXPENSES)		
Interest earned	903	8,333
Gain on sale of fixed assets		53,037
Interest expense		(152,916)
	903	(91,546)

BUSINESS-TYPE ACTIVITIES
ENTERPRISE FUNDS

GOVERNMENTAL ACTIVITIES

WATER SUPPLY	TOTAL		INTERNAL SERVICE FUNDS	
	2018	2017 (RESTATED)	2018	2017
\$ 3,130,172	\$ 7,546,945	\$ 7,336,656	\$	\$
8,031	16,063	15,770		
14,967	856,826	566,905		
			1,033,124	1,134,616
<u>3,153,170</u>	<u>8,419,834</u>	<u>7,919,331</u>	<u>1,033,124</u>	<u>1,134,616</u>
277,888	879,170	803,971	123,156	121,810
245,564	838,649	950,505	100,000	121,330
(85,441)	(360,144)			
13,711	26,327	25,761	961	1,059
1,538,224	1,669,590	1,591,093	235,535	231,091
282,940	553,661	532,938	23,090	21,699
49,936	102,808	687,214	14,923	8,085
1,799	3,603	3,563		
6,757	44,149	42,763	72,535	47,813
18,731	205,156	193,212	25,427	24,526
15,761	151,586	71,494	97,925	102,428
112,178	245,725	325,786	4,487	5,154
34,528	48,185	16,473	2,417	2,083
48,117	158,292	158,835		
83,388	628,217	658,034		
276,864	1,086,929	1,078,298	234,778	208,444
320	947,151	24,163	28,388	12,823
1,390	2,999	4,093	1,356	
<u>2,922,655</u>	<u>7,232,053</u>	<u>7,168,196</u>	<u>964,978</u>	<u>908,345</u>
<u>230,515</u>	<u>1,187,781</u>	<u>751,135</u>	<u>68,146</u>	<u>226,271</u>
3,385	12,621	5,862	3,065	2,454
	53,037		50,003	68,012
	(152,916)	(161,519)		
<u>3,385</u>	<u>(87,258)</u>	<u>(155,657)</u>	<u>53,068</u>	<u>70,466</u>

CITY OF LAPEER, MICHIGAN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS - Concluded
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2017

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS	
	AUTO PARKING	WASTE WATER TREATMENT PLANT
INCOME (LOSS) BEFORE OPERATING TRANSFERS	\$ (2,427)	\$ 869,050
OPERATING TRANSFERS		
Operating transfers in	36,499	
Operating transfers out		(418,043)
	34,072	451,007
NET INCOME (LOSS)	34,072	451,007
RESTATED NET POSITION, JULY 1	(19,192)	12,096,860
ADD DEPRECIATION OF FIXED ASSETS ACQUIRED BY GRANTS, ENTITLEMENTS AND SHARED REVENUE EXTERNALLY RESTRICTED FOR CAPITAL ACQUISITIONS AND CONSTRUCTION THAT REDUCES CONTRIBUTED CAPITAL		246,306
NET POSITION, JUNE 30	\$ 14,880	\$ 12,794,173

BUSINESS-TYPE ACTIVITIES
ENTERPRISE FUNDS

GOVERNMENTAL ACTIVITIES

WATER SUPPLY	2018	TOTAL	2017 (RESTATED)	INTERNAL SERVICE FUNDS 2018	2017
\$ 233,900	\$ 1,100,523	\$	595,478	\$ 121,214	\$ 296,737
(136,692)	36,499 (554,735)	46,398 (468,097)	187,416 (100,000)	10,000 (185,000)	
97,208	582,287	173,779	208,630	121,737	
8,526,490	20,604,158	20,184,073	1,955,182	1,833,445	
<u> </u>	<u>246,306</u>	<u>246,306</u>	<u> </u>	<u> </u>	<u> </u>
<u>\$ 8,623,698</u>	<u>\$ 21,432,751</u>	<u>\$ 20,604,158</u>	<u>\$ 2,163,812</u>	<u>\$ 1,955,182</u>	

CITY OF LAPEER, MICHIGAN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2017

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS	
	AUTO PARKING	WASTEWATER TREATMENT PLANT
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 3,350	\$ 4,499,852
Cash received from intergovernmental activity	12,943	828,916
Cash received from interfund charges		
Cash payment for goods and services	(7,379)	(2,848,648)
Cash payment for employees	<u>(25,147)</u>	<u>(1,131,275)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>(16,233)</u>	<u>1,348,845</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating transfers in	36,499	
Operating transfers out		<u>(418,043)</u>
NET CASH PROVIDED BY (USED IN) NON- CAPITAL FINANCING ACTIVITIES	<u>36,499</u>	<u>(418,043)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Payment for capital acquisitions		(343,454)
Principal payments		(350,000)
Sale of capital assets		90,106
(Increase) decrease in investments		(262,148)
Interest and fiscal charges paid		<u>(152,916)</u>
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES		<u>(1,018,412)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	<u>903</u>	<u>8,333</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	21,169	(79,277)
CASH AND CASH EQUIVALENTS, JULY 1	<u>164,086</u>	<u>1,152,091</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u><u>\$ 185,255</u></u>	<u><u>\$ 1,072,814</u></u>

BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES	
WATER SUPPLY	2018	TOTAL	INTERNAL SERVICE FUNDS	
		2017 (RESTATED)	2018	2017
\$ 3,436,938	\$ 7,940,140	\$ 7,399,030	\$	\$
14,967	856,826	566,905		
(2,505,649)	(5,361,676)	(3,913,351)	1,033,124	1,134,616
(497,253)	(1,653,675)	(1,687,722)	(471,885)	(448,706)
			(223,156)	(242,387)
<u>449,003</u>	<u>1,781,615</u>	<u>2,364,862</u>	<u>338,083</u>	<u>443,523</u>
	36,499	46,398	187,416	10,000
<u>(136,692)</u>	<u>(554,735)</u>	<u>(468,097)</u>	<u>(100,000)</u>	<u>(185,000)</u>
<u>(136,692)</u>	<u>(518,236)</u>	<u>(421,699)</u>	<u>87,416</u>	<u>(175,000)</u>
(233,982)	(577,436)	(796,193)	(732,739)	(486,163)
	(350,000)	(345,000)		75,381
	90,106			
	(262,148)			
	(152,916)	(161,519)		
<u>(233,982)</u>	<u>(1,252,394)</u>	<u>(1,302,712)</u>	<u>(732,739)</u>	<u>(410,782)</u>
<u>3,385</u>	<u>12,621</u>	<u>5,862</u>	<u>3,066</u>	<u>2,453</u>
81,714	23,606	646,313	(304,174)	(139,806)
<u>408,090</u>	<u>1,724,267</u>	<u>1,077,954</u>	<u>716,453</u>	<u>856,259</u>
<u>\$ 489,804</u>	<u>\$ 1,747,873</u>	<u>\$ 1,724,267</u>	<u>\$ 412,279</u>	<u>\$ 716,453</u>

CITY OF LAPEER, MICHIGAN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - Concluded
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2017

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS	
	AUTO PARKING	WASTEWATER TREATMENT PLANT
RECONCILIATION OF OPERATING INCOME (LOSS)		
TO NET CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Operating income (loss)	\$ <u>(3,330)</u>	\$ <u>960,596</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Depreciation	25,270	784,795
Gain on sale of fixed assets		
Retiree health insurance	(38,173)	(236,529)
(Increase) decrease in inventory		
(Increase) decrease in accounts receivable		(17,004)
(Increase) decrease in prepaid expenses		(1,218)
Increase (decrease) in accounts payable		(179,739)
Increase (decrease) in accrued expenses		37,944
Increase (decrease) in performance bonds payable	<u> </u>	<u> </u>
Total adjustments	<u>(12,903)</u>	<u>388,249</u>
NET CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES	<u>\$ (16,233)</u>	<u>\$ 1,348,845</u>

BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS	
WATER SUPPLY	2018	TOTAL 2017 (RESTATED)	2018	2017
\$ <u>230,515</u>	\$ <u>1,187,781</u>	\$ <u>751,135</u>	\$ <u>68,146</u>	\$ <u>226,271</u>
276,864	1,086,929	1,078,298	234,778	208,444
(85,441)	(360,143)	186,580	50,003	
(4,054)	(4,054)	(61,229)	5,446	
22,426	5,422	(16,618)	(5,665)	3,019
(555)	(1,773)	(2,398)	(5,261)	(288)
(18,200)	(197,939)	422,139	(9,453)	5,324
26,198	64,142	4,625	89	753
<u>1,250</u>	<u>1,250</u>	<u>2,330</u>		
<u>218,488</u>	<u>593,834</u>	<u>1,613,727</u>	<u>269,937</u>	<u>217,252</u>
\$ <u><u>449,003</u></u>	\$ <u><u>1,781,615</u></u>	\$ <u><u>2,364,862</u></u>	\$ <u><u>338,083</u></u>	\$ <u><u>443,523</u></u>

CITY OF LAPEER, MICHIGAN
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2017

	PAYROLL CLEARING	TAX COLLECTION	EMPLOYEE HEALTH CARE	TOTAL
ASSETS				
Cash	\$ 141,228	\$	\$ 191,053	\$ 332,281
Investment			1,455,618	1,455,618
Accounts receivable		107,802		107,802
Prepaid expenses			53,935	53,935
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 141,228</u>	<u>\$ 107,802</u>	<u>\$ 1,700,606</u>	<u>\$ 1,949,636</u>
 LIABILITIES AND NET POSITION				
LIABILITIES				
Accounts payable	\$ 141,228	\$	\$	\$ 141,228
Undistributed taxes				
Due to other funds		107,802		107,802
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>141,228</u>	<u>107,802</u>	<u> </u>	<u>249,030</u>
 NET POSITION				
Net position - Restricted for OPEB			1,700,606	1,700,606
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 141,228</u>	<u>\$ 107,802</u>	<u>\$ 1,700,606</u>	<u>\$ 1,949,636</u>

CITY OF LAPEER, MICHIGAN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2018

	EMPLOYEE HEALTH CARE
ADDITIONS	
Net change in fair value	\$ 131,265
CONTRIBUTIONS	
Employer	<u>845,240</u>
Total net additions	<u>976,505</u>
DEDUCTIONS	
Benefit payments	645,010
Administrative expenses and other	<u>4,081</u>
Total deductions	<u>649,091</u>
CHANGE IN NET POSITION	327,414
NET POSITION - RESTRICTED FOR OPEB	
NET POSITION, JULY 1	<u>1,373,192</u>
NET POSITION, JUNE 30	<u><u>\$ 1,700,606</u></u>

CITY OF LAPEER, MICHIGAN
STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
JUNE 30, 2018

	DOWNTOWN DEVELOPMENT AUTHORITY	BROWNFIELD REDEVELOPMENT
ASSETS		
Cash	\$ 86,167	\$ 1,118
Account receivable		
Note receivable		
Due from other units	1,294	
Capital assets not being depreciated	154,000	
Capital assets (net of accumulated depreciation)	<u>534,323</u>	<u> </u>
TOTAL ASSETS	\$ <u><u>775,784</u></u>	\$ <u><u>1,118</u></u>
 LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable	\$ <u> </u>	\$ <u> </u>
Security deposits payable	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u> </u>	<u> </u>
 NET POSTION		
Net investment in capital assets	688,323	
Assigned	<u>87,461</u>	<u>1,118</u>
TOTAL NET POSITION	<u>775,784</u>	<u>1,118</u>
TOTAL LIABILITIES AND NET POSITION	\$ <u><u>775,784</u></u>	\$ <u><u>1,118</u></u>

See accompanying notes to financial statements.

TAX INCREMENT FINANCE AUTHORITY	ECONOMIC DEVELOPMENT CORPORATION	LOCAL DEVELOPMENT FINANCE AUTHORITY	TOTAL
\$ 855,997	\$ 4,318	\$ 425,970	\$ 1,373,570
180,000			180,000
2,423			3,717
14,400		206,774	375,174
<u>2,484,186</u>	<u> </u>	<u> </u>	<u>3,018,509</u>
\$ <u><u>3,537,006</u></u>	\$ <u><u>4,318</u></u>	\$ <u><u>632,744</u></u>	\$ <u><u>4,950,970</u></u>
\$ <u>5,314</u>	\$ <u> </u>	\$ <u>4,188</u>	\$ <u>4,188</u>
<u>5,314</u>	<u> </u>	<u>4,188</u>	<u>9,502</u>
2,498,586		206,774	3,393,683
<u>1,033,106</u>	<u>4,318</u>	<u>421,782</u>	<u>1,547,785</u>
<u>3,531,692</u>	<u>4,318</u>	<u>628,556</u>	<u>4,941,468</u>
\$ <u><u>3,537,006</u></u>	\$ <u><u>4,318</u></u>	\$ <u><u>632,744</u></u>	\$ <u><u>4,950,970</u></u>

CITY OF LAPEER, MICHIGAN
STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2018

		PROGRAM REVENUES	
EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
Component Units			
Tax Increment Finance Authority	\$ 2,036,732	\$	\$
Brownfield Redevelopment	2,679		
Downtown Development Authority	237,909		108,843
Local Development Finance Authority	367,305		
Economic Development Corporation	250		
Total Component Units	\$ 2,644,875	\$	\$ 108,843
General Revenues			
Property taxes			
Miscellaneous			
Unrestricted investment earnings			
Total General Revenues			
Change in Net Position			
NET POSITION, JULY 1			
NET POSITION, JUNE 30			

NET (EXPENSE) REVENUE AND
CHANGES IN NET POSITION

DOWNTOWN DEVELOPMENT AUTHORITY	BROWNFIELD REDEVELOPMENT	TAX INCREMENT FINANCE AUTHORITY	ECONOMIC DEVELOPMENT CORPORATION	LOCAL DEVELOPMENT FINANCE AUTHORITY	TOTAL
\$ (129,066)	\$ (2,679)	\$ (2,036,732)	\$	\$	\$ (2,036,732)
					(2,679)
					(129,066)
				(367,305)	(367,305)
			(250)		(250)
<u>(129,066)</u>	<u>(2,679)</u>	<u>(2,036,732)</u>	<u>(250)</u>	<u>(367,305)</u>	<u>(2,536,032)</u>
89,876	2,709	1,158,667		337,211	1,588,463
48,977		43,466			92,443
197		2,821	3	671	3,692
<u>139,050</u>	<u>2,709</u>	<u>1,204,954</u>	<u>3</u>	<u>337,882</u>	<u>1,684,598</u>
9,984	30	(831,778)	(247)	(29,423)	(851,434)
<u>765,800</u>	<u>1,088</u>	<u>4,363,470</u>	<u>4,565</u>	<u>657,979</u>	<u>5,792,902</u>
<u>\$ 775,784</u>	<u>\$ 1,118</u>	<u>\$ 3,531,692</u>	<u>\$ 4,318</u>	<u>\$ 628,556</u>	<u>\$ 4,941,468</u>

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CITY OF LAPEER, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Lapeer was incorporated as a City in 1869. The City of Lapeer has operated since 1919 under a Council-Manager form of government and provides the following services: public safety, highways and streets, water, sanitation, recreation, public improvements, planning, zoning, and general administrative services.

The accounting policies of the City of Lapeer conform to U.S. generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

Reporting Entity

All funds and account groups under direct control of the City, except for the Lapeer Housing Commission, are included in this report. A separate audit report is prepared by other auditors for this component unit of the City of Lapeer financial reporting entity. These funds and account groups are those which meet the criteria established by Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*, and *Statement on Michigan Governmental Accounting and Auditing No.5*.

The criteria established by GASB for determining which of the City's various Entities and activities are to be included in the reporting entity's financial statements include oversight responsibility, scope of public service, and special financial relationships. On this basis, the financial statements of certain other governmental Entities are not included in the financial statements of the City.

Discretely Presented Component Units

The following entities are listed as discretely presented component units of the City in the component unit column to emphasize their legally separate status from the primary government. The City is financially accountable, and exclusion from the general-purpose financial statements would be misleading or incomplete.

Downtown Development Authority
Tax Increment Finance Authority
Economic Development Corporation
Local Development Finance Authority
Brownfield Redevelopment Authority

Complete financial statements for each individual component unit may be obtained at the entity's administrative office.

The City has excluded the Housing Commission from this report even though the Mayor appoints the Housing Commission's Directors, as it does not have the ability to impose its will.

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - Continued

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government of the City of Lapeer and its component units. For the most part, the effect of interfund activities has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely, to a significant extent, on fees and charges for services. The primary government of the City of Lapeer is reported separately from certain legally separate component units for which the City of Lapeer, the primary government, is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a function or segment are 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. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statements

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures and compensated absences, and claims and judgments are recorded only when payment is due.

Property taxes, franchise fees, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City of Lapeer.

The City of Lapeer reports the following major governmental funds:

The General fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those to be accounted for in another fund.

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - Continued

Measurement Focus, Basis of Accounting, and Financial Statements – Concluded

The Parks and Recreation fund accounts for the activities used to run and maintain the community center and parks throughout the City.

The 2009 General Obligation Limited Tax Bond fund accounts for the bonds received for construction projects.

The Land Acquisition fund accounts for the purchase of vacant land by the City.

The 2015 General Obligation Construction Fund accounts for bonds received for construction projects.

The City of Lapeer reports the following major proprietary funds:

The Wastewater fund accounts for the activities and operations of the sewage treatment plant and the sewage pumping stations.

The Water fund accounts for the activities and operations of the water distribution system.

The Auto Parking fund accounts for the operation and maintenance of the City's parking lots.

Additionally, the City of Lapeer reports the following fund types:

Internal Service funds are used to account for motor pool, computer and telephone services provided to other departments on a cost reimbursement basis.

The Mount Hope Cemetery Trust fund is used to account for resources legally held in trust to be used for cemetery perpetual care. All resources of the fund, including any earnings on invested resources, may be used to support the City's activities.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City of Lapeer has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are charges between the Water fund, Wastewater fund, and the Auto Parking fund and other functions and segments.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services and privileges provided, 2) operating grants and contributions and 3) capital grants and contributions, including special assessments. All taxes are reported as general revenue.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expense for enterprise funds and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City of Lapeer's policy to use restricted resources first. Unrestricted resources are used as they are needed.

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - Continued

Budgets and Budgetary Accounting

The City of Lapeer follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to May, the Manager submits to the City Commission an operating budget for the fiscal year commencing July 1.
2. No later than May 31, the City Commission legally adopts the budget by resolution.
3. The City Manager has the authority to transfer any amount of money within departments of a fund. Any transfers between funds in excess of \$5,000.00 are proposed to the City Commission for their approval.
4. Formal budgetary integration is employed as a management control device during the year for the General fund and Special Revenue funds. Also, all budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
5. Budget amounts are as originally adopted, or as amended by the City Manager or City Commission. Individual amendments were not material in relation to the original appropriations, which were amended.
6. All annual appropriations lapse at year end.

Receivables

Receivables have been recognized for all significant amounts due the City. No allowances have been made for uncollectible amounts because if they remain unpaid, most delinquent receivables can be added to the tax roll and become a lien against the property.

Inventories

Inventories and supplies held by the Automobile Parking System, Parks, Cemetery, and the Wastewater Treatment Plant are immaterial in amount and have not been recognized in the accounting records.

The inventory of supplies held by the Water Supply System, Motor Pool, and General fund as of June 30, 2018 were determined by physical count and valued at cost.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. streets, bridges, and sidewalks), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City of Lapeer as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year.

All capital assets are valued at historical cost or estimated historical cost if actual cost is not available. Donated capital assets are recorded at estimated fair market value on the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - Continued

Capital Assets - Concluded

Depreciation of all exhaustible capital assets used is charged as an expense against their operations in government-wide statements and all proprietary financial statements. Accumulated depreciation is reported on the government-wide and proprietary statement of net position. The straight-line depreciation method is applied over the estimated useful life of fixed assets.

The straight-line depreciation method is used for all depreciable capital assets. The estimated useful lives for capital assets are displayed in the table below:

ASSET CLASS	DEPRECIABLE LIFE
Land	n/a
Land improvements	10-20 years
Buildings	20-40 years
Equipment	5-20 years
Vehicles	3-10 years
Utility systems	10-40 years
Streets	20-25 years
Bridges	20-25 years
Sidewalks	20-25 years

Long-Term Liabilities

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities and business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using straight line amortization. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources. Bond discounts are reported as other financing uses. Issuances costs, whether or not withheld from the actual debt received, are reported as debt service.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions that affect the reporting of certain assets, liabilities, revenues, and expenditures. Actual results may differ from estimated amounts.

Deposits and Investments

All highly liquid investments (including restricted assets) with a maturity of three months or less when purchased are defined as cash equivalents. All investments for both the primary government and all the component units are reported at fair value.

Restricted Assets

Certain proceeds of the Wastewater fund's revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants.

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - Concluded

Cash and Cash Equivalents

For purposes of the statements of cash flows, the proprietary and fiduciary funds consider all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

NOTE 2: **PROPERTY TAXES**

Property tax revenues for 2017 reflected in the accompanying financial statements include property taxes levied July 1, 2017, and substantially collected at June 30, 2018.

The total 2017 levy for the City was \$2,421,817 which was based upon the taxable value as of March 1, 2017 of \$247,124,175 at a millage rate of 9.8 mills.

Property taxes attach as an enforceable lien on property as of July 1. Taxes are levied on July 1, and are payable by July 31. The City bills and collects its own property taxes. The City is permitted by the City Charter to levy taxes up to \$1.00 per \$100.00 of assessed valuation for general governmental services, other than the payment of principal and interest on long-term debt, and in unlimited amounts for the payment of principal and interest on long-term debt. The combined tax rate to finance general governmental services other than the payment of principal and interest on long-term debt for the year ended June 30, 2018, was \$0.98 per \$100.00, which means that the City has a tax margin of \$0.02 per \$100 and could raise up to \$49,425 additional tax per year from the present taxable value of \$247,124,175 before the limit is reached.

The City levied the following millage for fiscal year 17-18:

General Governmental Services	8.8
Local Street	.5
Capital Improvement Fund	<u>.5</u>
	<u>9.8</u>

NOTE 3: **ACCUMULATED VACATION AND SICK LEAVE**

Accrued vacation and sick leave is recorded as a governmental fund liability at June 30, 2018, to the extent that it is to be liquidated with expendable available financial resources within the current operating cycle. Vacation and sick leave earned as of June 30, 2018, but not liquidated within the current operating cycle is recorded in the General Long-Term Debt Account Group.

Vacation days are earned by employees at a rate of 5 to 26 days per year.

Union employees hired after July 1, 1988, except for AFSCME (which is January 11, 1989), and non-union employees hired after November 1, 1988 earn sick days at the rate of one day per month. Unused sick days may be accumulated by an employee with no limitations and with no payment of unused sick leave upon termination of employment except for Teamsters employees hired after 1988. Such Teamsters employees shall receive a twenty-five percent payout of all unused accumulated sick time up to a cap for payout purposes of one hundred twenty days (maximum payout therefore possible of thirty days) for qualifying retirees, layoffs or death while employed only.

Union employees hired prior to July 1, 1988, except for AFSCME (which is January 11, 1989), and non-union employees hired prior to November 1, 1988 earn sick days at the rate of one day for each year of service at the beginning of every year plus one day per month during the year. Each employee will have one less sick day each year until a level of thirteen annual sick days has been attained. An employee with no limitation may accumulate unused sick days. However, for payout purposes, sick leave is capped at one hundred sixty days or such higher cap as established as of July 1, 1988. Employees with ten or more years of seniority are paid for fifty percent of their accumulated sick days up to their cap upon retirement or death. Employees with fifteen or more years of seniority are paid one-third of accumulated sick days up to their cap upon voluntary resignation.

NOTE 4: EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN INDIVIDUAL FUNDS

P.A. 621 of 1978 provides that cities and other local units of government shall not incur expenditures in excess of the amounts appropriated in the formal budget document adopted by the City Commission.

During the year the City did not incur expenditures in excess of the budget.

NOTE 5: INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2018 are as follows:

Local Street	\$ 307	Tax Collection	\$ 107,802
2009 General Obligation Bond	102,636		
Major Street	2,263		
2007 Special Assessment Bond			
2008A Special Assessment Bond	228		
2009 Special Assessment Bond	594		
2011 Special Assessment Bond	<u>1,774</u>		
Subtotal	<u>107,802</u>	Subtotal	<u>107,802</u>
Wastewater	933,653	Land Acquisition	2,148,015
Water	<u>1,214,362</u>		
Subtotal	<u>2,148,015</u>	Subtotal	<u>2,148,015</u>
TOTAL	\$ <u>2,255,817</u>	TOTAL	\$ <u>2,255,817</u>

RECONCILIATION TO STATEMENTS

	DUE FROM	DUE TO
Government funds	\$ 107,802	\$ 2,148,015
Proprietary funds		
Business-type	2,148,015	
Fiduciary	<u> </u>	<u>107,802</u>
	2,255,817	2,255,817
Elimination of		
Government funds activity	(<u>107,802</u>)	(<u>107,802</u>)
Government wide and fiduciary total	\$ <u>2,148,015</u>	\$ <u>2,148,015</u>

The interfund receivables and payables were made for cash flow purposes.

NOTE 6: **OPERATING TRANSFERS**

The following are the operating transfers for the year ended June 30, 2018:

FUND	TRANSFERS IN	FUND	TRANSFERS OUT
Local Street	181,653	General	\$ 1,500,111
Park	500,000		
Cemetery	128,508		
Motor Pool	97,619		
Site Plan Review			
Police K-9	2,515		
2013 General Obligation Bond	12,698		
2008 Equipment Financing Debt	16,761		
Capital Improvement	523,858		
Parking	<u>36,499</u>		
Subtotal	<u>1,500,111</u>	Subtotal	<u>1,500,111</u>
General	9,410	Local Street	72,650
2007 General Obligation Bond	8,133		
2008A General Obligation Bond	19,440		
2015 General Obligation Bond	32,667		
2017 General Obligation Bond	<u>3,000</u>		
Subtotal	<u>72,650</u>	Subtotal	<u>72,650</u>
2010 General Obligation Bond	23,130	Major Street	159,976
2015 General Obligation Bond	89,436		
2017 General Obligation Bond	38,000		
General	<u>9,410</u>		
Subtotal	<u>159,976</u>	Subtotal	<u>159,976</u>
General	250,000	Wastewater	418,043
2009 General Obligation Bond	40,943		
2015 General Obligation Bond	37,302		
Motor Pool	<u>89,798</u>		
Subtotal	<u>418,043</u>	Subtotal	<u>418,043</u>
2009 General Obligation Bond	76,183	Water	136,692
2015 General Obligation Bond	<u>60,509</u>		
Subtotal	<u>136,692</u>	Subtotal	<u>136,692</u>

NOTE 6: **OPERATING TRANSFERS** – Concluded

Local Street	\$ 140,086	Capital Improvement	\$ 125,000
		Park	10,000
		2006 Special Assessment Bond	<u>5,086</u>
	<u>140,086</u>		<u>140,086</u>
Major Streets	1,589,300	2017 General Obligation Construction	1,703,638
Local Streets	114,170		
2017 General Obligation Fund	<u>168</u>		
Subtotal	<u>1,703,638</u>		<u>1,703,638</u>
Local Street	100,000	Land Acquisition	164,901
2013 General Obligation Bond	<u>64,901</u>		
Subtotal	<u>164,901</u>		<u>164,901</u>
General	122,124	2008A Equipment Financing Debt	2
		Site Plan Review	2,107
		Housing Resource	20,000
		Information Technology	85,000
		Telephone	15,000
		2006 General Obligation Bond	2
		Building Authority	<u>13</u>
Subtotal	<u>122,124</u>	Subtotal	<u>122,124</u>
Cemetery	<u>53</u>	Cemetery Perpetual Care	<u>53</u>
2008 General Obligation Bond	<u>369,900</u>	2009 General Obligation Bond	<u>369,900</u>
TOTAL	<u>\$ 4,788,174</u>	TOTAL	<u>\$ 4,788,174</u>

RECONCILIATION TO STATEMENTS

	TRANSFERS IN	TRANSFERS OUT
Governmental funds	\$ 4,564,259	\$ 4,133,439
Proprietary funds		
Business-type	36,499	554,735
Internal service	<u>187,416</u>	<u>100,000</u>
TOTAL	<u>\$ 4,788,174</u>	<u>\$ 4,788,174</u>

These transfers were made for cash flow purposes.

NOTE 7: **CASH, CASH EQUIVALENTS, AND INVESTMENTS**

The cash equity of the various funds at June 30, 2018 is as follows:

FUND	COMMON CASH	OTHER CASH	INVESTMENTS	TOTAL
General	\$ 1,460,305	\$ 1,003	\$ 930,123	\$ 2,391,431
Parking Fund	185,255			185,255
Waste Water Treatment Plant	1,072,814		640,498	1,713,312
Water Supply	489,704	100		489,804
Payroll Clearing	141,228			141,228
Employee Health Care	191,053		1,455,618	1,646,671
Downtown Development Authority		86,167		86,167
Brownfield Redevelopment Authority		1,118		1,118
Tax Increment Finance Authority		855,997		855,997
Economic Development Corporation		4,318		4,318
Local Development Finance Authority		425,970		425,970
Major Street	775,300		462,874	1,238,174
Local Street	980,961		585,659	1,566,620
Parks and Recreation	358,254	52,492		410,746
Mt. Hope Cemetery	98,538			98,538
Youth Mini-Grant	572			572
Building Department	102,292			102,292
Oakdale Development	77,207			77,207
Dog Park	(225)	5,823		5,598
Police K-9 Program	9,824			9,824
Drug Law Enforcement	124,011			124,011
School Liaison	6,640			6,640
Site Plan Review	15,319			15,319
General Forfeiture	11,090			11,090
Public Safety Training	490			490
Mobile Training Unit	2,839			2,839
Housing Resource	13,785			13,785
2008 General Obligation Limited Tax Bond		145		145
2008A General Obligation, Limited Tax Bond		218		218
2009 General Obligation Limited Tax Bonds		3,697,544		3,697,544
2010 General Obligation Limited Tax Bond		1,211		1,211
2013 General Obligation Limited Tax Bond		8,371		8,371
2015 General Obligation Limited Tax Bond		19,197		19,197
2007 Special Assessment Bond		41,977		41,977
2008A Special Assessment Bond		14,282		14,282
2010 Special Assessment Bond		44,902		44,902

NOTE 7: **CASH, CASH EQUIVALENTS, AND INVESTMENTS** – Continued

FUND	COMMON CASH	OTHER CASH	INVESTMENTS	TOTAL
2011 Special Assessment Bond	\$	\$ 143,543	\$	\$ 143,543
2005 Equipment Financing		115		115
2008 Equipment Financing		5,443		5,443
2017 General Obligation Bonds		13,311		13,311
Land Acquisition	1,056,645		630,846	1,687,491
Infrastructure	110,110			110,110
Information Technology	264,738			264,738
Telephone Communication	147,541			147,541
Mt. Hope Cemetery Perpetual Care	10,253			10,253
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL	<u>\$ 7,706,543</u>	<u>\$ 5,423,247</u>	<u>\$ 4,705,618</u>	<u>\$ 17,835,408</u>

RECONCILIATION TO STATEMENTS

FUND	COMMON CASH	OTHER CASH	INVESTMENTS	TOTAL
Governmental funds	\$ 5,214,210	\$ 4,049,577	\$ 2,609,502	\$ 11,873,289
Proprietary funds				
Enterprise	1,747,773	100	640,498	2,388,371
Internal service	412,279			412,279
Fiduciary funds	332,281		1,455,618	1,787,899
Component units	<hr/>	<u>1,373,570</u>	<hr/>	<u>1,373,570</u>
	<u>\$ 7,706,543</u>	<u>\$ 5,423,247</u>	<u>\$ 4,705,618</u>	<u>\$ 17,835,408</u>

FINANCIAL STATEMENT
PRESENTATION

Cash	\$ 12,797,509
Investments	3,250,000
Fiduciary funds	<u>1,787,899</u>
TOTAL	<u>\$ 17,835,408</u>

NOTE 7: **CASH, CASH EQUIVALENTS, AND INVESTMENTS** – Continued

In accordance with Michigan Compiled Laws, the City Treasurer is authorized to invest in the following investment vehicles:

1. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
2. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank which is a member of the Federal Deposit Insurance Corporation (FDIC) or a savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation (FSLIC) or a credit union which is insured by the National Credit Union Administration, but only if the bank, savings and loan association, or credit union is eligible to be a depository of surplus funds belonging to the State under Section 5 or 6 of Act No. 105 of the Public Acts of 1855, as amended, being Section 21.145 and 21.146 of the Michigan Compiled Laws.
3. Commercial paper rated at the time of purchase within the three (3) highest classifications established by not less than two (2) standard rating services and which matures not more than 270 days after the date of purchase.
4. The United States government or Federal agency obligations repurchase agreements.
5. Bankers acceptances of United States banks.
6. Mutual funds composed of investment vehicles, which are legal for direct investment by local units of government in Michigan.

FDIC regulations provide that deposits of governmental units are to be separately insured for the amount of \$250,000 for deposits in an insured bank for savings deposits and \$250,000 for demand deposits. Furthermore, if specific deposits are regulated by statute or bond indenture, these specific deposits are to be separately insured for the amount of \$250,000. For the purpose of these rules, the term “savings deposits” includes NOW accounts, money market deposit accounts, and other interest-bearing checking accounts.

Deposits

There is a custodial credit risk as it relates to deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. As of June 30, 2018, the carrying amount of the City’s deposits was \$17,835,408 and the bank balance was \$17,908,180 of which \$784,701 was covered by federal depository insurance. The remaining balance of \$17,123,479 was uninsured and uncollateralized.

Due to significantly higher cash flow at certain periods during the year, the amount the City held as cash and cash equivalents increased significantly. As a result, the amount of uninsured and uncollateralized cash and cash equivalents were substantially higher at these peak periods than at year end.

Credit Risk

State law limits investments in certain types of investments to a prime or better rating issued by Nationally Recognized Statistical Rating Organization (NRSRO’s). As of June 30, 2018, the City did not have any investment that would be subject to rating.

Interest Rate Risk

The City will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by designing its portfolio in a manner to attain a market rate of return throughout the budgetary and economic cycles while preserving and protecting capital.

NOTE 7: **CASH, CASH EQUIVALENTS, AND INVESTMENTS – Concluded**

Concentration of Credit Risk

The City will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the City’s investment in a single issuer, by diversifying the investment portfolio to prevent over concentration of assets in a specific maturity, individual financial institution, or specific class of securities.

Custodial Credit Risk

The City will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer by:

- Limiting investments to the types of securities listed in the City’s investment policy.
- Pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors with which the City will do business in accordance with the City’s investment policy.

NOTE 8: **DEFINED BENEFIT PENSION PLAN**

Summary of Significant Accounting Policies

For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the fiduciary net position of the Municipal Employees Retirement System (MERS) of Michigan and additions to/deductions from MERS’ fiduciary net position have been determined on the same basis as they are reported by MERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Plan Description

The employer’s defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The employer participates in the Municipal Employees Retirement System (MERS) of Michigan. MERS is an agent multi-employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the MERS website at www.mersofmich.com.

Benefits provided include plans with multipliers ranging from 2.25% to 2.50%. Vesting periods range from 6 to 10 years. Normal retirement age is 60 with early retirement at 55 with 25 years of service. Final average compensation is calculated based on 5 years. Member contributions are 0.

Employees covered by benefit terms: At the December 31, 2017 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	64
Inactive employees entitled to but not yet receiving benefits	20
Active employees	<u>67</u>
TOTAL	<u>151</u>

Contributions

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

NOTE 8: **DEFINED BENEFIT PENSION PLAN – Continued**

Annual required employer contributions range from 8.80% to 24.12% based on annual payroll for open divisions. The City voluntarily contributed an average of 14% annual payroll for open divisions to increase the funding level long-term.

Net Pension Liability

The employer's Net Pension Liability was measured as of December 31, 2017, and the total pension liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation as of that date.

Actuarial Assumptions

The total pension liability in the December 31, 2017 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement: Inflation 2.59%. Salary increases: 3.75% in the long-term. Investment rate of return: 7.75%, net of investment and administrative expenses, including inflation.

Although no specific price inflation assumptions are needed for the valuation, the 2.59% long-term wage inflation assumption would be consistent with a price inflation for 3% to 4.9%.

Mortality rates used were based on the RP-2014 Annuity Mortality Table with a 50% Male and 50% Female blend. For disabled retirees, the RP-2014 Disabled Retiree Mortality Table with a 50% Male and 50% Female blend.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study of 2009-2013.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	57.5%	5.02%
Global Fixed Income	26.0 %	2.18%
Real Assets	12.5%	4.23%
Diversifying Strategies	10.0%	6.56%

Discount Rate

The discount rate used to measure the total pension liability is 8.00% for 2017. The projection of cash flows used to determine the discount rate assumes the employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term, expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 8: **DEFINED BENEFIT PENSION PLAN** – Continued

Calculating Net Pension Liability

Changes in Net Pension Liability	Increase (Decrease)		
	TOTAL PENSION LIABILITY (a)	PLAN FIDUCIARY NET POSITION (b)	NET PENSION LIABILITY (a) - (b)
Balances at 12/31/16	\$ <u>26,812,037</u>	\$ <u>17,727,446</u>	\$ <u>9,084,591</u>
Changes for the Year			
Service cost	430,250		430,250
Interest on Total Pension Liability	2,109,460		2,109,460
Change in assumptions			
Difference between actual and expected experience	45,141		(45,141)
Employer Contributions		1,515,038	(1,515,038)
Employee Contributions		111,189	(111,189)
Net investment income		2,380,419	(2,380,419)
Benefit payments, including employee refunds	(1,317,826)	(1,317,826)	
Other changes	(1)		(1)
Administrative expense		(<u>37,593</u>)	(<u>37,593</u>)
Net changes	<u>1,267,024</u>	<u>2,651,227</u>	<u>(1,384,203)</u>
Balances as of 12/31/17	\$ <u>28,079,061</u>	\$ <u>20,378,673</u>	\$ <u>7,700,388</u>

Sensitivity of the Net Pension Liability to changes in the discount rate

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 8.00%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower (7.00%) or 1% higher (9.00%) than the current rate.

Sensitivity to Changes in Discount Rate

	1% DECREASE 7.00%	CURRENT DISCOUNT RATE (8.00%)	1% INCREASE 9.00%
Net Pension Liability at 12/31/17	\$ 7,700,388	\$ 7,700,388	\$ 7,700,388
Change in Net Pension Liability (NPL)	<u>3,196,511</u>	<u> </u>	<u>(2,714,648)</u>
Calculated NPL for your Notes	\$ <u>10,896,899</u>	\$ <u>7,700,388</u>	\$ <u>4,985,740</u>

Note: The current discount rate shown for GASB 68 purposes is higher than the MERS assumed rate of return. This is because for GASB 68 purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes it is net of administrative expenses.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2017, the employer recognized pension expense of \$1,238,650. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences in experience	\$	\$ 214,352
Differences in assumptions		306,185
Excess (Deficit) Investment Returns		435,883
Contributions subsequent to the measurement date	<u>695,053</u>	<u> </u>
Total	\$ <u>695,053</u>	\$ <u>956,420</u>

NOTE 8: **DEFINED BENEFIT PENSION PLAN – Concluded**

The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending December 31, 2017.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended	
2018	\$(292,640)
2019	(170,583)
2020	(302,919)
2021	(190,278)

Pension Plan Fiduciary Net Position

Detailed information about the plan’s fiduciary net position is available in the separately issued financial report. For the purpose of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pension and pension expense, information about the plan’s fiduciary net position and addition to/deduction from fiduciary net position have been determined on the same basis as they are reported by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions due pursuant to legal requirements. Benefit payment and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

NOTE 9: **LONG-TERM OBLIGATIONS**

The following is a summary of long-term debt transactions of the primary government and all component units for the year ended June 30, 2018:

	WATER AND SEWER REVENUE BONDS	GENERAL OBLIGATION BONDS	NOTES PAYABLE	COMPENSATED ABSENCES
As of July 1, 2017	\$ 6,291,650	\$ 5,095,000	\$ 284,992	\$ 532,931
Additions (Reductions)	(<u>350,000</u>)	<u>340,000</u>	(<u>183,670</u>)	(<u>27,236</u>)
As of June 30, 2018	\$ <u>5,941,650</u>	\$ <u>5,435,000</u>	\$ <u>101,322</u>	\$ <u>505,695</u>

Long-term debt at June 30, 2018 is comprised of the individual issues:

	BALANCE AS OF JULY 1, 2017	ADDITIONS	DEDUCTIONS	BALANCE AS OF JUNE 30, 2018	DUE WITHIN ONE YEAR
BUSINESS-TYPE ACTIVITIES					
\$8,905,000 2010 Sewer Revenue Bond due in annual installments of \$345,000 to \$560,000 through October 1, 2031; interest at 2.5%.	\$ 6,291,650	\$	\$(350,000)	\$ 5,941,650	\$ 360,000
Accumulated compensated absences	_____	<u>36,466</u>	_____	<u>36,466</u>	<u>36,466</u>
				5,978,116	
Less: Amount payable within one year				<u>396,466</u>	
TOTAL LONG-TERM DEBT BUSINESS-TYPE ACTIVITIES				<u>\$ 5,581,650</u>	

NOTE 9: **LONG-TERM OBLIGATIONS** – Continued

Long-term debt at June 30, 2018 is comprised of the individual issues:

	BALANCE AS OF JULY 1, 2017	ADDITIONS	DEDUCTIONS	BALANCE AS OF JUNE 30, 2018	DUE WITHIN ONE YEAR
GOVERNMENTAL ACTIVITIES					
PRIMARY GOVERNMENT					
\$350,000 2010 Special Assessment Bond due in annual installments of \$10,000 to \$40,000 through January 1, 2020; interest at 3.4%	\$ 115,000	\$	\$(40,000)	\$ 75,000	\$ 40,000
\$200,000 2010 General Obligation Limited Tax Bond due in annual Installments of \$15,000 to \$25,000 through January 1, 2020; Interest at 3.4%	70,000		(20,000)	50,000	20,000
\$152,000 2016 Abstract Building Installment and purchase loan in Annual installments of \$14,319 through February 1, 2019; interest at 3.870%	27,003		(13,258)	13,745	13,745
\$1,404,455 2008 Installment purchase contract due in bi-annual installments of \$84,993 through July 15, 2018; interest at 3.70%	257,989		(170,412)	87,577	87,577
\$110,000 2007 General Obligation Tax Bond due in annual installments of \$10,000 to \$15,000 through November 1, 2017; interest at 3.95%	15,000		(15,000)		
\$175,000 2007 Special Assessment Bond due in annual installments of \$15,000 to \$20,000 through November 1, 2017; interest at 3.95%	20,000		(20,000)		
\$6,375,000 2009 General Obligation Tax Bond due in annual installments of \$385, 000 to \$740,000 through December 1, 2018; interest at 2.00% to 4.25%	1,205,000		(610,000)	595,000	595,000
\$1,740,000 2017 General Obligation Capital Improvement Bond due in annual installments of \$155,000 to \$190,000 through November 1, 2027; interest at 2.20%		1,740,000		1,740,000	155,000

NOTE 9: **LONG-TERM OBLIGATIONS** - Continued

	BALANCE AS OF JULY 1, 2017	ADDITIONS	DEDUCTIONS	BALANCE AS OF JUNE 30, 2018	DUE WITHIN ONE YEAR
GOVERNMENTAL ACTIVITIES					
PRIMARY GOVERNMENT - Concluded					
\$3,325,000 2008 General Obligation Limited Tax Bond due in annual Installments of \$195,000 to \$360,000 through December 1, 2018; interest 3.00% to 5.00%	690,000		(345,000)	345,000	345,000
\$155,000 2008 Series A General Obligation Tax Bond due in annual installments of \$15,000 to \$20,000 through November 1, 2017; interest at 3.95%	20,000		(20,000)		
\$95,000 2008 Series A Special Assessment Bond due in annual installments of \$10,000 through November 1, 2017; interest at 3.95%	10,000		(10,000)		
\$380,000 2011 Special Assessment Bond due in annual installments of \$25,000 to \$50,000 through May 1, 2021; interest at 4.25% to 5.50%	185,000		(40,000)	145,000	40,000
\$900,000 2013 General Obligation Construction Bond due in annual installments of \$120,000 to \$140,000 through November 1, 2020; interest at 2.20%	535,000		(130,000)	405,000	130,000
\$2,375,000 2015 General Obligation Construction Bond due in annual installments of \$65,000 to \$175,000 through November 1, 2035; interest at 2.96%	2,230,000		(150,000)	2,080,000	150,000
Accumulated compensated absences	<u>532,931</u>	<u> </u>	<u>(27,236)</u>	<u>505,695</u>	<u>91,466</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 5,912,923</u>	<u>\$ 1,740,000</u>	<u>\$(1,610,906)</u>	6,042,017	<u>\$ 1,667,788</u>
Less: Amount payable within one year				<u>1,667,788</u>	
TOTAL LONG-TERM DEBT GOVERNMENTAL ACTIVITIES				<u>\$ 4,374,229</u>	

NOTE 9: **LONG-TERM OBLIGATIONS** - Concluded

The annual requirements to pay future principal and interest are as follows:

	BUSINESS-TYPE ACTIVITIES	GOVERNMENTAL FUNDS	TOTAL
YEAR ENDING JUNE 30			
2019			
Principal	360,000	1,591,322	1,951,322
Interest	144,899	129,063	273,962
Total	504,899	1,720,385	2,225,284
2020			
Principal	370,000	565,000	935,000
Interest	134,774	93,185	227,959
Total	504,774	658,185	1,162,959
2021			
Principal	380,000	520,000	900,000
Interest	134,774	79,115	213,889
Total	514,774	599,115	1,113,889
2022			
Principal	390,000	335,000	725,000
Interest	113,744	67,964	181,708
Total	503,744	402,964	906,708
2023			
Principle	395,000	335,000	730,000
Interest	102,899	60,717	163,616
Total	497,899	395,717	893,616
2024 – 2028			
Principal	2,135,000	1,565,000	3,700,000
Interest	341,745	187,526	529,271
Total	2,476,745	1,752,526	4,229,271
2029 - 2033			
Principal	1,911,650	370,000	2,281,650
Interest	55,697	73,183	128,880
Total	1,967,347	443,183	2,410,530
2034 - 2038			
Principal		255,000	255,000
Interest		13,005	13,005
Total		268,005	268,005
TOTAL			
Principal	5,941,650	5,536,322	11,477,972
Interest	1,028,532	703,758	1,732,290
Total	6,970,182	6,240,080	13,210,262

There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions.

NOTE 10: **SEGMENT INFORMATION FOR ENTERPRISE FUNDS**

The City maintains three Enterprise Funds which provide auto parking, water and sewer services. Segment information for the year ended June 30, 2018, is as follows:

	AUTO PARKING FUND	WASTE WATER TREATMENT PLANT FUND	WATER SUPPLY FUND	TOTAL
Total assets	\$ 863,251	\$ 22,337,417	\$ 10,073,990	\$ 33,274,658
Deferred outflows of resources		22,400	9,996	32,396
Total liabilities	345,742	8,438,634	1,073,912	9,858,288
Deferred inflows of resources	172,629	1,069,623	386,376	1,628,628
Contributed capital	330,000	57,387		387,387
Total net position	14,880	12,794,173	8,623,698	21,432,751
Operating revenues	16,293	5,250,371	3,153,170	8,419,834
Operating expenses	19,263	4,289,775	2,922,655	7,232,053
Depreciation expense	25,270	784,795	276,864	1,086,929
Operating income (loss)	(3,330)	960,596	230,515	1,187,781
Nonoperating revenues (expenses)	903	(91,546)	3,385	(87,258)
Transfers	36,499	(418,043)	(136,692)	(518,236)
Change in net position	34,072	451,007	97,208	582,287
Beginning net position	(19,192)	12,096,860	8,256,490	20,604,158
Reduction of contributed capital		246,306		246,306
Ending net position	14,880	12,794,173	8,623,698	21,432,751
Cash flows from operating activities	(16,233)	1,401,882	449,003	1,834,652
Cash flows from noncapital and related financing activities	36,499	(418,043)	(136,692)	(518,236)
Cash flows from capital and related financing activities		(1,071,449)	(233,982)	(1,305,431)
Cash flows from investing activities	903	8,333	3,385	12,621
Cash and cash equivalents – beginning	164,086	1,152,091	408,090	1,724,267
Cash and cash equivalents – ending	185,255	1,072,814	489,804	1,747,873

NOTE 11: **CAPITAL ASSETS**

A summary of changes in governmental capital assets including internal service fund assets are as follows:

	JULY 1, 2017	ADDITIONS	DELETIONS	JUNE 30, 2018
GOVERNMENTAL				
Capital assets not being depreciated				
Construction in progress	\$ 602,113	\$ 1,233,360	\$ 1,373,465	\$ 462,008
Land	<u>24,628,825</u>	<u>352,077</u>	<u> </u>	<u>24,980,902</u>
Total capital assets not being depreciated	<u>25,230,938</u>	<u>1,585,437</u>	<u>1,373,465</u>	<u>25,442,910</u>
Capital assets being depreciated				
Buildings	6,029,204	18,413		6,047,617
Improvements	5,769,042	41,074		5,810,116
Machinery and equipment	7,461,771	835,306	46,193	8,250,884
Infrastructure	<u>46,479,027</u>	<u>1,915,563</u>	<u> </u>	<u>48,394,590</u>
Total capital assets being depreciated	<u>65,739,044</u>	<u>2,810,356</u>	<u>46,193</u>	<u>68,503,207</u>

NOTE 11: **CAPITAL ASSETS** - Continued

	JULY 1, 2017	ADDITIONS	DELETIONS	JUNE 30, 2018
GOVERNMENTAL - Concluded				
Total accumulated depreciation	<u>33,502,059</u>	<u>2,814,226</u>	<u>46,193</u>	<u>36,270,092</u>
Total capital assets being depreciated - net	<u>32,236,985</u>	<u>(3,870)</u>	<u> </u>	<u>32,233,115</u>
NET CAPITAL ASSETS	<u>\$57,467,923</u>	<u>\$ 1,581,567</u>	<u>\$ 1,373,465</u>	<u>\$57,676,025</u>

Depreciation expense for the governmental activities was charged to the following functions and activities of the primary government:

GOVERNMENTAL ACTIVITY	AMOUNT
General government	\$ 340,719
Public safety	148,881
Public works	62,416
Streets	2,118,113
Recreation	<u>144,097</u>
TOTAL DEPRECIATION EXPENSE GOVERNMENTAL ACTIVITIES	<u>\$ 2,814,226</u>

A summary of the asset activity for the governmental activity component units are as follows:

	JULY 1, 2017	ADDITIONS	DELETIONS	JUNE 30, 2018
COMPONENT UNITS				
Capital assets not being depreciated				
Land	<u>\$ 375,174</u>	<u>\$ </u>	<u>\$ </u>	<u>\$ 375,174</u>
Capital assets being depreciated				
Buildings	7,407,815			7,407,815
Equipment	<u> </u>	<u>48,737</u>	<u> </u>	<u>48,737</u>
Total being depreciated	7,407,815	48,737		7,456,552
Less: accumulated depreciation	<u>4,242,547</u>	<u>195,496</u>	<u> </u>	<u>4,438,043</u>
Total capital assets being depreciated	<u>3,165,268</u>	<u>(146,759)</u>	<u> </u>	<u>3,018,509</u>
NET CAPITAL ASSETS	<u>\$ 3,540,442</u>	<u>\$ (146,759)</u>	<u>\$ </u>	<u>\$ 3,393,683</u>

Depreciation expense for the governmental activities was charged to the following functions and activities of the component units:

GOVERNMENTAL ACTIVITY	AMOUNT
Downtown Development Authority	\$ 29,547
Tax Increment Finance Authorities #1, #2, #3	<u>165,949</u>
TOTAL DEPRECIATION EXPENSE GOVERNMENTAL ACTIVITIES	<u>\$ 195,496</u>

NOTE 11: **CAPITAL ASSETS** - Concluded

Capital assets for business-type activities have been summarized as follows:

	JULY 1, 2017	ADDITIONS	DELETIONS	JUNE 30, 2018
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Construction in progress	\$ 312,992	\$ 530,338	\$ 672,430	\$ 170,900
Land	<u>798,214</u>	<u> </u>	<u> </u>	<u>798,214</u>
 Total capital assets not being depreciated	 <u>1,111,206</u>	 <u>530,338</u>	 <u>672,430</u>	 <u>969,114</u>
Capital assets being depreciated				
Buildings	19,672,569			19,672,569
Machinery and equipment	1,695,865	47,097	116,237	1,626,725
Infrastructure	23,957,285	672,432		24,629,717
Improvements	<u>1,006,401</u>	<u> </u>	<u> </u>	<u>1,006,401</u>
 Total capital assets being depreciated	 <u>46,332,120</u>	 <u>719,529</u>	 <u>116,237</u>	 <u>46,935,412</u>
 Total accumulated depreciation	 <u>19,601,530</u>	 <u>1,086,929</u>	 <u>79,165</u>	 <u>20,609,294</u>
 Total capital assets being depreciated	 <u>26,730,590</u>	 <u>(367,400)</u>	 <u>37,072</u>	 <u>26,326,118</u>
 NET CAPITAL ASSETS	 <u><u>\$27,841,796</u></u>	 <u><u>\$ 162,938</u></u>	 <u><u>\$ 709,502</u></u>	 <u><u>\$ 27,295,232</u></u>

Depreciation expense for the business-type activities was charged to the following functions and activities of the primary government:

GOVERNMENTAL ACTIVITY	AMOUNT
Auto Parking	\$ 25,270
Wastewater	784,795
Water	<u>276,864</u>
 TOTAL DEPRECIATION EXPENSE BUSINESS-TYPE ACTIVITIES	 <u><u>\$ 1,086,929</u></u>

NOTE 12: **AMORTIZATION OF CONTRIBUTED CAPITAL**

The City has received grants from state and federal governments for the purpose of constructing and equipping a waste water treatment plant. This plant was completed and placed into service during the year ended June 30, 1985. The contributions are being amortized over the useful lives of the assets acquired.

NOTE 13: DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with IRC Section 457. The plan, available to all employees, permits them to defer a portion of their current salary until future years. The deferred compensation is not available to the employees until termination, retirement, death or unforeseeable emergency.

The City of Lapeer adopted a new 457 plan document, which incorporates the recent changes to the law governing 457 deferred compensation plans. The most notable change in the plan provides that the employer establish a plan level trust in which all amounts deferred must be placed and held for the exclusive benefit of plan participants and their beneficiaries. As a result of this change, the plan assets are no longer subject to claims of the City's general creditors.

All amounts of compensation deferred under the plan, all property and rights purchased with such amounts, and all income attributable to such amounts, property, or rights are for the exclusive benefit of the employee or their beneficiary.

It is the opinion of the City that the City has no liability for losses under the plan, but does have a duty of care that would be required of an ordinary prudent investor. Therefore, the deferred compensation assets and liabilities have been removed from the City's fiduciary fund, as is no longer required to be shown in the financial statements for future years.

NOTE 14: TAX INCREMENT FINANCE AUTHORITY (TIFA)

The Tax Increment Finance Authority was established by the Lapeer City Commission on April 19, 1982, in accordance with Public Act 450 of 1980. In addition, the Lapeer City Commission designated the members of the Lapeer City Economic Development Corporation Board of Directors to constitute the Board of the Tax Increment Finance Authority (TIFA).

NOTE 15: DOWNTOWN DEVELOPMENT AUTHORITY (DDA)

The Downtown Development Authority was established by the Lapeer City Commission on November 24, 1982, in accordance with Public Act 197 of 1975. Its purpose is to serve the best interest of the public in halting property value deterioration and to increase property tax valuation in the City's business district. The Authority will also promote economic growth.

NOTE 16: LOCAL DEVELOPMENT FINANCE AUTHORITY (LDFA)

The Local Development Finance Authority was established by the Lapeer City Commission on April 20, 1987, in accordance with Public Act 281 of 1986. Its purpose is to provide a means for local units of government to eliminate conditions of unemployment, underemployment, and joblessness and to promote economic growth through the use of Tax Increment Financing.

NOTE 17: BROWNFIELD REDEVELOPMENT AUTHORITY

The Brownfield Redevelopment Authority was established by the Lapeer City Commission on January 19, 1998, in accordance with Public Act 381 of 1996. Its purpose is to promote the revitalization of environmentally distressed areas.

NOTE 18: ECONOMIC DEVELOPMENT CORPORATION

The Economic Development Corporation was established in 1981. Its purpose is to lead and coordinate development throughout Lapeer County and to provide a link between Federal, State, and Local governments and business interested in locating or expanding in Lapeer County.

NOTE 19: **ECONOMIC DEVELOPMENT CORPORATION**

The Economic Development Corporation is organized pursuant to the State of Michigan, Public Act 338 of 1974, as amended, and the City of Lapeer, Michigan Ordinances. The primary purpose of the Corporation is to encourage and assist commercial enterprises to locate and expand facilities and services to the City and its residents. This purpose is accomplished by the Corporation entering into lease contracts with commercial enterprises. In accordance with the terms of the lease contracts, the Corporation agrees to issue revenue bonds and the commercial enterprise agrees to make lease payments in amounts equal to the bond principal plus interest. The bond proceeds are used to finance a project, which will benefit the commercial enterprise. The ownership of the project is transferred to the commercial enterprise when the bonds are paid in full. The revenue bonds are payable from the net revenues derived from the project, and are collateralized by a mortgage on the project and the lease contract.

The bonds issued by the Corporation and payable from net revenues are not a general obligation of the Corporation. Therefore, the bonds and related lease contracts are not reflected in the financial statements of the Corporation.

As of June 30, 2017, the date of the most recent audit, the Corporation has issued the following revenue bonds:

	DATE OF BOND CLOSING	AMOUNT OF REVENUE BONDS ISSUED
First National Bank of Lapeer	12/17/79	\$ 500,000
Growth & Opportunity	11/02/79	275,000
Peninsular Slate	12/28/79	200,000
Doc Development Company	12/21/79	363,000
Houghtaling Project	02/11/80	180,000
Dowsett Project	11/10/80	300,000
The Thread Forms, Inc. Project	11/06/81	400,000
MESC Project	02/28/82	323,300
Lapeer Foundry & Machine, Inc.	03/11/82	950,000
DeMille Industrial Development	06/18/82	200,000
The Whitman Project	06/30/83	368,806
Growth & Oppor. Inc. II Project	08/22/83	625,000
Barnard & Balaze Project	12/28/83	209,000
J.L. Avery Project	01/05/84	250,000
Lapeer Medical Center	01/17/84	475,000
Growth & Opportunity, Inc.	02/13/84	600,000
C & P Partnership Project	06/26/85	616,000
Copres Leasing Company	12/30/85	806,000
The Lapeer Association, Ltd.	06/20/86	1,500,000
Lapeer Enterprise Center	12/29/86	298,531
Albar Industries Inc.	11/15/89	3,500,000
Dott Manufacturing	11/15/89	4,128,000
Lapeer Regional Hospital	06/01/91	1,980,170
Vidon Plastics	07/05/95	1,075,000
JMA Development, Inc.	09/22/95	1,347,000
JMA Development, Inc.	06/17/99	4,000,000
H&H Tool	12/23/04	2,800,000
H&H Tool	08/31/07	9,870,000

NOTE 20: **POST EMPLOYMENT BENEFITS**

Plan Administration

The City of Lapeer offers single employer post-employment health insurance benefits to its employees through a defined benefit plan. These benefits are provided by contractual agreement and are paid annually by the City. The City funds these costs on a pay-as-you-go basis. The amounts are recorded as an expenditure when the fund liability is incurred. The benefit amounts incurred totaled \$845,240 during the year ended June 30, 2018. The total number of eligible retirees amounted to 52 of which only 49 are active at June 30, 2017. The City pays 100% of these costs. There are no provisions for employee contributions. The City has recorded a liability of \$15,584,418 for this benefit, based on an independent actuarial valuation. The City of Lapeer has established a Retirement Health Funding Vehicle with the Municipal Employees' Retirement System of Michigan. The Funding Vehicle had a balance of \$1,455,619 at June 30, 2018. The City of Lapeer did not meet its Actuarially Determined Contribution (ADC) requirements in 2018 by \$1,101,961. The Plan does not issue a separate financial report. This information is provided from the most recent valuation date June 30, 2017 and certain information was rolled forward to reflect information as of June 30, 2018.

Contributions

Annually, the City contributes to the Retirement Health Funding Vehicle the budgeted retiree health premiums plus an additional contribution as determined by the City Commission. The additional contribution was \$150,000 for the year ended June 30, 2018. Monthly, the City draws a reimbursement for the actual premiums paid.

Employee contracts for AFSCME, P.O.L.C., and Teamsters effective July 1, 2007, no longer provide for paid retiree health insurance for new employees upon retirement. Effective April 1, 2009 the City no longer provides paid retiree health insurance for non-union employees hired after that date. New employees are required to establish a Health Savings Account in which the City will annually match their contribution up to 1% of their wage. The employees must contribute a minimum of \$5.00 monthly. If the employee does not vest in the system, the City contribution is forfeited.

The components of the net OPEB liability at June 30, 2018 were as follows:

Total OPEB liability	\$ 17,040,037
Plan fiduciary net position	1,455,619
City's net OPEB liability	<u>\$ 15,584,418</u>
Plan fiduciary net position as a percentage of the total OPEB liability	8.5%

Discount rate. A single discount rate of 6 percent was used to measure the total OPEB liability. This single discount rate was based on the expected rate of return on OPEB plan investments of 6 percent. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability of the City, calculated using the single discount rate of 7.75 percent, as well as what the City's net OPEB liability would be if it were calculated using a single discount rate that is 1 percentage point lower (8.75 percent) or 1 percentage point higher (6.75 percent) than the current rate:

	1% DECREASE (6.75%)	CURRENT SINGLE DISCOUNT RATE (7.75%)	1% INCREASE (8.75%)
Net OPEB liability	\$ 18,085,664	\$ 15,584,418	\$ 13,546,487

NOTE 20: **POST EMPLOYMENT BENEFITS - Continued**

Sensitivity of the net pension liability to changes in the healthcare cost trend rate. The following presents the net pension liability of the City, calculated using the assumed trend rate of 9 percent decreasing to 5.0 percent, as well as what the City's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower (8.0 percent decreasing to 4.0 percent) or 1 percentage point higher (10.0 percent decreasing to 6.0 percent) than the current rate:

	1% DECREASE	HEALTHCARE COST TREND RATE	1% INCREASE
Net OPEB liability	\$ 17,993,206	\$ 15,584,418	\$ 13,614,248

Funding Progress

For the year ended June 30, 2018, the City has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of July 1, 2017. The valuation computes an annual required contribution, which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

OPEB Expenses and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the City recognized OPEB expenses of \$646,450. The City reported deferred inflows of resources related to the OPEB from the following sources:

Differences between expected and	
Actual experience	\$ 4,420,672
Changes in assumption	3,314,404
Net differences between projected and	
Actual earnings in OPEB investments	<u>46,222</u>
	<u>\$ 7,781,298</u>

Amounts reported as deferred inflows of resources related to OPEB will be recognized as expense as follows:

Year ended June 30,	
2019	\$ 2,589,915
2020	2,589,915
2021	2,589,911
2022	<u>11,557</u>
	<u>\$ 7,781,298</u>

Payable to OPEB plan

At June 30, 2018 the City had no amounts payable for contributions to the OPEB plan.

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented above, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The accompanying schedules of employer contributions present trend information about the amounts contributed to the plan by employers in comparison to the ARC, an amount that is actuarially determined in accordance with the parameters of GASB Statement No. 43. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following simplifying assumptions were made:

The valuation used the following actuarial assumptions applied to all periods, unless specified:

Price inflation	3.00%	
Salary increase	4.09-14.75%	(including merit and seniority)
Investment rate of return	6.00%	
Health care trend rate	9.00%	(in the first year gradually decreasing to 5% in year 9)

Based on the historical average retirement age for the covered group, active plan members were assumed to retire at age 60, or at the first subsequent year in which the member would qualify for benefits.

Marital status of members at the calculation date was assumed to continue throughout retirement.

Life expectancies were based on:

- Healthy retirees: RPH-2015 Total Dataset Mortality Table fully generational using Scale MP-2015.
- Disabled retirees: RPH-2015 Disable Mortality Table fully generational using Scale MP-2015

RPH-2015 table is created based on RPH-2014 Total Dataset Mortality Table with 8 years of MP-2014 mortality improvement backed out, projected to 2015 using MP-2015 improvement.

Rates used to determine nongroup-specific age-based turnover were taken from the Michigan MERS actuarial valuations of December 31, 2017.

The expected rate of increase in healthcare insurance premiums was based on a combination of employer history, national trend surveys and professional judgment.

The payroll growth rate has been updated to be consistent with the assumptions used in the December 31, 2015 MERS actuarial valuation.

NOTE 20: **POST EMPLOYMENT BENEFITS** – Concluded

Based on the historical and expected returns of the City’s short-term investment portfolio, a discount rate of 6.0 percent was used. In addition, a simplified version of the entry age actuarial cost method was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2018 was 28 years.

Investment Policy

The City has chosen to invest in the Total Market Portfolio set up by MERS. The plan is a fully diversified portfolio combining traditional stocks and bonds with alternative asset classes including real estate, private equity, and commodities. The objective is to provide current income and capital appreciation while minimizing the volatility of the capital markets. The City Commission has the authority to establish and amend investment policies as they choose.

Concentrations

The Plan did not hold investments other than those explicitly guaranteed by the U.S. government in any one organization that represent 5 percent or more of the total plan’s fiduciary net position.

Rate of Return

For the year ended June 30, 2018, the rate of return on plan investments, net of plan investment expenses was 12.48%

Net OPEB Liability

The City adopted GASB Statement No. 75, which requires the measurement of OPEB expense as it is earned, rather than as it is funded. The net OPEB liability of the City has been measured as of June 30, 2018 and is composed of the following:

The following table presents the Net OPEB Obligation in the governmental activities by function and business-type activities by fund:

	NET OPEB OBLIGATION
Governmental Activities	
General government	\$ 2,387,536
Public safety	4,478,960
Public works	2,495,065
Cultural and recreation	1,870,130
Community development and enrichment	<u>1,090,904</u>
Total Governmental Activities	<u>12,322,595</u>
Business-Type Activities	
Auto parking	345,742
Wastewater treatment plant	2,142,245
Water supply	<u>773,836</u>
Total Business-Type Activities	<u>3,261,823</u>
TOTAL OPEB OBLIGATION	<u>\$ 15,584,418</u>

NOTE 21: **RISK MANAGEMENT**

The City 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. It is the policy of the City to purchase commercial insurance for most risks of loss to which it is exposed.

NOTE 22: **DETAILS OF FUND BALANCE CATEGORIES AND CLASSIFICATIONS**

In February, 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated and unreserved have been replaced with five new classifications: non-spendable, restricted, committed, assigned and unassigned.

Non-spendable – assets that are not available in a spendable form such as inventory, prepaid expenditures, and long-term receivables not expected to be converted to cash in the near term. It also includes funds that are legally or contractually required to be maintained intact such as the corpus of a permanent fund or foundation.

Restricted – amounts that are required by external parties to be used for a specific purpose. Constraints are externally imposed by creditors, grantors, contributors or laws, regulations or enabling legislation.

Committed – amounts constrained on use imposed by formal action of the government’s highest level of decision making authority (i.e., Board, Council, etc.)

Assigned – amounts intended to be used for specific purposes. This is determined by the governing body, the budget or finance committee, or a delegated municipality official.

Unassigned – all other resources; the remaining fund balance after non-spendable, restrictions, commitments, and assignments. This class only occurs in the General Fund except for cases of negative fund balances. Negative fund balances are always reported as unassigned, no matter which fund the deficit occurs in.

Fund Balance Classifications and Procedures

For committed fund balance, the City’s highest level of decision-making authority is the Board of Commissioners. The formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution.

For assigned fund balance, the City Trustees are authorized to assign amounts to a specific purpose.

The City has not formally adopted a policy that determines when both restricted and unrestricted fund balances are available which should be used first, therefore restricted resources will be used first, then unrestricted resources if they are needed.

The City has not formally adopted a policy that determines whether committed, assigned, or unassigned amounts are considered to be spent when an expenditure is incurred for purposes which amounts from any of those fund balance classifications could be used.

NOTE 23: **SUMMARIZED INFORMATION**

The financial statements include certain prior-year summarized comparative information in total but not by individual fund totals. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the City’s financial statements for the year ended June 30, 2017, from which the summarized information was derived.

NOTE 24: **DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time.

NOTE 24: **DEFERRED OUTFLOWS/INFLOWS OF RESOURCES - Concluded**

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

NOTE 25: **PENDING LEGAL PROCEEDINGS**

Various legal actions are pending against the City, involving litigation incidental to the businesses engaged in. The consequences of these matters are not presently determinable but, in the opinion of management, the ultimate liability resulting, if any, above insurance coverage, will not have a material effect on the financial position of the City.

NOTE 26: **FAIR VALUE MEASUREMENTS**

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances whereby inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The City's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The City has the following recurring fair value measurements as of June 30, 2018:

Retiree Health Care Funds
Assets Measured at Fair Value on a Recurring Basis

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investment by fair value level:				
U.S Stock	\$ 362,449	\$ 362,449	\$	\$
International Stock	186,319	186,319		
Emerging Markets	206,698	206,698		
Private Equities	66,958		66,958	
Global Bond	305,680	305,680		
Global Real Assets	161,574	161,574		
Diversifying Strategies	<u>148,473</u>	<u>148,473</u>	<u> </u>	<u> </u>
Total investments by fair value level	1,438,151	1,371,193		
Investment measured at net asset value –				
Pooled cash funds	<u>17,467</u>	<u>17,467</u>	<u> </u>	<u> </u>
Total investment measured at fair value	<u>\$ 1,455,618</u>	<u>\$ 1,388,660</u>	<u>\$ 66,958</u>	<u>\$</u>

NOTE 27: UPCOMING ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 84, *Fiduciary Activities*, was issued which will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. We will continue to assess the degree to which this standard impact the City.

GASB Statement No. 83, *Certain Asset Retirement Obligations*, was issued which will address accounting and financial reporting for certain asset retirement obligations—legally enforceable liabilities associated with the retirement of a tangible capital asset. We do not expect this standard to have any significant effect on the City.

GASB Statement No. 87, *Leases*, was issued which will establish a single model for reporting all leases (including those previously classified as operating and capital). Lessees will now report offsetting intangible lease assets and lease liabilities equal to the present value of future lease payments. Lessors will report offsetting lease receivables and deferred inflows of resources. We do not expect this standard to have any significant effect on the City.

GASB Statement No. 88, *Certain Disclosures Related to Debt*, was issued which will provide guidance on note disclosures related to debt, including direct borrowings and direct placements. It also clarified which liabilities governments should include when disclosing information related to debt. We do not expect this standard to have any significant effect on the City.

NOTE 28: TAX ABATEMENTS

The City received reduced property tax revenues during 2017/2018 as a result of industrial facilities tax exemptions (IFT's) entered into by the City.

The IFT's were entered into based upon the Plan Rehabilitation and Industrial Development Districts Act, (known as the Industrial Facilities Exemption), PA 1974, as amended. IFT's provide a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities, and to promote the establishment of high tech facilities. Properties qualifying for IFT status are taxed at 50% of the millage rate applicable to other real and personal property in the City. The abatements reduced 2017-2018 City tax revenues by \$81,232. There is no provision to recapture taxes.

Brownfield redevelopment agreements are intended to reimburse taxpayers that remediate environmental contamination on their properties. These agreements were entered into based upon the Brownfield Redevelopment Act, PA 381 of 1996, and amended. Under this act, a municipality may create a brownfield redevelopment authority to develop and implement brownfield projects. Tax increment financing may be used as a tool for property redevelopment. The abatements reduced 2017 City tax revenues by \$2,542.

NOTE 29: INVESTMENT IN REAL PROPERTY

Investment in real property consists of a parcel of vacant land in the City. The parcel was acquired for approximately \$900,000 plus the payment of delinquent special assessments on the property. The property is being held for temporary investment with the full intent to sell the parcel. Total investment as of June 30, 2018 was \$1,520,675.

NOTE 30: RESTATEMENT

The City adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, in current year. As a result of this change, beginning net position of governmental activities, the auto parking enterprise fund, the water treatment enterprise fund, and the water supply enterprise fund were decreased by \$10,521,458, \$309,843, \$1,959,297, and \$538,886, respectively. The net decrease in beginning net position of business-type activities was \$2,808,026.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LAPEER, MICHIGAN

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2018

	BUDGETED AMOUNTS			VARIANCE
	ORIGINAL	FINAL	ACTUAL	FAVORABLE (UNFAVORABLE)
REVENUES				
Taxes				
Property taxes	\$ 2,718,835	\$ 2,718,835	\$ 2,742,477	\$ 23,642
Penalties and interest	65,000	65,000	101,126	36,126
City income taxes	<u>3,120,000</u>	<u>3,120,000</u>	<u>3,267,617</u>	<u>147,617</u>
Total Taxes	<u>5,903,835</u>	<u>5,903,835</u>	<u>6,111,220</u>	<u>207,385</u>
Federal Grants				
Federal Drug Grant (TNU)	23,000	23,000	2,084	(20,916)
MSHDA Section 8	145,000	145,000	153,026	8,026
School liaison officer	<u>31,000</u>	<u>31,000</u>	<u>31,200</u>	<u>200</u>
Total Federal Grants	<u>199,000</u>	<u>199,000</u>	<u>186,310</u>	<u>(12,690)</u>
Licenses and Permits				
Licenses	5,500	5,500	7,726	2,226
Permits	<u>16,700</u>	<u>16,700</u>	<u>45,264</u>	<u>28,564</u>
Total Licenses and Permits	<u>22,200</u>	<u>22,200</u>	<u>52,990</u>	<u>30,790</u>
Intergovernmental				
Sales tax	750,637	750,637	794,354	43,717
Liquor licenses	<u>11,663</u>	<u>11,663</u>	<u>12,670</u>	<u>1,007</u>
Total Intergovernmental	<u>762,300</u>	<u>762,300</u>	<u>807,024</u>	<u>44,724</u>
Charges for Services				
Administrative fees	742,406	742,406	752,742	10,336
Copies	4,000	4,000	4,262	262
Fire runs and protection	463,000	463,000	464,875	1,875
IFT application fee	1,000	1,000		(1,000)
Other fees	9,150	9,150	77,559	68,409
Cable franchise fees	<u>124,500</u>	<u>124,500</u>	<u>116,833</u>	<u>(7,667)</u>
Total Charges for Services	<u>1,344,056</u>	<u>1,344,056</u>	<u>1,416,271</u>	<u>72,215</u>
Fines and Forfeits				
Court fines	<u>29,000</u>	<u>29,000</u>	<u>37,378</u>	<u>8,378</u>

CITY OF LAPEER, MICHIGAN

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

GENERAL FUND - Continued

FOR THE YEAR ENDED JUNE 30, 2018

	BUDGETED AMOUNTS			VARIANCE
	ORIGINAL	FINAL	ACTUAL	FAVORABLE (UNFAVORABLE)
REVENUES - Concluded				
Other Revenues				
Interest on investments	\$ 9,000	\$ 9,000	\$ 18,955	\$ 9,955
Rentals	141,900	141,900	144,380	2,480
Reimbursements	101,100	101,100	99,538	(1,562)
Miscellaneous	12,400	17,400	119,262	101,862
Contributions	159,814	505,019	504,790	(229)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Revenues	424,214	774,419	886,925	112,506
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	8,684,605	9,034,810	9,498,118	463,308
	<hr/>	<hr/>	<hr/>	<hr/>
EXPENDITURES				
General Government				
Legislative	39,282	40,610	43,443	(2,833)
Executive/Clerk	598,988	598,988	636,341	(37,353)
Assessor's office	247,222	247,222	210,070	37,152
Income tax	236,425	236,425	230,000	6,425
Attorney/Jury-Witness	140,000	140,000	132,524	7,476
Elections	52,063	52,063	22,548	29,515
City Hall	40,153	40,153	36,626	3,527
Board of Review	2,168	2,168	829	1,339
Finance	582,381	582,381	538,601	43,780
Cable advisory board	472	472	214	258
	<hr/>	<hr/>	<hr/>	<hr/>
Total General Government	1,939,154	1,940,482	1,851,196	89,286
	<hr/>	<hr/>	<hr/>	<hr/>
Public Safety				
Police	3,169,499	3,180,199	3,080,987	99,212
Fire	979,962	982,658	979,777	2,881
	<hr/>	<hr/>	<hr/>	<hr/>
Total Public Safety	4,149,461	4,162,857	4,060,764	102,093
	<hr/>	<hr/>	<hr/>	<hr/>
Public Works				
Public services	848,786	848,786	838,240	10,546
	<hr/>	<hr/>	<hr/>	<hr/>
Community development and enrichment				
	757,996	757,996	711,264	46,732
	<hr/>	<hr/>	<hr/>	<hr/>

CITY OF LAPEER, MICHIGAN

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

GENERAL FUND - Concluded

FOR THE YEAR ENDED JUNE 30, 2018

	BUDGETED AMOUNTS		ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
EXPENDITURES - Concluded				
Other Functions				
Contingency	\$ 51,000	\$ 51,000	\$ 46,700	\$ 51,000
Contributions to other units	46,700	46,700	46,700	
Contributions to component units	<u>999,426</u>	<u>1,008,672</u>	<u>1,003,767</u>	<u>4,905</u>
Total Other Functions	<u>1,097,126</u>	<u>1,106,372</u>	<u>1,050,467</u>	<u>55,905</u>
TOTAL EXPENDITURES	<u>8,792,523</u>	<u>8,816,493</u>	<u>8,511,931</u>	<u>304,562</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	<u>(107,918)</u>	<u>218,317</u>	<u>986,187</u>	<u>767,870</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	475,927	475,944	390,944	(85,000)
Operating transfers out	<u>(1,057,287)</u>	<u>(1,402,492)</u>	<u>(1,500,111)</u>	<u>(97,619)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(581,360)</u>	<u>(926,548)</u>	<u>(1,109,167)</u>	<u>(182,619)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES				
	(689,278)	(708,231)	(122,980)	585,251
FUND BALANCE, JULY 1	<u>2,594,054</u>	<u>2,594,054</u>	<u>2,594,054</u>	
FUND BALANCE, JUNE 30	<u>\$ 1,904,776</u>	<u>\$ 1,885,823</u>	<u>\$ 2,471,074</u>	<u>\$ 585,251</u>

CITY OF LAPEER, MICHIGAN

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

MAJOR STREET FUND

FOR THE YEAR ENDED JUNE 30, 2018

	BUDGETED AMOUNTS			VARIANCE
	ORIGINAL	FINAL	ACTUAL	FAVORABLE (UNFAVORABLE)
REVENUES				
State grants	\$ 1,065,502	\$ 1,155,502	\$ 971,527	\$ (183,975)
Interest on investments	1,000	1,000	5,539	4,539
Contribution from component units	65,250	65,250	2,919	
Other revenues	11,000	11,000	76,608	65,608
TOTAL REVENUES	1,142,752	1,232,752	1,056,593	(113,828)
EXPENDITURES				
Highways and streets	1,182,633	1,539,028	1,512,780	26,248
DEFICIENCY OF REVENUES OVER EXPENDITURES	(39,881)	(306,276)	(456,187)	(87,580)
OTHER FINANCING SOURCES				
Operating transfers in		1,589,300	1,589,300	
Operating transfers out	(159,976)	(159,976)	(159,976)	
TOTAL OTHER FINANCING SOURCES (USES)	(159,976)	1,429,324	1,429,324	
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	(199,857)	1,123,048	973,137	(87,580)
FUND BALANCE, JULY 1	98,373	98,373	98,373	
FUND BALANCE, JUNE 30	\$ (101,484)	\$ 1,221,421	\$ 1,071,510	\$ (87,580)

CITY OF LAPEER, MICHIGAN

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

PARKS AND RECREATION FUND

FOR THE YEAR ENDED JUNE 30, 2018

	BUDGETED AMOUNTS			VARIANCE
	ORIGINAL	FINAL	ACTUAL	FAVORABLE (UNFAVORABLE)
REVENUES				
Charges for services	\$ 1,093,800	\$ 1,093,800	\$ 1,138,002	\$ 44,202
Interest and rent	53,300	53,300	53,443	143
Donations	6,200	6,200	7,350	1,150
Contribution from component units	241,360	241,360	191,573	(49,787)
Other revenues	5,300	5,300	11,355	6,055
TOTAL REVENUES	1,399,960	1,399,960	1,401,723	1,763
EXPENDITURES				
Culture and recreation	1,965,612	1,965,612	1,866,695	98,917
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(565,652)	(565,652)	(464,972)	100,680
OTHER FINANCING SOURCES				
Operating transfers in	500,000	500,000	500,000	
Operating transfers out	(20,000)	(20,000)	(10,000)	10,000
TOTAL OTHER FINANCING SOURCES (USES)	480,000	480,000	490,000	10,000
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	(85,652)	(85,652)	25,028	110,680
FUND BALANCE, JULY 1	301,174	301,174	301,174	
FUND BALANCE, JUNE 30	\$ 215,522	\$ 215,522	\$ 326,202	\$ 110,680

CITY OF LAPEER, MICHIGAN
SCHEDULE OF CHANGES IN THE CITY
NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS

	2018
TOTAL PENSION LIABILITY	
Service cost	\$ 430,250
Interest	2,109,460
Change in assumptions	
Difference between actual and expected experience	45,141
Benefit payments, including refunds	(1,317,826)
Other change	(1)
	<u>1,267,024</u>
NET CHANGE IN TOTAL PENSION LIABILITY	1,267,024
TOTAL PENSION LIABILITY - BEGINNING OF YEAR	<u>26,812,037</u>
TOTAL PENSION LIABILITY - END OF YEAR	<u>\$ 28,079,061</u>
PLAN FIDUCIARY NET POSITION	
Contributions - employer	\$ 1,515,038
Contributions - employee	111,189
Net investment income	2,380,419
Benefit payments, including refunds	(1,317,826)
Administrative expenses	(37,593)
	<u>2,651,227</u>
NET CHANGE IN PLAN FIDUCIARY NET POSITION	2,651,227
PLAN FIDUCIARY NET POSITION - BEGINNING OF YEAR	<u>17,727,446</u>
PLAN FIDUCIARY NET POSITION - END OF YEAR	<u>\$ 20,378,673</u>
CITY'S NET PENSION LIABILITY - ENDING	<u>\$ 7,700,388</u>
PLAN FIDUCIARY NET POSITION AS A % OF TOTAL PENSION LIABILITY	72.58%
COVERED EMPLOYEE PAYROLL	<u>\$ 4,254,076</u>
CITY'S NET PENSION LIABILITY AS A % OF COVERED PAYROLL	181.01%

	2017	2016	2015
\$	426,985	\$ 401,331	\$ 435,088
	1,961,859	1,888,233	1,792,434
	729,250	1,224,741	
	(1,225,724)	(736,514)	
	(2,935)	(1,084,403)	(1,014,475)
	<u>1,889,435</u>	<u>1,693,388</u>	<u>1,213,047</u>
	<u>24,922,602</u>	<u>23,229,214</u>	<u>22,016,167</u>
\$	<u><u>26,812,037</u></u>	<u><u>24,922,602</u></u>	<u><u>23,229,214</u></u>
\$	1,316,272	\$ 1,101,356	\$ 970,425
	1,817,124	(244,240)	965,353
	(1,225,724)	(1,084,403)	(1,014,475)
	(35,842)	(35,472)	(35,527)
	<u>1,871,830</u>	<u>(262,759)</u>	<u>885,776</u>
	<u>15,855,616</u>	<u>16,118,375</u>	<u>15,232,599</u>
\$	<u><u>17,727,446</u></u>	<u><u>15,855,616</u></u>	<u><u>16,118,375</u></u>
\$	<u><u>9,084,591</u></u>	<u><u>9,066,986</u></u>	<u><u>7,110,839</u></u>
	66.12%	63.62%	69.39%
\$	<u><u>4,238,874</u></u>	<u><u>4,095,670</u></u>	<u><u>4,449,996</u></u>
	214.32%	221.38%	159.79%

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CITY OF LAPEER, MICHIGAN
SCHEDULE OF CONTRIBUTIONS - PENSION
LAST TEN FISCAL YEARS

	2018	2017	2016	2015
Actuarially determined contribution	\$ 900,729	\$ 833,666	\$ 789,987	\$ 769,694
Contributions in relation to the actuarially determined contribution	1,515,036	1,316,272	1,101,356	970,425
CONTRIBUTION DEFICIENCY (EXCESS)	\$ (614,307)	\$ (482,606)	\$ (311,369)	\$ (200,731)
COVERED EMPLOYEE PAYROLL	\$ 4,254,076	\$ 4,238,874	\$ 4,095,670	\$ 4,449,996
CONTRIBUTIONS AS A PERCENTAGE OF COVERED EMPLOYEE PAYROLL	35.61%	31.05%	26.89%	21.81%

Notes to Schedule of City Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
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Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll
Remaining amortization period	23 years
Asset valuation method	5-year smoothed
Inflation	2.5%
Salary increases	3.75%
Investment rate of return	7.75%
Administrative expense	0.25%
Retirement age	60
Mortality	50% Female/50% Male 2014 Group Annuity Mortality Table
Other information	None

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 792,143	\$ 747,656	\$ 722,120	\$ 733,956	\$ 700,000	\$ 632,668
<u>841,204</u>	<u>783,240</u>	<u>738,127</u>	<u>733,956</u>	<u>700,000</u>	<u>632,668</u>
\$ <u>(49,061)</u>	\$ <u>(35,584)</u>	\$ <u>(16,007)</u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>
\$ 4,207,951	\$ 4,539,885	\$ 4,499,943	\$ 4,541,250	\$ 4,569,422	\$ 4,431,469
19.99%	17.25%	16.40%	16.16%	15.32%	14.28%

CITY OF LAPEER, MICHIGAN
SCHEDULE OF CHANGES IN THE CITY
NET OPEB LIABILITY AND RELATED RATIOS

JUNE 30, 2018

LAST TEN FISCAL YEARS

(Schedule is built prospectively upon implementation of GASB Statement No. 75)

	2018	2017
TOTAL OPEB LIABILITY		
Service cost	\$ 444,127	\$ 488,520
Interest	1,568,748	1,558,423
Change in assumptions	(4,419,206)	1,909,844
Difference between actual and expected experience	(5,894,230)	(2,958,392)
Benefit payments, including refunds	<u>(711,777)</u>	<u>(850,043)</u>
NET CHANGE IN TOTAL OPEB LIABILITY	(9,012,338)	148,352
TOTAL OPEB LIABILITY - BEGINNING OF YEAR	<u>26,052,375</u>	<u>25,904,023</u>
TOTAL OPEB LIABILITY - END OF YEAR	<u>\$ 17,040,037</u>	<u>\$ 26,052,375</u>
PLAN FIDUCIARY NET POSITION		
Contributions - employer	\$ 912,007	\$ 847,211
Net investment income	131,267	177,736
Benefit payments, including refunds	(711,777)	(687,095)
Administrative expenses	<u>(4,081)</u>	<u>(3,746)</u>
NET CHANGE IN PLAN FIDUCIARY NET POSITION	327,416	334,106
PLAN FIDUCIARY NET POSITION - BEGINNING OF YEAR	<u>1,128,203</u>	<u>794,097</u>
PLAN FIDUCIARY NET POSITION - END OF YEAR	<u>\$ 1,455,619</u>	<u>\$ 1,128,203</u>
CITY'S NET OPEB LIABILITY - ENDING	<u>\$ 15,584,418</u>	<u>\$ 24,924,172</u>
PLAN FIDUCIARY NET POSITION AS A % OF TOTAL OPEB LIABILITY	8.54%	4.33%
COVERED EMPLOYEE PAYROLL	<u>\$ 3,454,588</u>	<u>\$ 3,329,723</u>
CITY'S NET OPEB LIABILITY AS A % OF COVERED PAYROLL	451.12%	748.54%

CITY OF LAPEER, MICHIGAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS - OPEB
FOR THE YEAR ENDED JUNE 30, 2018

YEAR ENDED JUNE 30,	ACTUARIALLY DETERMINED CONTRIBUTIONS	ACTUAL CONTRIBUTION	CONTRIBUTION DEFICIENCY (EXCESS)	COVERED EMPLOYEE PAYROLL	ACTUAL CONTRIBUTION AS PERCENTAGE OF COVERED- EMPLOYEE PAYROLL
2018	\$ 1,601,230	\$ 845,240	\$ 755,990	\$ 3,454,588	24.5%

CITY OF LAPEER, MICHIGAN
NOTES TO SCHEDULE OF CONTRIBUTIONS

Notes to Schedule of City Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date	Actuarially determined contribution rates are calculated as of July 1, one year prior to the end of the fiscal year in which the contributions are reported.
----------------	--

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Asset valuation method	Fair market value
Inflation	3.0%
Salary increases	3.75%
Investment rate of return	6.00%
Administrative expense	0.25%
Retirement age	60
Mortality	50% Female/50% Male 2015 Group Annuity Mortality Table
Other information	None

(1) The amount provided represents the annual pay for members active on the valuation date and does not necessarily represent covered payroll as defined by GASB Statement No. 74.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS
NONMAJOR FUNDS

CITY OF LAPEER, MICHIGAN
BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

	SPECIAL REVENUE	DEBT SERVICE
ASSETS		
Cash	\$ 1,449,166	\$ 292,715
Receivables	585,659	
Accounts	33,395	
Special assessments	1,128	27,169
Due from		
Other funds	307	2,596
State	<u>36,956</u>	
TOTAL ASSETS	<u>2,106,611</u>	<u>322,480</u>
DEFERRED OUTFLOWS OF RESOURCES		
Prepaid expenses	<u>6,003</u>	
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 2,112,614</u>	<u>\$ 322,480</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
LIABILITIES		
Payables		
Accounts	\$ 457,558	\$
Payroll and payroll taxes	5,352	
Due to other funds	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>462,910</u>	<u> </u>
DEFERRED INFLOWS OF RESOURCES		
Special assesment - deferred revenue	<u>1,128</u>	<u>27,169</u>
FUND BALANCE		
Nonspendable		
Restricted for debt service		295,311
Assigned	<u>1,648,576</u>	<u> </u>
TOTAL FUND BALANCE	<u>1,648,576</u>	<u>295,311</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 2,112,614</u>	<u>\$ 322,480</u>

CAPITAL PROJECTS	PERMANENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
\$ 110,110	\$ 10,253	\$ 1,862,244
60,928		585,659
		94,323
		28,297
		2,903
		<u>36,956</u>
<u>171,038</u>	<u>10,253</u>	<u>2,610,382</u>
<u>307,848</u>		<u>313,851</u>
\$ <u><u>478,886</u></u>	\$ <u><u>10,253</u></u>	\$ <u><u>2,924,233</u></u>
\$ 1,352	\$	\$ 458,910
		5,352
<u>1,352</u>		<u>464,262</u>
		<u>28,297</u>
	9,912	9,912
<u>477,534</u>	<u>341</u>	<u>295,311</u>
<u>477,534</u>	<u>10,253</u>	<u>2,126,451</u>
		<u>2,431,674</u>
\$ <u><u>478,886</u></u>	\$ <u><u>10,253</u></u>	\$ <u><u>2,924,233</u></u>

CITY OF LAPEER, MICHIGAN

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2018

	SPECIAL REVENUE	DEBT SERVICE
REVENUES		
Taxes and special assessments	\$ 892	\$ 21,962
Intergovernmental	402,764	
Charges for services	289,707	
Interest and rentals	5,417	3,055
Contribution from component units	1,057,222	
Other revenues	<u>149,015</u>	<u>236,368</u>
 TOTAL REVENUES	 <u>1,905,017</u>	 <u>261,385</u>
EXPENDITURES		
Public safety	46,736	
Health and welfare	157,583	
Community development and enrichment	487,039	
Debt service		
Principal retirement		973,670
Interest and fiscal charges		163,020
Other	1,914	
Highways and streets	785,156	
Capital outlay		
 TOTAL EXPENDITURES	 <u>1,478,428</u>	 <u>1,136,690</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 <u>426,589</u>	 <u>(875,305)</u>
OTHER FINANCING SOURCES (USES)		
Proceeds of bond		
Operating transfers in	666,986	776,045
Operating transfers out	<u>(94,757)</u>	<u>(5,103)</u>
 TOTAL OTHER FINANCING SOURCES (USES)	 <u>572,229</u>	 <u>770,942</u>
 EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	 998,818	 (104,363)
 FUND BALANCE, JULY 1	 <u>649,758</u>	 <u>399,674</u>
FUND BALANCE, JUNE 30	\$ <u><u>1,648,576</u></u>	\$ <u><u>295,311</u></u>

CAPITAL PROJECTS	PERMANENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
\$	\$	\$
		22,854
		402,764
		289,707
517	53	9,042
		1,057,222
<hr/>	<hr/>	<hr/>
517	465	385,848
<hr/>	<hr/>	<hr/>
	518	2,167,437
		46,736
		157,583
		487,039
		973,670
		163,020
38,021		39,935
		785,156
<hr/>	<hr/>	<hr/>
36,111		36,111
<hr/>	<hr/>	<hr/>
74,132		2,689,250
<hr/>	<hr/>	<hr/>
(73,615)	518	(521,813)
		1,740,000
1,740,000		1,740,000
523,858		1,966,889
<hr/>	<hr/>	<hr/>
(1,828,638)	(53)	(1,928,551)
<hr/>	<hr/>	<hr/>
435,220	(53)	1,778,338
<hr/>	<hr/>	<hr/>
361,605	465	1,256,525
		1,175,149
<hr/>	<hr/>	<hr/>
115,929	9,788	1,175,149
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\$ <u>477,534</u>	\$ <u>10,253</u>	\$ <u>2,431,674</u>

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GENERAL FUND

The General Fund exists to account for the resources devoted to finance the services traditionally associated with local government. Included in these services are police and fire protection, public works and general administration of the City. Any other activity for which a special fund has not been created is accounted for in the General Fund.

CITY OF LAPEER, MICHIGAN

BALANCE SHEET

GENERAL FUND

JUNE 30, 2018

WITH COMPARATIVE TOTALS FOR JUNE 30, 2017

	2018	2017
ASSETS		
Cash	\$ 1,461,308	\$ 1,572,904
Investments	930,123	1,002,019
Receivables		
Accounts	129,000	44,976
Property taxes	70,259	95,689
Due from other governmental units	10,432	8,344
Due from state	262,537	252,858
Inventory	<u>23,211</u>	<u>44,969</u>
TOTAL ASSETS	<u>2,886,870</u>	<u>3,021,759</u>
DEFERRED OUTFLOWS OF RESOURCES		
Prepaid expenses	<u>96,295</u>	<u>92,222</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 2,983,165</u>	<u>\$ 3,113,981</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable	\$ 122,726	\$ 90,276
Accrued payroll and payroll taxes	94,436	98,603
Due to other units	57,979	81,598
Security deposits	<u>236,950</u>	<u>249,450</u>
TOTAL LIABILITIES	<u>512,091</u>	<u>519,927</u>
FUND BALANCE		
Nonspendable		
Receivables	129,000	44,976
Prepaid expenses	96,295	92,222
Inventory	23,211	44,969
Unassigned	<u>2,222,568</u>	<u>2,411,887</u>
TOTAL FUND BALANCE	<u>2,471,074</u>	<u>2,594,054</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 2,983,165</u>	<u>\$ 3,113,981</u>

CITY OF LAPEER, MICHIGAN

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018		VARIANCE FAVORABLE (UNFAVORABLE)	2017
	BUDGET	ACTUAL		ACTUAL
REVENUES				
Taxes				
Property taxes	\$ 2,718,835	\$ 2,742,477	\$ 23,642	\$ 2,452,556
Penalties and interest	65,000	101,126	36,126	90,501
City income taxes	<u>3,120,000</u>	<u>3,267,617</u>	<u>147,617</u>	<u>3,143,157</u>
Total Taxes	<u>5,903,835</u>	<u>6,111,220</u>	<u>207,385</u>	<u>5,686,214</u>
Federal Grants				
Federal Drug Grant (TNU)	23,000	2,084	(20,916)	22,116
MSHDA Section 8	145,000	153,026	8,026	155,965
School liaison officer	<u>31,000</u>	<u>31,200</u>	<u>200</u>	<u>46,820</u>
Total Federal Grants	<u>199,000</u>	<u>186,310</u>	<u>(12,690)</u>	<u>224,901</u>
Licenses and Permits				
Licenses	5,500	7,726	2,226	5,583
Permits	<u>16,700</u>	<u>45,264</u>	<u>28,564</u>	<u>12,255</u>
Total Licenses and Permits	<u>22,200</u>	<u>52,990</u>	<u>30,790</u>	<u>17,838</u>
Intergovernmental				
Sales tax	750,637	794,354	43,717	896,611
Liquor licenses	<u>11,663</u>	<u>12,670</u>	<u>1,007</u>	<u>11,732</u>
Total Intergovernmental	<u>762,300</u>	<u>807,024</u>	<u>44,724</u>	<u>908,343</u>
Charges for Services				
Administrative fees	742,406	752,742	10,336	713,942
Copies	4,000	4,262	262	3,715
Fire runs and protection	463,000	464,875	1,875	472,157
IFT application fee	1,000		(1,000)	2,000
Other fees	9,150	77,559	68,409	36,206
Cable franchise fees	<u>124,500</u>	<u>116,833</u>	<u>(7,667)</u>	<u>120,797</u>
Total Charges for Services	<u>1,344,056</u>	<u>1,416,271</u>	<u>72,215</u>	<u>1,348,817</u>
Fines and Forfeits				
Court fines	<u>29,000</u>	<u>37,378</u>	<u>8,378</u>	<u>40,231</u>

CITY OF LAPEER, MICHIGAN

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

GENERAL FUND - Continued

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018		VARIANCE FAVORABLE (UNFAVORABLE)	2017
	BUDGET	ACTUAL		ACTUAL
REVENUES - Concluded				
Other Revenues				
Interest on investments	\$ 9,000	\$ 18,955	\$ 9,955	\$ 11,822
Rentals	141,900	144,380	2,480	132,253
Reimbursements	101,100	99,538	(1,562)	99,773
Miscellaneous	17,400	119,262	101,862	92,666
Sale of tax map books				1
Contributions	505,019	504,790	(229)	226,147
Total Other Revenues	774,419	886,925	112,506	562,662
TOTAL REVENUES	9,034,810	9,498,118	463,308	8,789,006
EXPENDITURES				
General Government				
Legislative	40,610	43,443	(2,833)	48,300
Executive/Clerk	598,988	636,341	(37,353)	568,232
Assessor's office	247,222	210,070	37,152	204,754
Income tax	236,425	230,000	6,425	220,750
Attorney/Jury-Witness	140,000	132,524	7,476	125,000
Elections	52,063	22,548	29,515	27,003
City Hall	40,153	36,626	3,527	36,656
Board of Review	2,168	829	1,339	652
Accounting and data processing	582,381	538,601	43,780	512,650
Cable advisory board	472	214	258	202
Total General Government	1,940,482	1,851,196	89,286	1,744,199
Public Safety				
Police	3,180,199	3,080,987	99,212	3,087,392
Fire	982,658	979,777	2,881	924,191
Total Public Safety	4,162,857	4,060,764	102,093	4,011,583
Public Works				
Public services	848,786	838,240	10,546	867,330
Community development and enrichment				
	757,996	711,264	46,732	690,627

CITY OF LAPEER, MICHIGAN

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

GENERAL FUND - Concluded

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018		VARIANCE	2017
	BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE)	ACTUAL
EXPENDITURES - Concluded				
Other Functions				
Contingency	\$ 51,000	\$	\$ 51,000	\$
Contributions to other units	46,700	46,700		43,639
Contributions to component units	1,008,672	1,003,767	4,905	947,014
Total Other Functions	1,106,372	1,050,467	55,905	990,653
TOTAL EXPENDITURES	8,816,493	8,511,931	304,562	8,304,392
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	218,317	986,187	767,870	484,614
OTHER FINANCING SOURCES (USES)				
Operating transfers in	475,944	390,944	(85,000)	477,619
Operating transfers out	(1,402,492)	(1,500,111)	(97,619)	(954,829)
TOTAL OTHER FINANCING SOURCES (USES)	(926,548)	(1,109,167)	(182,619)	(477,210)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(708,231)	(122,980)	585,251	7,404
FUND BALANCE, JULY 1	2,594,054	2,594,054		2,586,650
FUND BALANCE, JUNE 30	\$ 1,885,823	\$ 2,471,074	\$ 585,251	\$ 2,594,054

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SPECIAL REVENUE FUNDS

Special Revenue Funds are used to finance particular activities and are created out of receipts of specific taxes or other earmarked revenues. Such funds are authorized by statutory or charter provisions to pay for certain activities with some special form of continuing revenues.

The Special Revenue Funds of the City are: Major Street, Local Street, Parks and Recreation, Mt. Hope Cemetery, Youth Mini-Grant, Building Department, Oakdale Development, Dog Park, Police K-9 Program, Drug Law Enforcement, School Liaison, Site Plan Review, General Forfeiture, Public Safety Training, Mobile Training Unit, and Housing Resource.

CITY OF LAPEER, MICHIGAN

COMBINING BALANCE SHEET

SPECIAL REVENUE FUNDS

JUNE 30, 2018

WITH COMPARATIVE TOTALS FOR JUNE 30, 2017

	MAJOR STREET	LOCAL STREET
ASSETS		
Cash	\$ 775,300	\$ 980,961
Investments	462,874	585,659
Special assessment receivable	121,290	1,128
Accounts receivable	15,817	2,285
Due from other funds	2,263	307
Due from other units		
Due from state	<u>122,794</u>	<u>36,956</u>
TOTAL ASSETS	<u>1,500,338</u>	<u>1,607,296</u>
DEFERRED OUTFLOWS OF RESOURCES		
Prepaid expenses	<u>6,108</u>	<u>2,186</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 1,506,446</u>	<u>\$ 1,609,482</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
LIABILITIES		
Accounts payable	\$ 311,872	\$ 387,339
Payroll and taxes payable	<u>1,774</u>	<u>928</u>
TOTAL LIABILITIES	<u>313,646</u>	<u>388,267</u>
DEFERRED INFLOWS OF RESOURCES		
Special assessment deferred revenue	<u>121,290</u>	<u>1,128</u>
FUND BALANCE		
Assigned	<u>1,071,510</u>	<u>1,220,087</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 1,506,446</u>	<u>\$ 1,609,482</u>

PARKS AND RECREATION	MT. HOPE CEMETERY	YOUTH MINI-GRANT	BUILDING DEPARTMENT	OAKDALE DEVELOPMENT
\$ 410,746	\$ 98,538	\$ 572	\$ 102,292	\$ 77,207
17,749	661		3,550	224
<u>428,495</u>	<u>99,199</u>	<u>572</u>	<u>105,842</u>	<u>77,431</u>
<u>13,105</u>	<u>659</u>		<u>2,938</u>	<u>220</u>
\$ <u><u>441,600</u></u>	\$ <u><u>99,858</u></u>	\$ <u><u>572</u></u>	\$ <u><u>108,780</u></u>	\$ <u><u>77,651</u></u>
\$ 96,085	\$ 11,796	\$	\$ 37,417	\$ 3,873
<u>19,313</u>	<u>695</u>		<u>3,289</u>	<u>440</u>
<u>115,398</u>	<u>12,491</u>		<u>40,706</u>	<u>4,313</u>
<u>326,202</u>	<u>87,367</u>	<u>572</u>	<u>68,074</u>	<u>73,338</u>
\$ <u><u>441,600</u></u>	\$ <u><u>99,858</u></u>	\$ <u><u>572</u></u>	\$ <u><u>108,780</u></u>	\$ <u><u>77,651</u></u>

CITY OF LAPEER, MICHIGAN

COMBINING BALANCE SHEET

SPECIAL REVENUE FUNDS - Continued

JUNE 30, 2018

WITH COMPARATIVE TOTALS FOR JUNE 30, 2017

	DOG PARK	POLICE K-9 PROGRAM	DRUG LAW ENFORCEMENT
ASSETS			
Cash	\$ 5,598	\$ 9,824	\$ 124,011
Investments			
Special assessment receivable			
Accounts receivable			
Due from other funds			
Due from other units			
Due from state			
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	5,598	9,824	124,011
	<hr/>	<hr/>	<hr/>
DEFERRED OUTFLOWS OF RESOURCES			
Prepaid expenses			
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 5,598	\$ 9,824	\$ 124,011
	<hr/>	<hr/>	<hr/>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE			
LIABILITIES			
Accounts payable	\$	\$ 818	\$ 6,634
Payroll and taxes payable			
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES		818	6,634
	<hr/>	<hr/>	<hr/>
DEFERRED INFLOWS OF RESOURCES			
Special assessment deferred revenue			
	<hr/>	<hr/>	<hr/>
FUND BALANCE			
Assigned	5,598	9,006	117,377
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 5,598	\$ 9,824	\$ 124,011
	<hr/>	<hr/>	<hr/>

SCHOOL LIAISON	SITE PLAN REVIEW	GENERAL FORFEITURE	PUBLIC SAFETY TRAINING
\$ 6,640	\$ 15,319	\$ 11,090	\$ 490
	1,394		
<hr/> <hr/> 6,640 <hr/> <hr/>	<hr/> <hr/> 16,713 <hr/> <hr/>	<hr/> <hr/> 11,090 <hr/> <hr/>	<hr/> <hr/> 490 <hr/> <hr/>
<hr/> <hr/> \$ 6,640 <hr/> <hr/>	<hr/> <hr/> \$ 16,713 <hr/> <hr/>	<hr/> <hr/> \$ 11,090 <hr/> <hr/>	<hr/> <hr/> \$ 490 <hr/> <hr/>
 \$ 1,681	 \$ 8,000	 \$	 \$
<hr/> <hr/> 1,681 <hr/> <hr/>	<hr/> <hr/> 8,000 <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/>
<hr/> <hr/> 4,959 <hr/> <hr/>	<hr/> <hr/> 8,713 <hr/> <hr/>	<hr/> <hr/> 11,090 <hr/> <hr/>	<hr/> <hr/> 490 <hr/> <hr/>
<hr/> <hr/> \$ 6,640 <hr/> <hr/>	<hr/> <hr/> \$ 16,713 <hr/> <hr/>	<hr/> <hr/> \$ 11,090 <hr/> <hr/>	<hr/> <hr/> \$ 490 <hr/> <hr/>

CITY OF LAPEER, MICHIGAN
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS - Concluded
JUNE 30, 2018
WITH COMPARATIVE TOTALS FOR JUNE 30, 2017

	MOBILE TRAINING UNIT	HOUSING RESOURCE
ASSETS		
Cash	\$ 2,839	\$ 13,785
Investments		
Special assessment receivable		
Accounts receivable		25,281
Due from other funds		
Due from other units		
Due from state		
	<hr/>	<hr/>
TOTAL ASSETS	<u>2,839</u>	<u>39,066</u>
DEFERRED OUTFLOWS OF RESOURCES		
Prepaid expenses		
	<hr/>	<hr/>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 2,839</u>	<u>\$ 39,066</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
LIABILITIES		
Accounts payable	\$	\$
Payroll and taxes payable		
	<hr/>	<hr/>
TOTAL LIABILITIES	<hr/>	<hr/>
DEFERRED INFLOWS OF RESOURCES		
Special assessment deferred revenue		
	<hr/>	<hr/>
FUND BALANCE		
Assigned	<u>2,839</u>	<u>39,066</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 2,839</u>	<u>\$ 39,066</u>

TOTAL SPECIAL REVENUE 2018	ELIMINATION OF MAJOR FUNDS	TOTAL NON- MAJOR SPECIAL REVENUE 2018	TOTAL SPECIAL REVENUE 2017
\$ 2,635,212	\$ (1,186,046)	\$ 1,449,166	\$ 1,294,112
1,048,533	(462,874)	585,659	
122,418	(121,290)	1,128	1,995
66,961	(33,566)	33,395	106,550
2,570	(2,263)	307	782
<u>159,750</u>	<u>(122,794)</u>	<u>36,956</u>	<u>221,945</u>
<u>4,035,444</u>	<u>(1,928,833)</u>	<u>2,106,611</u>	<u>1,625,384</u>
<u>25,216</u>	<u>(19,213)</u>	<u>6,003</u>	<u>21,689</u>
<u>\$ 4,060,660</u>	<u>\$ (1,948,046)</u>	<u>\$ 2,112,614</u>	<u>\$ 1,647,073</u>
\$ 865,515	\$ (407,957)	\$ 457,558	\$ 571,258
<u>26,439</u>	<u>(21,087)</u>	<u>5,352</u>	<u>24,515</u>
<u>891,954</u>	<u>(429,044)</u>	<u>462,910</u>	<u>595,773</u>
<u>122,418</u>	<u>(121,290)</u>	<u>1,128</u>	<u>1,995</u>
<u>3,046,288</u>	<u>(1,397,712)</u>	<u>1,648,576</u>	<u>1,049,305</u>
<u>\$ 4,060,660</u>	<u>\$ (1,948,046)</u>	<u>\$ 2,112,614</u>	<u>\$ 1,647,073</u>

CITY OF LAPEER, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2017

	MAJOR STREET	LOCAL STREET
REVENUES		
Taxes and special assessments	\$ 61,208	\$ 892
Charges for services		
Intergovernmental		
Federal		
State	971,527	283,587
Interest and rent	5,539	3,042
Donations		
Contribution from component units	2,919	1,023,143
Other revenue	15,400	755
	<u>1,056,593</u>	<u>1,311,419</u>
EXPENDITURES		
Highways and streets	1,512,780	785,156
Culture and recreation		
Health and welfare		
Community development and enrichment		
Public safety		
	<u>1,512,780</u>	<u>785,156</u>
TOTAL EXPENDITURES	<u>1,512,780</u>	<u>785,156</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(456,187)</u>	<u>526,263</u>
OTHER FINANCING SOURCES (USES)		
Operating transfers in	1,589,300	535,909
Operating transfers out	(159,976)	(72,650)
	<u>1,429,324</u>	<u>463,259</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,429,324</u>	<u>463,259</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	973,137	989,522
FUND BALANCE, JULY 1	<u>98,373</u>	<u>230,565</u>
FUND BALANCE, JUNE 30	<u>\$ 1,071,510</u>	<u>\$ 1,220,087</u>

PARKS AND RECREATION	MT. HOPE CEMETERY	YOUTH MINI-GRANT	BUILDING DEPARTMENT	OAKDALE DEVELOPMENT
\$ 1,138,002	\$ 38,385	\$	\$ 251,322	\$
53,443	443	3	638	451
7,350				
191,573				34,079
11,355			333	
<u>1,401,723</u>	<u>38,828</u>	<u>3</u>	<u>252,293</u>	<u>34,530</u>
1,866,695	157,583			
			353,698	28,346
<u>1,866,695</u>	<u>157,583</u>		<u>353,698</u>	<u>28,346</u>
<u>(464,972)</u>	<u>(118,755)</u>	<u>3</u>	<u>(101,405)</u>	<u>6,184</u>
500,000	128,562			
(10,000)				
<u>490,000</u>	<u>128,562</u>			
25,028	9,807	3	(101,405)	6,184
<u>301,174</u>	<u>77,560</u>	<u>569</u>	<u>169,479</u>	<u>67,154</u>
<u>\$ 326,202</u>	<u>\$ 87,367</u>	<u>\$ 572</u>	<u>\$ 68,074</u>	<u>\$ 73,338</u>

CITY OF LAPEER, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - Continued
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2016

	DOG PARK	POLICE K-9 PROGRAM	DRUG LAW ENFORCEMENT
REVENUES			
Taxes and special assessments	\$	\$	\$
Charges for services			
Intergovernmental			
Federal			
State			
Interest and rent	4	65	567
Donations	7,508		
Contribution from component units			
Other revenue			135,993
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	7,512	65	136,560
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Highways and streets			
Culture and recreation	1,914		
Health and welfare			
Community development and enrichment			
Public safety		11,726	27,946
	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	1,914	11,726	27,946
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	5,598	(11,661)	108,614
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)			
Operating transfers in		2,515	
Operating transfers out			
	<hr/>	<hr/>	<hr/>
TOTAL OTHER FINANCING SOURCES (USES)		2,515	
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	5,598	(9,146)	108,614
	<hr/>	<hr/>	<hr/>
FUND BALANCE, JULY 1		18,152	8,763
	<hr/>	<hr/>	<hr/>
FUND BALANCE, JUNE 30	\$ 5,598	\$ 9,006	\$ 117,377
	<hr/>	<hr/>	<hr/>

SCHOOL LIAISON	SITE PLAN REVIEW	GENERAL FORFEITURE	PUBLIC SAFETY TRAINING
\$	\$	\$	\$
35	95	58	3,498
1,800			1
<hr/>	<hr/>	<hr/>	<hr/>
1,835	95	60	3,499
<hr/>	<hr/>	<hr/>	<hr/>
3,566			3,498
<hr/>	<hr/>	<hr/>	<hr/>
3,566			3,498
<hr/>	<hr/>	<hr/>	<hr/>
(1,731)	95	118	1
<hr/>	<hr/>	<hr/>	<hr/>
	(2,107)		
<hr/>	<hr/>	<hr/>	<hr/>
	(2,107)		
<hr/>	<hr/>	<hr/>	<hr/>
(1,731)	(2,012)	118	1
<hr/>	<hr/>	<hr/>	<hr/>
6,690	10,725	10,972	489
<hr/>	<hr/>	<hr/>	<hr/>
\$ 4,959	\$ 8,713	\$ 11,090	\$ 490
<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

CITY OF LAPEER, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - Concluded
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2017

	MOBILE TRAINING UNIT	HOUSING RESOURCE
REVENUES		
Taxes and special assessments	\$	\$
Charges for services		
Intergovernmental		
Federal		
State		115,679
Interest and rent	15	
Donations		
Contribution from component units		
Other revenue		2,566
TOTAL REVENUES	15	118,245
EXPENDITURES		
Highways and streets		
Culture and recreation		
Health and welfare		
Community development and enrichment		104,995
Public safety		
TOTAL EXPENDITURES		104,995
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	15	13,250
OTHER FINANCING SOURCES (USES)		
Operating transfers in		
Operating transfers out		(20,000)
TOTAL OTHER FINANCING SOURCES (USES)		(20,000)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	15	(6,750)
FUND BALANCE, JULY 1	2,824	45,816
FUND BALANCE, JUNE 30	\$ 2,839	\$ 39,066

TOTAL SPECIAL REVENUE 2018	ELIMINATION OF MAJOR FUNDS	TOTAL NON- MAJOR SPECIAL REVENUE 2018	SPECIAL REVENUE 2017
\$ 62,100	\$ (61,208)	\$ 892	\$ 2,312
1,427,709	(1,138,002)	289,707	1,480,538
			99,020
1,374,291	(971,527)	402,764	918,741
64,399	(58,982)	5,417	63,984
16,658	(7,350)	9,308	11,840
1,251,714	(194,492)	1,057,222	435,377
166,462	(26,755)	139,707	111,393
<u>4,363,333</u>	<u>(2,458,316)</u>	<u>1,905,017</u>	<u>3,123,205</u>
2,297,936	(1,512,780)	785,156	1,403,100
1,868,609	(1,866,695)	1,914	1,855,374
157,583		157,583	155,897
487,039		487,039	399,016
46,736		46,736	9,085
<u>4,857,903</u>	<u>(3,379,475)</u>	<u>1,478,428</u>	<u>3,822,472</u>
<u>(494,570)</u>	<u>(921,159)</u>	<u>426,589</u>	<u>(699,267)</u>
2,756,286	(2,089,300)	666,986	763,120
(264,733)	169,976	(94,757)	(229,372)
<u>2,491,553</u>	<u>(1,919,324)</u>	<u>572,229</u>	<u>533,748</u>
1,996,983	(998,165)	998,818	(165,519)
<u>1,049,305</u>	<u>(399,547)</u>	<u>649,758</u>	<u>1,214,824</u>
<u>\$ 3,046,288</u>	<u>\$ (1,397,712)</u>	<u>\$ 1,648,576</u>	<u>\$ 1,049,305</u>

CITY OF LAPEER, MICHIGAN

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

MAJOR STREET FUND

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018		VARIANCE	2017
	BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE)	ACTUAL
REVENUES				
Special assessments	\$ 10,000	\$ 61,208	\$ 51,208	\$
State grants	1,155,502	971,527	(183,975)	632,907
Interest on investments	1,000	5,539	4,539	1,417
Contribution from component units	65,250	2,919	(62,331)	265,250
Other revenue	1,000	15,400	14,400	93,892
TOTAL REVENUES	1,232,752	1,056,593	(176,159)	993,466
EXPENDITURES				
Highways and streets	1,539,028	1,512,780	26,248	1,191,857
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(306,276)	(456,187)	(149,911)	(198,391)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	1,589,300	1,589,300		
Operating transfers out	(159,976)	(159,976)		(124,754)
TOTAL OTHER FINANCING SOURCES (USES)	1,429,324	1,429,324		(124,754)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	1,123,048	973,137	(149,911)	(323,145)
FUND BALANCE, JULY 1	98,373	98,373		421,518
FUND BALANCE, JUNE 30	\$ 1,221,421	\$ 1,071,510	\$ (149,911)	\$ 98,373

CITY OF LAPEER, MICHIGAN

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

LOCAL STREET FUND

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018		VARIANCE	2017
	BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE)	ACTUAL
REVENUES				
Special assessments	\$ 998	\$ 892	\$ (106)	\$ 2,312
State grants	158,056	283,587	125,531	260,321
Federal grants				
Interest on investments	780	3,042	2,262	587
Contributions from component unit	1,028,716	1,023,143	(5,573)	
Other revenue		755	755	859
TOTAL REVENUES	1,188,550	1,311,419	122,869	264,079
EXPENDITURES				
Highways and streets	1,643,813	785,156	858,657	211,243
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(455,263)	526,263	981,526	52,836
OTHER FINANCING SOURCES (USES)				
Operating transfers in	535,909	535,909		117,878
Operating transfers out	(72,629)	(72,650)	(21)	(69,023)
TOTAL OTHER FINANCING SOURCES (USES)	463,280	463,259	(21)	48,855
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	8,017	989,522	981,505	101,691
FUND BALANCE, JULY 1	230,565	230,565		128,874
FUND BALANCE, JUNE 30	\$ 238,582	\$ 1,220,087	\$ 981,505	\$ 230,565

CITY OF LAPEER, MICHIGAN

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

PARKS AND RECREATION FUND

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018		VARIANCE	2017
	BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE)	ACTUAL
REVENUES				
Charges for services	\$ 1,093,800	\$ 1,138,002	\$ 44,202	\$ 1,114,940
Interest and rent	53,300	53,443	143	60,628
Donations	6,200	7,350	1,150	6,665
Other revenues	5,300	11,355	6,055	5,277
Contribution from component units	241,360	191,573	(49,787)	138,364
TOTAL REVENUES	1,399,960	1,401,723	1,763	1,325,874
EXPENDITURES				
Culture and recreation	1,965,612	1,866,695	98,917	1,855,374
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(565,652)	(464,972)	100,680	(529,500)
OTHER FINANCING SOURCES				
Operating transfers in	500,000	500,000		500,000
Operating transfers out	(20,000)	(10,000)	10,000	(10,000)
TOTAL OTHER FINANCING SOURCES (USES)	480,000	490,000	10,000	490,000
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	(85,652)	25,028	110,680	(39,500)
FUND BALANCE, JULY 1	301,174	301,174		340,674
FUND BALANCE, JUNE 30	\$ 215,522	\$ 326,202	\$ 110,680	\$ 301,174

CITY OF LAPEER, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MT. HOPE CEMETERY FUND
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	<u>2018</u>		VARIANCE FAVORABLE (UNFAVORABLE)	<u>2017</u>
	BUDGET	ACTUAL		ACTUAL
REVENUES				
Charges for services	\$ 37,000	\$ 38,385	\$ 1,385	\$ 41,143
Interest on investments	<u>200</u>	<u>443</u>	<u>243</u>	<u>246</u>
TOTAL REVENUES	37,200	38,828	1,628	41,389
EXPENDITURES				
Health and welfare	<u>165,743</u>	<u>157,583</u>	<u>8,160</u>	<u>155,897</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(128,543)</u>	<u>(118,755)</u>	<u>9,788</u>	<u>(114,508)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	<u>128,562</u>	<u>128,562</u>		<u>127,752</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	19	9,807	9,788	13,244
FUND BALANCE, JULY 1	<u>77,560</u>	<u>77,560</u>		<u>64,316</u>
FUND BALANCE, JUNE 30	<u>\$ 77,579</u>	<u>\$ 87,367</u>	<u>\$ 9,788</u>	<u>\$ 77,560</u>

CITY OF LAPEER, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YOUTH MINI-GRANT
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018		VARIANCE FAVORABLE (UNFAVORABLE)	2017
	BUDGET	ACTUAL		ACTUAL
REVENUES				
Interest income	\$ <u>2</u>	\$ <u>3</u>	\$ <u>1</u>	\$ <u>3</u>
EXCESS OF REVENUES OVER EXPENDITURES	2	3	1	3
FUND BALANCE, JULY 1	<u>569</u>	<u>569</u>		<u>566</u>
FUND BALANCE, JUNE 30	<u><u>\$ 571</u></u>	<u><u>\$ 572</u></u>	<u><u>\$ 1</u></u>	<u><u>\$ 569</u></u>

CITY OF LAPEER, MICHIGAN

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

BUILDING DEPARTMENT

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL
REVENUES				
Charges for services	\$ 282,330	\$ 251,322	\$ (31,008)	\$ 321,900
Interest on investments	400	638	238	628
Other revenues	333	333	333	400
TOTAL REVENUES	282,730	252,293	(30,437)	322,928
EXPENDITURES				
Community development and enrichment	375,133	353,698	21,435	272,458
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(92,403)	(101,405)	(9,002)	50,470
OTHER FINANCING USES				
Operating transfers in				
Operating transfers out	—	—	—	—
TOTAL OTHER FINANCING SOURCES (USES)	—	—	—	—
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER USES	(92,403)	(101,405)	(9,002)	50,470
FUND BALANCE, JULY 1	169,479	169,479	—	119,009
FUND BALANCE, JUNE 30	\$ 77,076	\$ 68,074	\$ (9,002)	\$ 169,479

CITY OF LAPEER, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
OAKDALE DEVELOPMENT FUND
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL
REVENUES				
Interest and rent	\$ 200	\$ 451	\$ 251	\$ 270
Contribution from component units	<u>34,079</u>	<u>34,079</u>	<u> </u>	<u>31,763</u>
TOTAL REVENUES	34,279	34,530	251	32,033
EXPENDITURES				
Community development and enrichment	<u>34,279</u>	<u>28,346</u>	<u>5,933</u>	<u>23,728</u>
EXCESS OF REVENUES OVER EXPENDITURES		6,184	6,184	8,305
FUND BALANCE, JULY 1	<u>67,154</u>	<u>67,154</u>	<u> </u>	<u>58,849</u>
FUND BALANCE, JUNE 30	<u><u>\$ 67,154</u></u>	<u><u>\$ 73,338</u></u>	<u><u>\$ 6,184</u></u>	<u><u>\$ 67,154</u></u>

CITY OF LAPEER, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DOG PARK FUND
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018		VARIANCE FAVORABLE (UNFAVORABLE)	2017
	BUDGET	ACTUAL		ACTUAL
REVENUES				
Interest and rent	\$ 4	\$ 4	\$	\$
Donations	<u>7,500</u>	<u>7,508</u>	<u>8</u>	<u> </u>
TOTAL REVENUES	7,504	7,512	8	
EXPENDITURES				
Culture and recreation	<u>2,000</u>	<u>1,914</u>	<u>86</u>	<u> </u>
EXCESS OF REVENUES OVER EXPENDITURES	5,504	5,598	94	
FUND BALANCE, JULY 1	<u> </u>	<u> </u>	<u> </u>	<u> </u>
FUND BALANCE, JUNE 30	<u>\$ 5,504</u>	<u>\$ 5,598</u>	<u>\$ 94</u>	<u>\$ </u>

CITY OF LAPEER, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
POLICE K-9 PROGRAM
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018		VARIANCE FAVORABLE (UNFAVORABLE)	2017
	BUDGET	ACTUAL		ACTUAL
REVENUES				
Interest	\$ 33	\$ 65	\$ 32	\$ 57
Donations	<u>250</u>	<u> </u>	<u>(250)</u>	<u>3,925</u>
TOTAL REVENUES	283	65	(218)	3,982
EXPENDITURES				
Public safety	<u>12,119</u>	<u>11,726</u>	<u>393</u>	<u>658</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(11,836)	(11,661)	175	3,324
OTHER FINANCING SOURCES				
Operating transfers in	<u>2,515</u>	<u>2,515</u>	<u> </u>	<u>2,515</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	(9,321)	(9,146)	175	5,839
FUND BALANCE, JULY 1	<u>18,152</u>	<u>18,152</u>	<u> </u>	<u>12,313</u>
FUND BALANCE, JUNE 30	<u>\$ 8,831</u>	<u>\$ 9,006</u>	<u>\$ 175</u>	<u>\$ 18,152</u>

CITY OF LAPEER, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DRUG LAW ENFORCEMENT
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018		VARIANCE	2017
	BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE)	ACTUAL
REVENUES				
Interest earnings	\$ 30	\$ 567	\$ 537	\$ 30
Other revenues	<u>48,500</u>	<u>135,993</u>	<u>87,493</u>	<u>297</u>
TOTAL REVENUES	48,530	136,560	88,030	327
EXPENDITURES				
Public safety	<u>50,500</u>	<u>27,946</u>	<u>22,554</u>	<u></u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	(1,970)	108,614	110,584	327
FUND BALANCE, JULY 1	<u>8,763</u>	<u>8,763</u>	<u></u>	<u>8,436</u>
FUND BALANCE, JUNE 30	<u><u>\$ 6,793</u></u>	<u><u>\$ 117,377</u></u>	<u><u>\$ 110,584</u></u>	<u><u>\$ 8,763</u></u>

CITY OF LAPEER, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SCHOOL LIAISON
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018		VARIANCE	2017
	BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE)	ACTUAL
REVENUES				
Interest earnings	\$ 24	\$ 35	\$ 11	\$ 26
Other revenues	<u>2,000</u>	<u>1,800</u>	<u>(200)</u>	<u>1,250</u>
TOTAL REVENUES	2,024	1,835	(189)	1,276
EXPENDITURES				
Public safety	<u>3,875</u>	<u>3,566</u>	<u>309</u>	<u>1,559</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,851)	(1,731)	120	(283)
FUND BALANCE, JULY 1	<u>6,690</u>	<u>6,690</u>	<u> </u>	<u>6,973</u>
FUND BALANCE, JUNE 30	<u><u>\$ 4,839</u></u>	<u><u>\$ 4,959</u></u>	<u><u>\$ 120</u></u>	<u><u>\$ 6,690</u></u>

CITY OF LAPEER, MICHIGAN

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

SITE PLAN REVIEW

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL
REVENUES				
Charges for services	\$	\$	\$	\$
Interest earnings	25	95	70	49
TOTAL REVENUES	25	95	70	2,604
EXPENDITURES				
Community development and enrichment				3,341
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	25	95	70	(737)
OTHER FINANCING USES				
Operating transfers in				14,975
Operating transfers out	(2,107)	(2,107)		(5,595)
TOTAL OTHER FINANCING SOURCES (USES)	(2,107)	(2,107)		9,380
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER USES	(2,082)	(2,012)	70	8,643
FUND BALANCE, JULY 1	10,725	10,725		2,082
FUND BALANCE, JUNE 30	\$ 8,643	\$ 8,713	\$ 70	\$ 10,725

CITY OF LAPEER, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FORFEITURE
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL
REVENUES				
Interest earnings	\$ 30	\$ 58	\$ 28	\$ 31
Other revenue	<u>250</u>	<u>60</u>	<u>(190)</u>	<u>3,468</u>
TOTAL REVENUES	280	118	(162)	3,499
EXPENDITURES				
Public safety	<u>4,600</u>	<u> </u>	<u>4,600</u>	<u>3,132</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,320)	118	4,438	367
FUND BALANCE, JULY 1	<u>10,972</u>	<u>10,972</u>	<u> </u>	<u>10,605</u>
FUND BALANCE, JUNE 30	<u>\$ 6,652</u>	<u>\$ 11,090</u>	<u>\$ 4,438</u>	<u>\$ 10,972</u>

CITY OF LAPEER, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PUBLIC SAFETY TRAINING
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL
REVENUES				
State grants	\$ 4,200	\$ 3,498	\$ (702)	\$ 3,736
Interest earnings	<u>3</u>	<u>1</u>	<u>(2)</u>	<u>3</u>
TOTAL REVENUES	4,203	3,499	(704)	3,739
EXPENDITURES				
Public safety	<u>4,200</u>	<u>3,498</u>	<u>702</u>	<u>3,736</u>
EXCESS OF REVENUES OVER EXPENDITURES	3	1	(2)	3
FUND BALANCE, JULY 1	<u>489</u>	<u>489</u>	<u> </u>	<u>486</u>
FUND BALANCE, JUNE 30	<u><u>\$ 492</u></u>	<u><u>\$ 490</u></u>	<u><u>\$ (2)</u></u>	<u><u>\$ 489</u></u>

CITY OF LAPEER, MICHIGAN

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

MOBILE TRAINING UNIT

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL
REVENUES				
Interest and rentals	\$ 107	\$ 15	\$ (92)	\$ 9
EXPENDITURES				
Public safety	<u>100</u>	<u> </u>	<u>100</u>	<u> </u>
EXCESS OF REVENUES OVER EXPENDITURES	7	15	8	9
FUND BALANCE, JULY 1	<u>2,824</u>	<u>2,824</u>	<u> </u>	<u>2,815</u>
FUND BALANCE, JUNE 30	<u><u>\$ 2,831</u></u>	<u><u>\$ 2,839</u></u>	<u><u>\$ 8</u></u>	<u><u>\$ 2,824</u></u>

CITY OF LAPEER, MICHIGAN

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

HOUSING RESOURCE FUND

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018		VARIANCE	2017
	BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE)	ACTUAL
REVENUES				
Federal grants	\$	\$	\$	\$
State grants	1,351,100	115,679	(1,235,421)	21,777
Other revenues	<u>1,220,900</u>	<u>2,566</u>	<u>(1,218,334)</u>	<u>7,200</u>
TOTAL REVENUES	2,572,000	118,245	(2,453,755)	127,997
EXPENDITURES				
Community development and enrichment	<u>2,552,000</u>	<u>104,995</u>	<u>2,447,005</u>	<u>99,489</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>20,000</u>	<u>13,250</u>	<u>(6,750)</u>	<u>28,508</u>
OTHER FINANCING USES				
Operating transfers out	<u>(20,000)</u>	<u>(20,000)</u>		<u>(20,000)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER USES		(6,750)	(6,750)	8,508
FUND BALANCE, JULY 1	<u>45,816</u>	<u>45,816</u>		<u>37,308</u>
FUND BALANCE, JUNE 30	<u>\$ 45,816</u>	<u>\$ 39,066</u>	<u>\$ (6,750)</u>	<u>\$ 45,816</u>

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DEBT SERVICE FUNDS

Debt Service Funds are established to finance and account for the payment of interest and principal on all general obligation debt and revenue bonds issued for and serviced by a governmental enterprise.

The City's Debt Service Funds include the 2006 General Obligation Limited Tax Bonds, 2007 General Obligation Limited Tax Bonds, 2008 General Obligation Limited Tax Bonds, 2008 Series A General Obligation Limited Tax Bonds, 2009 General Obligation Limited Tax Bonds, 2010 General Obligation Limited Tax Bonds, 2013 General Obligation Limited Tax Bonds, 2015 General Obligation Limited Tax Bonds, 2006 Special Assessment Bonds, 2007 Special Assessment Bonds, 2008 Series A Special Assessment Bonds, 2010 Special Assessment Bonds, 2011 Special Assessment Bonds, 2005 Equipment Financing, 2008 Equipment Financing, 2008 Series A Equipment Financing, and 2001 Building Authority Bonds.

CITY OF LAPEER, MICHIGAN

COMBINING BALANCE SHEET

DEBT SERVICE FUNDS

JUNE 30, 2018

WITH COMPARATIVE TOTALS FOR JUNE 30, 2017

	2006 GENERAL OBLIGATION LIMITED TAX BONDS	2007 GENERAL OBLIGATION LIMITED TAX BONDS	2008 GENERAL OBLIGATION LIMITED TAX BONDS
ASSETS			
Cash	\$	\$	\$ 145
Assessments receivable			
Due from other funds			
Prepaid expenses	_____	_____	_____
TOTAL ASSETS	\$ <u> </u>	\$ <u> </u>	\$ <u> 145</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE			
LIABILITIES			
Due to other funds	\$ _____	\$ _____	\$ _____
 DEFERRED INFLOWS OF RESOURCES			
Special assessments	_____	_____	_____
 FUND BALANCE			
Restricted for debt service	_____	_____	_____ 145
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ <u> </u>	\$ <u> </u>	\$ <u> 145</u>

2008 SERIES A GENERAL OBLIGATION LIMITED TAX BONDS	2009 GENERAL OBLIGATION LIMITED TAX BONDS	2010 GENERAL OBLIGATION LIMITED TAX BONDS	2013 GENERAL OBLIGATION LIMITED TAX BONDS	2015 GENERAL OBLIGATION LIMITED TAX BONDS
\$ 218	\$ 3,697,544 721,826 102,636 750	\$ 1,211	\$ 8,371	\$ 19,197
<u>218</u>	<u>4,522,756</u>	<u>1,211</u>	<u>8,371</u>	<u>19,197</u>
\$ <u>218</u>	\$ <u>4,522,756</u>	\$ <u>1,211</u>	\$ <u>8,371</u>	\$ <u>19,197</u>
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
_____	721,826	_____	_____	_____
<u>218</u>	<u>3,800,930</u>	<u>1,211</u>	<u>8,371</u>	<u>19,197</u>
\$ <u>218</u>	\$ <u>4,522,756</u>	\$ <u>1,211</u>	\$ <u>8,371</u>	\$ <u>19,197</u>

CITY OF LAPEER, MICHIGAN
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS - Continued
JUNE 30, 2018
WITH COMPARATIVE TOTALS FOR JUNE 30, 2017

	2006 SPECIAL ASSESSMENT BONDS	2007 SPECIAL ASSESSMENT BONDS
ASSETS		
Cash	\$	\$ 41,977
Assessments receivable		
Due from other funds		
Prepaid expenses	<u> </u>	<u> </u>
TOTAL ASSETS	\$ <u> </u>	\$ <u> 41,977</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
LIABILITIES		
Due to other funds	\$ <u> </u>	\$ <u> </u>
 DEFERRED INFLOWS OF RESOURCES		
Special assessments	<u> </u>	<u> </u>
 FUND BALANCE		
Restricted for debt service	<u> </u>	<u> 41,977</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ <u> </u>	\$ <u> 41,977</u>

2008 SERIES A SPECIAL ASSESSMENT BONDS	2010 SPECIAL ASSESSMENT BONDS	2011 SPECIAL ASSESSMENT BONDS	2005 EQUIPMENT FINANCING	2008 EQUIPMENT FINANCING
\$ 14,282	\$ 44,902	\$ 143,543	\$ 115	\$ 5,443
228	5,693	21,476		
594	1,774			
<u>14,510</u>	<u>51,189</u>	<u>166,793</u>	<u>115</u>	<u>5,443</u>
<u>\$ 14,510</u>	<u>\$ 51,189</u>	<u>\$ 166,793</u>	<u>\$ 115</u>	<u>\$ 5,443</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
	<u>5,693</u>	<u>21,476</u>		
<u>14,510</u>	<u>45,496</u>	<u>145,317</u>	<u>115</u>	<u>5,443</u>
<u>\$ 14,510</u>	<u>\$ 51,189</u>	<u>\$ 166,793</u>	<u>\$ 115</u>	<u>\$ 5,443</u>

CITY OF LAPEER, MICHIGAN
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS - Concluded
JUNE 30, 2018
WITH COMPARATIVE TOTALS FOR JUNE 30, 2017

	2008 SERIES A EQUIPMENT FINANCING	2001 BUILDING AUTHORITY BONDS	2017 GENERAL OBLIGATION BONDS
ASSETS			
Cash	\$	\$	\$ 13,311
Assessments receivable			
Due from other funds			
Prepaid expenses	_____	_____	_____
TOTAL ASSETS	\$ =====	\$ =====	\$ 13,311 =====
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE			
LIABILITIES			
Due to other funds	\$ _____	\$ _____	\$ _____
 DEFERRED INFLOWS OF RESOURCES			
Special assessments	_____	_____	_____
 FUND BALANCE			
Restricted for debt service	_____	_____	13,311 _____
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ =====	\$ =====	\$ 13,311 =====

TOTAL DEBT SERVICE 2018	ELIMINATION OF MAJOR FUNDS	TOTAL NON-MAJOR DEBT SERVICE 2018	TOTAL DEBT SERVICE 2017
\$ 3,990,259	\$ (3,697,544)	\$ 292,715	\$ 4,146,903
748,995	(721,826)	27,169	1,523,217
105,232	(102,636)	2,596	111,751
<u>750</u>	<u>(750)</u>	<u> </u>	<u> </u>
<u>\$ 4,845,236</u>	<u>\$ (4,522,756)</u>	<u>\$ 322,480</u>	<u>\$ 5,781,871</u>
\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>
<u>748,995</u>	<u>(721,826)</u>	<u>27,169</u>	<u>1,523,217</u>
<u>4,096,241</u>	<u>(3,800,930)</u>	<u>295,311</u>	<u>4,258,654</u>
<u>\$ 4,845,236</u>	<u>\$ (4,522,756)</u>	<u>\$ 322,480</u>	<u>\$ 5,781,871</u>

CITY OF LAPEER, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2017

	2006 GENERAL OBLIGATION LIMITED TAX BONDS	2007 GENERAL OBLIGATION LIMITED TAX BONDS	2008 GENERAL OBLIGATION LIMITED TAX BONDS
REVENUES			
Taxes and special assessments	\$	\$	\$
Interest earnings		2	
Other revenues			
TOTAL REVENUES		2	
EXPENDITURES			
Debt Service			
Principal retirement		15,000	345,000
Interest and fiscal charges		1,046	24,900
TOTAL EXPENDITURES		16,046	369,900
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		(16,044)	(369,900)
OTHER FINANCING SOURCES (USES)			
Operating transfers in		8,133	369,900
Operating transfers out	(2)		
TOTAL OTHER FINANCING SOURCES (USES)	(2)	8,133	369,900
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(2)	(7,911)	
FUND BALANCE, JULY 1	2	7,911	145
FUND BALANCE, JUNE 30	\$	\$	\$ 145

2008 SERIES A GENERAL OBLIGATION LIMITED TAX BONDS	2009 GENERAL OBLIGATION LIMITED TAX BONDS	2010 GENERAL OBLIGATION LIMITED TAX BONDS	2013 GENERAL OBLIGATION LIMITED TAX BONDS	2015 GENERAL OBLIGATION LIMITED TAX BONDS
\$	\$	\$	\$	\$
1	837,570 5,697	2	27 63,491	24
<u>1</u>	<u>843,267</u>	<u>2</u>	<u>63,518</u>	<u>24</u>
20,000 395	610,000 38,543	20,000 3,130	130,000 10,356	150,000 69,912
<u>20,395</u>	<u>648,543</u>	<u>23,130</u>	<u>140,356</u>	<u>219,912</u>
<u>(20,394)</u>	<u>194,724</u>	<u>(23,128)</u>	<u>(76,838)</u>	<u>(219,888)</u>
19,440	117,126 (369,900)	23,130	77,599	219,914
<u>19,440</u>	<u>(252,774)</u>	<u>23,130</u>	<u>77,599</u>	<u>219,914</u>
(954)	(58,050)	2	761	26
<u>1,172</u>	<u>3,858,980</u>	<u>1,209</u>	<u>7,610</u>	<u>19,171</u>
\$ <u><u>218</u></u>	\$ <u><u>3,800,930</u></u>	\$ <u><u>1,211</u></u>	\$ <u><u>8,371</u></u>	\$ <u><u>19,197</u></u>

CITY OF LAPEER, MICHIGAN
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE
 DEBT SERVICE FUNDS - Continued
 FOR THE YEAR ENDED JUNE 30, 2018
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2017

	2006 SPECIAL ASSESSMENT BONDS	2007 SPECIAL ASSESSMENT BONDS
REVENUES		
Taxes and special assessments	\$	\$
Interest earnings		73
Other revenues	<u> </u>	<u> </u>
TOTAL REVENUES	<u> </u>	<u> 73</u>
EXPENDITURES		
Debt Service		
Principal retirement		20,000
Interest and fiscal charges	<u> </u>	<u> 1,145</u>
TOTAL EXPENDITURES	<u> </u>	<u> 21,145</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u> </u>	<u> (21,072)</u>
OTHER FINANCING SOURCES (USES)		
Operating transfers in		
Operating transfers out	<u> (5,086)</u>	<u> </u>
TOTAL OTHER FINANCING SOURCES (USES)	<u> (5,086)</u>	<u> </u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u> (5,086)</u>	<u> (21,072)</u>
FUND BALANCE, JULY 1	<u> 5,086</u>	<u> 63,049</u>
FUND BALANCE, JUNE 30	<u> \$</u> <u> </u>	<u> \$</u> <u> 41,977</u>

2008 SERIES A SPECIAL ASSESSMENT BONDS	2010 SPECIAL ASSESSMENT BONDS	2011 SPECIAL ASSESSMENT BONDS	2005 EQUIPMENT FINANCING	2008 EQUIPMENT FINANCING
\$ 4,319	\$ 4,980	\$ 12,663		\$
245	384	2,286		9
<hr/>	<hr/>	<hr/>	14,319	<hr/> 158,558
4,564	5,364	14,949	14,319	<hr/> 158,567
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
10,000	40,000	40,000	13,258	170,412
197	4,660	10,375	1,061	7,984
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
10,197	44,660	50,375	14,319	178,396
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
(5,633)	(39,296)	(35,426)		(19,829)
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
				16,761
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
				16,761
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
(5,633)	(39,296)	(35,426)		(3,068)
20,143	84,792	180,743	115	8,511
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 14,510	\$ 45,496	\$ 145,317	\$ 115	\$ 5,443
<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

CITY OF LAPEER, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
DEBT SERVICE FUNDS - Concluded
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2017

	2008 SERIES A EQUIPMENT FINANCING	2001 BUILDING AUTHORITY BONDS	2017 GENERAL OBLIGATION BONDS
REVENUES			
Taxes and special assessments	\$	\$	\$
Interest earnings			2
Other revenues	_____	_____	_____
TOTAL REVENUES	_____	_____	_____ 2
EXPENDITURES			
Debt Service			
Principal retirement			
Interest and fiscal charges	_____	_____	_____ 27,859
TOTAL EXPENDITURES	_____	_____	_____ 27,859
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	_____	_____	_____ (27,857)
OTHER FINANCING SOURCES (USES)			
Operating transfers in			41,168
Operating transfers out	_____ (2)	_____ (13)	_____
TOTAL OTHER FINANCING SOURCES (USES)	_____ (2)	_____ (13)	_____ 41,168
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	_____ (2)	_____ (13)	_____ 13,311
FUND BALANCE, JULY 1	_____ 2	_____ 13	_____
FUND BALANCE, JUNE 30	\$ _____	\$ _____	\$ _____ 13,311

TOTAL DEBT SERVICE 2018	ELIMINATION OF MAJOR FUNDS	TOTAL NON-MAJOR DEBT SERVICE 2018	TOTAL DEBT SERVICE 2017
\$ 859,532	\$ (837,570)	\$ 21,962	\$ 1,260,009
8,752	(5,697)	3,055	6,258
<u>236,368</u>		<u>236,368</u>	<u>235,380</u>
<u>1,104,652</u>	<u>(843,267)</u>	<u>261,385</u>	<u>1,501,647</u>
1,583,670	(610,000)	973,670	1,576,553
<u>201,563</u>	<u>(38,543)</u>	<u>163,020</u>	<u>236,659</u>
<u>1,785,233</u>	<u>(648,543)</u>	<u>1,136,690</u>	<u>1,813,212</u>
<u>(680,581)</u>	<u>(194,724)</u>	<u>(875,305)</u>	<u>(311,565)</u>
893,171	(117,126)	776,045	873,327
<u>(375,003)</u>	<u>369,900</u>	<u>(5,103)</u>	<u>(387,150)</u>
<u>518,168</u>	<u>252,774</u>	<u>770,942</u>	<u>486,177</u>
(162,413)	58,050	(104,363)	174,612
<u>4,258,654</u>	<u>(3,858,980)</u>	<u>399,674</u>	<u>4,084,042</u>
<u>\$ 4,096,241</u>	<u>\$ (3,800,930)</u>	<u>\$ 295,311</u>	<u>\$ 4,258,654</u>

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CAPITAL PROJECTS FUNDS

Capital Projects Funds are designed to account for the resources expended to acquire assets of a relatively permanent nature. (Enterprise Fund resources are not included in this category). These funds satisfy the special accounting requirements for bond proceeds and projects utilizing more than one funding source.

Capital Projects Funds provide a formal mechanism which enables administrators to ensure that revenues dedicated to a certain purpose are used only for that purpose and further enables them to report to creditors and other grantors of Capital Projects Fund revenue that their requirements regarding the use of the revenue were fully satisfied.

The City's Capital Projects Funds include the Land Acquisition, Capital Improvement and 2017 General Obligation Construction..

CITY OF LAPEER, MICHIGAN
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS

JUNE 30, 2018

WITH COMPARATIVE TOTALS FOR JUNE 30, 2017

	LAND ACQUISITION	CAPITAL IMPROVEMENT	2017 GENERAL OBLIGATION CONSTRUCTION
ASSETS			
Cash	\$ 1,056,645	\$ 110,110	\$
Investments	630,846		
Accounts receivable		60,928	
Land held for investment	<u>1,520,675</u>	<u> </u>	<u> </u>
TOTAL ASSETS	3,208,166	171,038	
DEFERRED OUTFLOWS OF RESOURCES			
Deposits	<u> </u>	<u>307,848</u>	<u> </u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ <u>3,208,166</u>	\$ <u>478,886</u>	\$ <u> </u>
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts payable	\$ 2,148,015	\$ 1,352	\$
Due to other funds	<u>2,148,015</u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>2,148,015</u>	<u>1,352</u>	<u> </u>
FUND BALANCE			
Assigned	<u>1,060,151</u>	<u>477,534</u>	<u> </u>
TOTAL LIABILITIES AND FUND BALANCE	\$ <u>3,208,166</u>	\$ <u>478,886</u>	\$ <u> </u>

TOTAL CAPITAL PROJECTS 2018	ELIMINATION OF MAJOR FUNDS	TOTAL NON-MAJOR CAPITAL PROJECTS 2018	TOTAL CAPITAL PROJECTS 2017
\$ 1,166,755	\$ (1,056,645)	\$ 110,110	\$ 1,296,786
630,846	(630,846)		669,631
60,928		60,928	60,928
<u>1,520,675</u>	<u>(1,520,675)</u>	<u> </u>	<u>1,168,598</u>
3,379,204	(3,208,166)	171,038	3,195,943
<u>307,848</u>	<u> </u>	<u>307,848</u>	<u> </u>
<u>\$ 3,687,052</u>	<u>\$ (3,208,166)</u>	<u>\$ 478,886</u>	<u>\$ 3,195,943</u>
\$ 1,352	\$	\$ 1,352	\$ 12,461
<u>2,148,015</u>	<u>(2,148,015)</u>	<u> </u>	<u>2,148,015</u>
<u>2,149,367</u>	<u>(2,148,015)</u>	<u>1,352</u>	<u>2,160,476</u>
<u>1,537,685</u>	<u>(1,060,151)</u>	<u>477,534</u>	<u>1,035,467</u>
<u>\$ 3,687,052</u>	<u>\$ (3,208,166)</u>	<u>\$ 478,886</u>	<u>\$ 3,195,943</u>

CITY OF LAPEER, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2017

	LAND ACQUISITION	CAPITAL IMPROVEMENT	2017 GENERAL OBLIGATION CONSTRUCTION
REVENUES			
Interest	\$ 8,324	\$ 456	\$ 61
Other	<u>348,098</u>	<u> </u>	<u> </u>
TOTAL REVENUES	<u>356,422</u>	<u>456</u>	<u>61</u>
EXPENDITURES			
Capital outlay		36,111	
Other	<u>50,908</u>	<u>1,598</u>	<u>36,423</u>
TOTAL EXPENDITURES	<u>50,908</u>	<u>37,709</u>	<u>36,423</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>305,514</u>	<u>(37,253)</u>	<u>(36,362)</u>
OTHER FINANCING SOURCES (USES)			
Bond proceeds			1,740,000
Operating transfers in		523,858	
Operating transfers out	<u>(164,901)</u>	<u>(125,000)</u>	<u>(1,703,638)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(164,901)</u>	<u>398,858</u>	<u>36,362</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES OTHER USES	140,613	361,605	
FUND BALANCE, JULY 1	<u>919,538</u>	<u>115,929</u>	<u> </u>
FUND BALANCE, JUNE 30	<u><u>\$ 1,060,151</u></u>	<u><u>\$ 477,534</u></u>	<u><u>\$ </u></u>

TOTAL CAPITAL PROJECTS 2018	ELIMINATION OF MAJOR FUNDS	TOTAL NON-MAJOR CAPITAL PROJECTS 2018	TOTAL CAPITAL PROJECTS 2017
\$ 8,841	\$ (8,324)	\$ 517	\$ 6,206
<u>348,098</u>	<u>(348,098)</u>	<u>517</u>	<u>697,098</u>
<u>356,939</u>	<u>(356,422)</u>	<u>517</u>	<u>703,304</u>
36,111		36,111	157,514
<u>88,929</u>	<u>(50,908)</u>	<u>38,021</u>	<u>57,210</u>
<u>125,040</u>	<u>(50,908)</u>	<u>74,132</u>	<u>214,724</u>
<u>231,899</u>	<u>(305,514)</u>	<u>(73,615)</u>	<u>488,580</u>
1,740,000		1,740,000	
523,858		523,858	117,878
<u>(1,993,539)</u>	<u>164,901</u>	<u>(1,828,638)</u>	<u>(63,862)</u>
<u>270,319</u>	<u>164,901</u>	<u>435,220</u>	<u>54,016</u>
502,218	(140,613)	361,605	542,596
<u>1,035,467</u>	<u>(919,538)</u>	<u>115,929</u>	<u>492,871</u>
<u>\$ 1,537,685</u>	<u>\$ (1,060,151)</u>	<u>\$ 477,534</u>	<u>\$ 1,035,467</u>

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INTERNAL SERVICE FUNDS

Internal Service Funds are established to finance and account for services and/or commodities furnished by a designated program to other programs within the City. Since the services and commodities are supplied exclusively to programs under the City's jurisdiction, they are distinguishable from those services which are rendered to the public in general and which are accounted for in General, Special Revenue or Enterprise Funds.

The City's Motor Pool Fund, Information Technology Fund, and Telephone Communication Fund are operated as Internal Service Funds.

CITY OF LAPEER, MICHIGAN

COMBINING BALANCE SHEET

INTERNAL SERVICE FUNDS

JUNE 30, 2018

WITH COMPARATIVE TOTALS FOR JUNE 30, 2017

	MOTOR POOL	INFORMATION TECHNOLOGY
ASSETS		
CURRENT ASSETS		
Cash	\$	\$ 264,738
Inventory	39,690	
Accounts receivable	<u>5,665</u>	
TOTAL CURRENT ASSETS	<u>45,355</u>	<u>264,738</u>
FIXED ASSETS		
Land and improvements	22,328	
Vehicles and equipment	4,104,208	129,513
Accumulated depreciation	<u>(2,416,846)</u>	<u>(88,798)</u>
NET FIXED ASSETS	<u>1,709,690</u>	<u>40,715</u>
TOTAL ASSETS	<u>1,755,045</u>	<u>305,453</u>
DEFERRED OUTFLOWS OF RESOURCES		
Prepaid expenses	<u>4,726</u>	<u>5,568</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 1,759,771</u>	<u>\$ 311,021</u>
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable	\$ 43,457	\$ 7,502
Accrued expenses	<u>3,399</u>	
TOTAL CURRENT LIABILITIES	<u>46,856</u>	<u>7,502</u>
NET POSITION		
Net position	1,673,225	297,951
Reserved for inventory	<u>39,690</u>	<u>5,568</u>
TOTAL NET POSITION	<u>1,712,915</u>	<u>303,519</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 1,759,771</u>	<u>\$ 311,021</u>

TELEPHONE
COMMUNICATION

2018

TOTALS

2017

\$ 147,541	\$ 412,279	\$ 716,453
	39,690	45,136
	5,665	
<u>147,541</u>	<u>457,634</u>	<u>761,589</u>
	22,328	22,328
	4,233,721	3,541,104
	(2,505,644)	(2,310,988)
	<u>1,750,405</u>	<u>1,252,444</u>
<u>147,541</u>	<u>2,208,039</u>	<u>2,014,033</u>
	10,294	5,033
<u>\$ 147,541</u>	<u>\$ 2,218,333</u>	<u>\$ 2,019,066</u>

\$ 163	\$ 51,122	\$ 60,574
	3,399	3,310
<u>163</u>	<u>54,521</u>	<u>63,884</u>
147,378	2,118,554	1,910,046
	45,258	45,136
<u>147,378</u>	<u>2,163,812</u>	<u>1,955,182</u>
<u>\$ 147,541</u>	<u>\$ 2,218,333</u>	<u>\$ 2,019,066</u>

CITY OF LAPEER, MICHIGAN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2017

	MOTOR POOL	INFORMATION TECHNOLOGY
OPERATING REVENUES		
Equipment rentals	\$ <u>787,346</u>	\$ <u>204,769</u>
OPERATING EXPENSES		
Salaries and wages	123,156	
Fringe benefits	100,000	
Office supplies	961	
Operating supplies	235,535	
Administrative fees	23,090	
Professional and contractual services	14,923	
Insurance and bonds	66,934	5,151
Public utilities	8,983	
Repairs and maintenance	3,953	91,536
Rental	4,487	
Miscellaneous	2,417	
Depreciation	223,864	10,914
Capital outlay	345	28,043
Conferences	<u>1,356</u>	
TOTAL OPERATING EXPENSES	<u>810,004</u>	<u>135,644</u>
OPERATING INCOME	<u>(22,658)</u>	<u>69,125</u>
NONOPERATING REVENUE		
Interest income	889	1,416
Gain on sale of fixed assets	<u>50,003</u>	
TOTAL NONOPERATING REVENUE	<u>50,892</u>	<u>1,416</u>
OPERATING TRANSFERS		
Operating transfers in	187,416	
Operating transfers out		<u>(85,000)</u>
TOTAL OPERATING TRANSFERS	<u>187,416</u>	<u>(85,000)</u>
NET INCOME	215,650	(14,459)
NET POSITION, JULY 1	<u>1,497,265</u>	<u>317,978</u>
NET POSITION, JUNE 30	<u>\$ <u>1,712,915</u></u>	<u>\$ <u>303,519</u></u>

TELEPHONE
COMMUNICATION

2018

TOTALS

2017

\$ 41,009

\$ 1,033,124

\$ 1,134,616

123,156

121,810

100,000

121,330

961

1,059

235,535

231,091

23,090

21,699

14,923

8,085

450

72,535

47,813

16,444

25,427

24,526

2,436

97,925

102,428

4,487

5,154

2,417

2,083

234,778

208,444

28,388

12,823

1,356

19,330

964,978

908,345

21,679

68,146

226,271

760

3,065

2,454

50,003

68,012

760

53,068

70,466

(15,000)

187,416

10,000

(100,000)

(185,000)

(15,000)

87,416

(175,000)

7,439

208,630

121,737

139,939

1,955,182

1,833,445

\$ 147,378

\$ 2,163,812

\$ 1,955,182

CITY OF LAPEER, MICHIGAN
STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2017

	MOTOR POOL	INFORMATION TECHNOLOGY
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from interfund charges	\$ 787,346	\$ 204,769
Cash payment for goods and services	(313,124)	(138,329)
Cash payment for employees	<u>(223,156)</u>	<u> </u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>251,066</u>	<u>66,440</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating transfers in	187,416	
Operating transfers out	<u> </u>	<u>(85,000)</u>
NET CASH PROVIDED BY (USED IN) NON- CAPITAL FINANCING ACTIVITIES	<u>187,416</u>	<u>(85,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Payment for capital acquisitions	(726,411)	(6,328)
Sale of capital assets		
Increase in investments	<u> </u>	<u> </u>
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(726,411)</u>	<u>(6,328)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	<u>889</u>	<u>1,416</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(287,040)	(23,472)
CASH AND CASH EQUIVALENTS, JULY 1	<u>287,040</u>	<u>288,210</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ <u> </u></u>	<u>\$ <u>264,738</u></u>

TELEPHONE COMMUNICATION	2018	TOTAL	2017
\$ 41,009	\$ 1,033,124		\$ 1,134,616
(20,432)	(471,885)		(448,706)
<hr/>	<hr/>		<hr/>
20,577	338,083		443,523
<hr/>	<hr/>		<hr/>
(15,000)	187,416		10,000
<hr/>	<hr/>		<hr/>
(15,000)	87,416		(175,000)
<hr/>	<hr/>		<hr/>
	(732,739)		(486,163)
<hr/>	<hr/>		<hr/>
	(732,739)		(410,782)
<hr/>	<hr/>		<hr/>
761	3,066		2,453
<hr/>	<hr/>		<hr/>
6,338	(304,174)		(139,806)
<hr/>	<hr/>		<hr/>
141,203	716,453		856,259
<hr/>	<hr/>		<hr/>
\$ 147,541	\$ 412,279		\$ 716,453
<hr/> <hr/>	<hr/> <hr/>		<hr/> <hr/>

CITY OF LAPEER, MICHIGAN
STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS - Concluded
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2017

	MOTOR POOL	INFORMATION TECHNOLOGY
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ <u>(22,658)</u>	\$ <u>69,125</u>
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	223,864	10,914
Gain on sale of assets	50,003	
(Increase) decrease in inventory	5,446	
(Increase) decrease in accounts receivable	(5,665)	
(Increase) decrease in prepaid expenses	307	(5,568)
Increase (decrease) in accounts payable	(320)	(8,031)
Increase (decrease) in accrued expenses	<u>89</u>	<u> </u>
Total adjustments	<u>273,724</u>	<u>(2,685)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ <u><u>251,066</u></u>	\$ <u><u>66,440</u></u>

TELEPHONE COMMUNICATION	2018	TOTAL	2017
\$ <u>21,679</u>	\$ <u>68,146</u>		\$ <u>226,271</u>
	234,778		208,444
	50,003		
	5,446		3,019
	(5,665)		
(1,102)	(5,261)		(288)
	(9,453)		5,324
<u>(1,102)</u>	<u>89</u>		<u>753</u>
	<u>269,937</u>		<u>217,252</u>
\$ <u><u>20,577</u></u>	\$ <u><u>338,083</u></u>		\$ <u><u>443,523</u></u>

CITY OF LAPEER, MICHIGAN
RECONCILIATION OF CASH AND CASH EQUIVALENTS PER
STATEMENT OF CASH FLOWS TO THE COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	CASH	INVESTMENT	STATEMENT OF CASH FLOWS TOTAL
CASH AND CASH EQUIVALENTS, JULY 1	\$ 716,453	\$	\$ 716,453
NET INCREASE	<u>(304,174)</u>	<u> </u>	<u>(304,174)</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 412,279</u>	<u>\$</u>	<u>\$ 412,279</u>

PERMANENT FUND

The permanent fund exists to account for resources legally held in trust to be used for cemetery perpetual care.

CITY OF LAPEER, MICHIGAN
BALANCE SHEET
PERMANENT FUND
MT. HOPE CEMETERY PERPETUAL CARE
JUNE 30, 2018
WITH COMPARATIVE TOTALS FOR JUNE 30, 2017

	2018	2017
ASSETS		
Cash	\$ <u>10,253</u>	\$ <u>9,788</u>
FUND BALANCE		
Committed for cemetery perpetual care	9,912	9,447
Unreserved	<u>341</u>	<u>341</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ <u>10,253</u>	\$ <u>9,788</u>

CITY OF LAPEER, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
PERMANENT FUND
MT. HOPE CEMETERY PERPETUAL CARE
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2017

	2018	2017
REVENUES		
Donations and rights	\$ 465	\$ 705
Interest and rent	<u>53</u>	<u>32</u>
TOTAL REVENUES	<u>518</u>	<u>737</u>
EXCESS OF REVENUES OVER EXPENDITURES	518	737
OTHER FINANCING USES		
Operating transfers out	<u>(53)</u>	<u>(32)</u>
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER USES	465	705
FUND BALANCE, JULY 1	<u>9,788</u>	<u>9,083</u>
FUND BALANCE, JUNE 30	<u><u>\$ 10,253</u></u>	<u><u>\$ 9,788</u></u>

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GENERAL LONG-TERM DEBT ACCOUNT GROUP

General obligation bonds and other forms of long-term debt supported by general revenues are obligations of the governmental unit as a whole and not its individual constituent funds. Also, the proceeds of such debt may be spent on facilities which are utilized in the operations of several funds. For these reasons, the amount of such unmatured long-term indebtedness is recorded and accounted for in a separate self-balancing group of accounts titled "General Long-Term Debt Account Group."

CITY OF LAPEER, MICHIGAN
STATEMENT OF GENERAL LONG-TERM DEBT
GENERAL LONG-TERM DEBT ACCOUNT GROUP
JUNE 30, 2018

AMOUNTS AVAILABLE AND TO BE PROVIDED FOR
PAYMENT OF LONG-TERM DEBT

Amount available in Debt Service Funds	\$ 4,096,241
Amount to be provided for payment of long-term debt	<u>1,945,776</u>

TOTAL	<u>\$ 6,042,017</u>
-------	---------------------

GENERAL LONG-TERM DEBT PAYABLE

2009 General Obligation Tax Bonds	\$ 595,000
2008 General Obligation Tax Bonds	345,000
2011 Special Assessment Bonds	145,000
2010 General Obligation Tax Bonds	50,000
2010 Special Assessment Bonds	75,000
2015 General Obligation Tax Bonds	2,080,000
2013 General Obligation Tax Bonds	405,000
2017 General Obligation Capital Improvement Bonds	1,740,000
Energy Savings Contract	87,577
Abstract Building	13,745
Accumulated Compensated Absences	<u>505,695</u>

TOTAL	<u>\$ 6,042,017</u>
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CAPITAL ASSETS

CITY OF LAPEER, MICHIGAN
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
JUNE 30, 2018
WITH COMPARATIVE TOTALS FOR JUNE 30, 2017

	2018	2017
General Fixed Assets		
Land	\$ 24,967,231	\$ 24,615,154
Construction in progress	462,007	602,113
Buildings	6,047,617	6,029,204
Improvements other than buildings	5,801,457	5,760,383
Machinery and equipment	4,017,162	3,920,668
Infrastructure	<u>48,394,594</u>	<u>46,479,028</u>
 TOTAL	 <u>\$ 89,690,068</u>	 <u>\$ 87,406,550</u>

CITY OF LAPEER, MICHIGAN
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2018

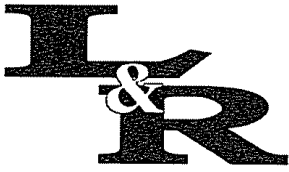
	GENERAL FIXED ASSETS JULY 1, 2017	ADDITIONS	DELETIONS	GENERAL FIXED ASSETS JUNE 30, 2018
General Government				
City Hall	\$ 1,032,885	\$	\$	\$ 1,032,885
Accounting	103,196			103,196
Assessor	14,766			14,766
Building department	26,105			26,105
City Commission	200,079			200,079
City Manager	26,702			26,702
Geographic information systems	7,897			7,897
Information technology	66,500			66,500
Income tax	1,657			1,657
Planning	7,306,798	352,077		7,658,875
Train depot	358,952			358,952
Cemetery	288,516			288,516
	<u>9,434,053</u>	<u>352,077</u>		<u>9,786,130</u>
Total General Government				
Public Safety				
Police	1,682,419	21,341		1,703,760
Fire	4,676,052	76,145		4,752,197
Parking	768,039			768,039
Housing rehabilitation	1,381,414			1,381,414
	<u>8,507,924</u>	<u>97,486</u>		<u>8,605,410</u>
Total Public Safety				
Parks and Recreation				
Parks	3,800,478	59,488		3,859,966
Recreation	3,170			3,170
Trailer park	203,811			203,811
Community center	912,709			912,709
	<u>4,920,168</u>	<u>59,488</u>		<u>4,979,656</u>
Total Parks and Recreation				
Public Works				
	<u>64,544,405</u>	<u>1,780,539</u>	<u>6,072</u>	<u>66,318,872</u>
Total General Fixed Assets	<u>\$ 87,406,550</u>	<u>\$ 2,289,590</u>	<u>\$ 6,072</u>	<u>\$ 89,690,068</u>
Component Units				
Tax Increment Finance Authority	\$ 6,652,361	\$	\$	\$ 6,652,361
Local Development Finance Authority	206,774			206,774
Downtown Development Authority	923,854	48,737		972,591
	<u>7,782,989</u>	<u>48,737</u>		<u>7,831,726</u>
Total Component Units				

CITY OF LAPEER, MICHIGAN
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2018

	LAND	BUILDINGS	IMPROVEMENTS OTHER THAN BUILDINGS
General Government			
City Hall	\$ 1,200	\$ 952,794	\$ 78,891
Accounting			
Assessor			
Building department		17,850	
City Commission		200,079	
City Manager			
Geographic information systems			
Information technology			
Income tax			
Planning	7,040,794	582,116	32,625
Train depot	42,857	37,161	271,144
Cemetery	105,469	26,990	151,057
	<u>7,190,320</u>	<u>1,816,990</u>	<u>533,717</u>
Total General Government			
Public Safety			
Police	448,263	1,055,062	
Fire	448,263	1,055,062	
Parking	768,039		
Housing rehabilitation	1,324,486	50,233	
	<u>2,989,051</u>	<u>2,160,357</u>	<u></u>
Total Public Safety			
Parks and Recreation			
Parks	857,759	340,450	2,500,458
Recreation			
Trailer park			203,811
Community center	208,262	174,044	356,504
	<u>1,066,021</u>	<u>514,494</u>	<u>3,060,773</u>
Total Parks and Recreation			
Public Works	<u>13,721,839</u>	<u>1,555,776</u>	<u>2,206,967</u>
Total General Fixed Assets	<u>\$ 24,967,231</u>	<u>\$ 6,047,617</u>	<u>\$ 5,801,457</u>
Component Units			
Tax Increment Finance Authority	\$ 14,400	\$ 6,637,961	\$
Local Development Finance Authority	206,774		
Downtown Development Authority	154,000	769,854	
	<u>375,174</u>	<u>7,407,815</u>	<u>\$</u>
Total Component Units			

MACHINERY AND EQUIPMENT	CONSTRUCTION IN PROGRESS	INFRASTRUCTURE	TOTAL
\$	\$	\$	\$
103,196			1,032,885
14,766			103,196
8,255			14,766
			26,105
26,702			200,079
7,897			26,702
66,500			7,897
1,657			66,500
3,340			1,657
7,790			7,658,875
5,000			358,952
			288,516
<u>245,103</u>			<u>9,786,130</u>
143,062		57,373	1,703,760
3,191,499		57,373	4,752,197
			768,039
<u>6,695</u>			<u>1,381,414</u>
<u>3,341,256</u>		<u>114,746</u>	<u>8,605,410</u>
31,689	14,638	122,420	3,867,414
3,170			3,170
			203,811
<u>173,899</u>			<u>912,709</u>
<u>208,758</u>	<u>14,638</u>	<u>122,420</u>	<u>4,987,104</u>
<u>222,045</u>	<u>447,369</u>	<u>48,157,428</u>	<u>66,311,424</u>
\$ <u><u>4,017,162</u></u>	\$ <u><u>462,007</u></u>	\$ <u><u>48,394,594</u></u>	\$ <u><u>89,690,068</u></u>
\$	\$	\$	\$
			6,652,361
<u>48,737</u>			206,774
			972,591
\$ <u><u>48,737</u></u>	\$ <u><u></u></u>	\$ <u><u></u></u>	\$ <u><u>7,831,726</u></u>

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Commissioner
City of Lapeer
Lapeer, Michigan

1000 Coolidge Road
East Lansing, MI 48823

(517) 332-1900
(517) 332-2082 fax
Info@LNRCPA.com

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lapeer, as of and for the year ended June 30, 2018, and the related statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the City of Lapeer, Michigan basic financial statements, and have issued our report thereon dated December 21, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Lapeer's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Lapeer's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Vickie L. Crouch, CPA, CGFM
Principal
Vickie@LNRCPA.com

Stephen D. Plumb, JD, CPA
Principal
Steve@LNRCPA.COM

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Lapeer's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our test disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Certified Public Accountants

East Lansing, Michigan
December 21, 2018