
City of Richmond, Michigan

**Financial Report
with Supplemental Information
June 30, 2018**

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Independent Auditor's Report

To the Honorable Mayor and Members of the City Council

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Richmond, Michigan (the "City") as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City of Richmond, Michigan'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. 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 opinion.

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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Richmond, Michigan as of June 30, 2018 and the respective changes in its financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 12 to the basic financial statements, during the year ended June 30, 2018, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. This new standard established accounting and financial reporting requirements for employers providing OPEB benefits to their employees. Our opinion is not modified with respect to this matter

To the Honorable Mayor and Members of the City Council

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplemental information, as identified in the table of contents, 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, which 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 supplemental 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 an opinion on the financial statements that collectively comprise the City of Richmond, Michigan's basic financial statements. The other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The other supplemental information, as identified in the table of contents, is the responsibility of management and was derived from and relates 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 other supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Plante & Moreau, PLLC

October 24, 2018

Our discussion and analysis of the City of Richmond, Michigan's (the "City") 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 City's financial statements which follow.

Financial Highlights

- The City's taxable value increased from \$164 million in 2017 to \$171 million in 2018. This was the third year in which taxable value increased, following seven consecutive years of decreases. For fiscal year 2018, property tax revenue, the City's largest single revenue source, totaled \$2.5 million in the General Fund, representing an increase of 3.4 percent from the last fiscal year. This increase is primarily a reflection of an increase in tax collections and taxable value.
- State-shared revenue, a major source of revenue for the City's General Fund, increased slightly for the year. The City received \$542,943 in the 2017/2018 fiscal year, an increase of \$16,194, or 3.1 percent, from last year. The current year amount represents a reduction of \$141,773, or 20.7 percent, from 2001/2002 funding levels. The City's proactive response to the decline in state-shared revenue is to closely monitor and continually evaluate General Fund revenue trends, as well as expenditure trends, especially in the areas of personnel benefit costs and staffing levels and discretionary programming and capital projects, in order to achieve economies of scale, operational efficiencies, cost reductions, and justification for capital expenditures.
- Total long-term liabilities for governmental activities are \$437,988, an increase of \$251,248, or 135 percent, from the previous year. This increase relates to an increase in accrued compensated absences and the recording of the net OPEB liability for the first time as a result of implementing GASB Statement No. 75.
- Total fund balance for the City's governmental funds increased by \$779,860, primarily as a result of reduced capital project expenditures compared to the prior year.
- This was the sixth year of a tax-based sharing agreement with the TIFA. The agreement generated approximately \$100,000 of revenue for the General Fund over the past year.

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. This longer-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current year, and whether the taxpayers have funded the full cost of providing government services. The activities are divided between governmental and business-type activities. Governmental activities include the General Fund, special revenue funds, capital projects funds, and a permanent fund. Business-type activities include the Water and Sewer Funds.

The fund financial statements present a short-term view; they tell us how the taxpayers' resources were spent during the year, as well as how much is available for future spending. Fund financial statements also report the City's operations in more detail than the government-wide financial statements by providing information about the City's most significant funds.

City of Richmond, Michigan

Management's Discussion and Analysis (Continued)

The City of Richmond, Michigan as a Whole

The following table shows a condensed format of the net position as of June 30, 2018 and 2017:

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Assets						
Current assets	\$ 4,108,726	\$ 3,302,252	\$ 5,272,762	\$ 5,135,282	\$ 9,381,488	\$ 8,437,534
Noncurrent assets - Capital assets	10,378,099	10,449,300	15,458,323	15,755,204	25,836,422	26,204,504
Total assets	14,486,825	13,751,552	20,731,085	20,890,486	35,217,910	34,642,038
Liabilities						
Current liabilities	75,877	54,550	8,190	4,407	84,067	58,957
Long-term liabilities	437,988	186,740	2,201,939	2,318,074	2,639,927	2,504,814
Total liabilities	513,865	241,290	2,210,129	2,322,481	2,723,994	2,563,771
Deferred Inflows of Resources	5,178	-	1,726	-	6,904	-
Net Position						
Net investment in capital assets	10,378,099	10,449,300	13,367,409	13,469,290	23,745,508	23,918,590
Restricted	747,327	677,751	640,579	620,279	1,387,906	1,298,030
Unrestricted	2,842,356	2,383,211	4,511,242	4,478,436	7,353,598	6,861,647
Total net position	<u>\$ 13,967,782</u>	<u>\$ 13,510,262</u>	<u>\$ 18,519,230</u>	<u>\$ 18,568,005</u>	<u>\$ 32,487,012</u>	<u>\$ 32,078,267</u>

Note: 2017 amounts shown above have not been restated for GASB Statement No. 75.

The City's combined net position for both governmental and business-type activities totals \$32.5 million for fiscal year 2018. Net position is further segregated between restricted and unrestricted net position. The restricted net position, assets that are restricted for a specific purpose/use and invested in capital assets, totals approximately \$25.1 million. Unrestricted net position, the part of net position that can be used to finance day-to-day operations, totals approximately \$7.4 million.

City of Richmond, Michigan

Management's Discussion and Analysis (Continued)

The following table shows the changes in net position for the years ended June 30, 2018 and 2017:

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenue						
Program revenue:						
Charges for services	\$ 887,336	\$ 814,438	\$ 1,851,112	\$ 1,836,394	\$ 2,738,448	\$ 2,650,832
Operating grants and contributions	635,099	482,316	105,427	-	740,526	482,316
Capital grants and contributions	153,697	181,831	-	82,705	153,697	264,536
General revenue:						
Property taxes	2,511,198	2,426,545	-	-	2,511,198	2,426,545
State-shared revenue	560,712	549,431	-	-	560,712	549,431
Interest	9,875	8,613	12,122	6,219	21,997	14,832
Other revenue:						
Franchise fees	96,908	95,556	-	-	96,908	95,556
Proceeds from disposal of capital assets	185,192	2,621	-	-	185,192	2,621
Miscellaneous	68,793	68,450	-	-	68,793	68,450
Total revenue	5,108,810	4,629,801	1,968,661	1,925,318	7,077,471	6,555,119
Expenses						
General government	1,016,340	396,900	-	-	1,016,340	396,900
Public service	57,134	46,246	-	-	57,134	46,246
Public safety	1,850,574	1,736,177	-	-	1,850,574	1,736,177
Public works	916,130	940,843	-	-	916,130	940,843
Community and economic development	14,176	-	-	-	14,176	-
Recreation and culture	565,989	534,176	-	-	565,989	534,176
Water and sewer	-	-	1,940,454	1,832,738	1,940,454	1,832,738
Total program expenses	4,420,343	3,654,342	1,940,454	1,832,738	6,360,797	5,487,080
Change in Net Position	\$ 688,467	\$ 975,459	\$ 28,207	\$ 92,580	\$ 716,674	\$ 1,068,039

Note: 2017 amounts shown above have not been restated for GASB Statement No. 75.

Governmental Activities

Governmental activities are those activities (such as public safety or recreation and culture) provided to the constituents of the City and supported by financing from property taxes and state-shared revenue.

The cost of providing services for governmental activities was approximately \$4.4 million for fiscal year 2018. Additionally, revenue for governmental activities totaled approximately \$5.1 million for fiscal year 2018.

Business-type Activities

Business-type activities are those that are financed primarily by charges for services or user fees. The City's business-type activities consist of the Water and Sewer Funds; these types of operations are most similar to private businesses.

The City's Funds

Our analysis of the City's major funds begins on page 10, following the government-wide financial statements. The fund financial statements provide detailed information about the most significant funds, not the City as a whole. This includes the General Fund, Major Streets Fund, Local Streets Fund, Water Fund, and Sewer Fund. The other nonmajor governmental funds are consolidated and reported under the column with that heading. The City Council creates funds to help manage money for specific purposes, as well as to show accountability for certain activities, such as special property tax millages and restricted revenue from grants or fees.

The General Fund pays for most of the City's governmental services. The most significant is the police department, which incurred expenses of approximately \$1.1 million in 2018. The General Fund is supported primarily by property taxes and state-shared revenue.

Budgetary Highlights

Over the course of the year, the city administration and City Council monitor the budget and, if necessary, amend the budget to take into account unanticipated events that occur during the year. As previously stated, fund balances related to the City's governmental funds increased by approximately \$779,860. During the year ended June 30, 2018, there were no significant budget amendments.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2018, the City had \$26 million invested in capital assets (land, buildings, equipment, vehicles, and water and sewer lines). These assets are necessary to carry out the day-to-day operations of the City. See Note 4 for additional details.

Long-term Debt

The City's total long-term indebtedness as of June 30, 2018 is approximately \$2.3 million. Of this amount, \$2.1 million represents general obligation bonds. See Note 6 for additional details.

Economic Factors and Next Year's Budgets and Rates

At this time, the national economy continues to show signs of improvement. The national unemployment rate has decreased from 4.4 percent a year ago to 4.0 percent at the end of the City's current fiscal year. The State has turned around its previous depletion of fiscal reserves by adding to the fund balance in recent years. During fiscal year 2019, the City anticipates a modest increase in the level of state-shared revenue. As property tax values appear to be slowly increasing following years of decline, the City is anticipating a corresponding increase in property tax revenue and will again utilize a sharing agreement with the TIFA. To ensure sustainability of our operations, the City is closely monitoring reserve balances, revenue, and expenditures.

Requests for Further Information

This financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the City's finances and to show the City's accountability for the revenue it receives. If you have any questions about this report or need additional information, we invite you to contact the City of Richmond, Michigan's finance department.

June 30, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Tax Increment Finance Authority
Assets				
Cash and cash equivalents (Note 3)	\$ 3,866,687	\$ 4,185,577	\$ 8,052,264	\$ 265,362
Receivables:				
Special assessments	1,778	-	1,778	-
Receivables from sales to customers on account	-	446,606	446,606	-
Due from other governmental units	240,261	-	240,261	-
Restricted cash (Notes 3 and 7)	-	640,579	640,579	-
Land held for resale	-	-	-	50,000
Capital assets: (Note 4)				
Assets not subject to depreciation	120,000	282,234	402,234	322,351
Assets subject to depreciation	10,258,099	15,176,089	25,434,188	2,695,741
Total assets	14,486,825	20,731,085	35,217,910	3,333,454
Liabilities				
Accounts payable	50,453	8,190	58,643	19,940
Accrued liabilities and other	25,424	-	25,424	-
Noncurrent liabilities				
Due within one year:				
Compensated absences (Note 6)	83,800	12,743	96,543	-
Current portion of long-term debt (Note 6)	-	200,000	200,000	-
Due in more than one year:				
Compensated absences (Note 6)	121,562	20,740	142,302	-
Net OPEB liability (Note 11)	232,626	77,542	310,168	-
Long-term debt (Note 6)	-	1,890,914	1,890,914	-
Total liabilities	513,865	2,210,129	2,723,994	19,940
Deferred Inflows of Resources - Deferred OPEB cost reductions (Note 11)	5,178	1,726	6,904	-
Net Position				
Net investment in capital assets	10,378,099	13,367,409	23,745,508	3,018,092
Restricted for:				
Roads	628,382	-	628,382	-
Capital projects	-	640,579	640,579	-
Library - Nonexpendable	10,000	-	10,000	-
Library - Expendable	55,228	-	55,228	-
Mausoleum	53,717	-	53,717	-
Unrestricted	2,842,356	4,511,242	7,353,598	295,422
Total net position	\$ 13,967,782	\$ 18,519,230	\$ 32,487,012	\$ 3,313,514

City of Richmond, Michigan

	Program Revenue			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				
Primary government:				
Governmental activities:				
General government	\$ 1,016,340	\$ 29,702	\$ 5,804	\$ -
Public service	57,134	48,266	-	-
Public safety	1,850,574	230,954	8,014	-
Public works	916,130	480,558	595,076	148,222
Community and economic development	14,176	-	14,176	-
Recreation and culture	565,989	97,856	12,029	5,475
Total governmental activities	4,420,343	887,336	635,099	153,697
Business-type activities:				
Water	684,465	785,196	-	-
Sewer	1,255,989	1,065,916	105,427	-
Total business-type activities	1,940,454	1,851,112	105,427	-
Total primary government	\$ 6,360,797	\$ 2,738,448	\$ 740,526	\$ 153,697
Component units - Tax Increment Finance Authority	\$ 539,059	\$ -	\$ -	\$ 13,324
General revenue:				
Property taxes				
State-shared revenue				
Investment income				
Cable franchise fees				
Gain on disposal of fixed assets				
Other miscellaneous income				
Total general revenue				
Change in Net Position				
Net Position - Beginning of year (as restated) (Note 12)				
Net Position - End of year				

Statement of Activities

Year Ended June 30, 2018

Net Revenue (Expense) and Changes in Net Position			
Primary Government			Component Unit - Tax Increment Finance Authority
Governmental Activities	Business-type Activities	Total	
\$ (980,834)	\$ -	\$ (980,834)	\$ -
(8,868)	-	(8,868)	-
(1,611,606)	-	(1,611,606)	-
307,726	-	307,726	-
-	-	-	-
(450,629)	-	(450,629)	-
(2,744,211)	-	(2,744,211)	-
-	100,731	100,731	-
-	(84,646)	(84,646)	-
-	16,085	16,085	-
(2,744,211)	16,085	(2,728,126)	-
-	-	-	(525,735)
2,511,198	-	2,511,198	595,293
560,712	-	560,712	-
9,875	12,122	21,997	1,899
96,908	-	96,908	-
185,192	-	185,192	-
68,793	-	68,793	1,349
3,432,678	12,122	3,444,800	598,541
688,467	28,207	716,674	72,806
13,279,315	18,491,023	31,770,338	3,240,708
\$ 13,967,782	\$ 18,519,230	\$ 32,487,012	\$ 3,313,514

City of Richmond, Michigan

Governmental Funds Balance Sheet

June 30, 2018

	General Fund	Major Streets Fund	Local Streets Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents (Note 3)	\$ 2,081,297	\$ 359,272	\$ 186,444	\$ 1,239,674	\$ 3,866,687
Receivables:					
Special assessments	1,778	-	-	-	1,778
Due from other governmental units	126,456	69,189	22,399	22,217	240,261
Due from other funds (Note 5)	14,176	-	-	-	14,176
Total assets	\$ 2,223,707	\$ 428,461	\$ 208,843	\$ 1,261,891	\$ 4,122,902
Liabilities					
Accounts payable	\$ 23,354	\$ 3,393	\$ 5,529	\$ 18,177	\$ 50,453
Due to other funds (Note 5)	-	-	-	14,176	14,176
Accrued liabilities and other	25,424	-	-	-	25,424
Total liabilities	48,778	3,393	5,529	32,353	90,053
Deferred Inflows of Resources -					
Unavailable revenue	97,060	-	-	-	97,060
Fund Balances					
Nonspendable - Library endowment	-	-	-	10,000	10,000
Restricted:					
Roads	-	425,068	203,314	-	628,382
Library	-	-	-	55,228	55,228
Mausoleum	-	-	-	53,717	53,717
Committed:					
Fire operations	-	-	-	242,692	242,692
Parks and recreation	-	-	-	82,716	82,716
Cemetery	-	-	-	125,802	125,802
Fire equipment replacement	-	-	-	64,939	64,939
Assigned:					
Subsequent year's budget	408,102	-	-	-	408,102
Capital projects	-	-	-	594,444	594,444
Unassigned	1,669,767	-	-	-	1,669,767
Total fund balances	2,077,869	425,068	203,314	1,229,538	3,935,789
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,223,707	\$ 428,461	\$ 208,843	\$ 1,261,891	\$ 4,122,902

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2018

Fund Balances Reported in Governmental Funds	\$ 3,935,789
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 are not reported in the funds	10,378,099
Certain receivables were earned during the currently fiscal year but are not available to pay for current year expenditures	97,060
Some employee fringe benefits are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities:	
Employee compensated absences	(205,362)
Retiree healthcare benefits	(237,804)
Net Position of Governmental Activities	<u>\$ 13,967,782</u>

Governmental Funds
Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2018

	General Fund	Major Streets Fund	Local Streets Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
Revenue					
Property taxes	\$ 2,511,198	\$ -	\$ -	\$ -	\$ 2,511,198
Intergovernmental revenue:					
Federal grants	-	-	-	18,176	18,176
State-shared revenue and grants	575,494	452,699	142,377	-	1,170,570
Charges for services	511,303	-	-	253,411	764,714
Fines and forfeitures	60,724	-	-	-	60,724
Licenses and permits	192,138	-	-	-	192,138
Interest	8,079	341	127	1,328	9,875
Other revenue:					
Donations	5,375	-	-	150,100	155,475
Other miscellaneous revenue	44,429	542	11,590	10,454	67,015
Special assessments	1,778	-	-	-	1,778
Total revenue	3,910,518	453,582	154,094	433,469	4,951,663
Expenditures					
Current:					
General government	458,560	-	-	-	458,560
Public service	-	-	-	57,134	57,134
Public safety	1,621,680	-	-	216,054	1,837,734
Public works	591,126	255,828	244,631	-	1,091,585
Community and economic development	-	-	-	14,176	14,176
Recreation and culture	317,766	-	-	220,316	538,082
Capital outlay	68,081	138,348	-	36,427	242,856
Debt service - Principal	129,201	-	-	-	129,201
Total expenditures	3,186,414	394,176	244,631	544,107	4,369,328
Excess of Revenue Over (Under) Expenditures	724,104	59,406	(90,537)	(110,638)	582,335
Other Financing Sources (Uses)					
Transfers in (Note 5)	-	-	150,000	467,081	617,081
Transfers out (Note 5)	(467,081)	(50,000)	-	(100,000)	(617,081)
Proceeds from disposal of capital assets	-	-	-	197,525	197,525
Total other financing (uses) sources	(467,081)	(50,000)	150,000	564,606	197,525
Net Change in Fund Balances	257,023	9,406	59,463	453,968	779,860
Fund Balances - Beginning of year	1,820,846	415,662	143,851	775,570	3,155,929
Fund Balances - End of year	<u>\$ 2,077,869</u>	<u>\$ 425,068</u>	<u>\$ 203,314</u>	<u>\$ 1,229,538</u>	<u>\$ 3,935,789</u>

Governmental Funds

**Reconciliation of the Statement of Revenue, Expenditures, and Changes in
Fund Balances to the Statement of Activities**

Year Ended June 30, 2018

Net Change in Fund Balance Reported in Governmental Funds	\$ 779,860
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Loss on disposal of capital asset	(12,333)
Depreciation expense	(500,833)
Capital outlay	441,965
Special assessment revenue is not reported in the funds until received; this revenue is recorded as revenue when the project is substantially completed in the government-wide statements	(1,778)
Intergovernmental revenue is recognized in the statement of activities when earned; it is not reported in the funds until collected or collectible within 60 days of year end	7,065
Increase in employee compensated absences and retiree healthcare benefits does not require the use of current resources and, therefore, is not reported in the fund statements until it comes due for payment	(25,479)
Change in Net Position of Governmental Activities	<u>\$ 688,467</u>

Proprietary Funds
Statement of Net Position

June 30, 2018

	Water Fund	Sewer Fund	Total
Assets			
Current assets:			
Cash and cash equivalents (Note 3)	\$ 1,022,821	\$ 3,162,756	\$ 4,185,577
Receivables - Customers	198,818	247,788	446,606
Total current assets	1,221,639	3,410,544	4,632,183
Noncurrent assets:			
Restricted cash (Note 7)	-	640,579	640,579
Capital assets: (Note 4)			
Assets not subject to depreciation	128,983	153,251	282,234
Assets subject to depreciation	5,404,822	9,771,267	15,176,089
Total noncurrent assets	5,533,805	10,565,097	16,098,902
Total assets	6,755,444	13,975,641	20,731,085
Liabilities			
Current liabilities:			
Accounts payable	5,538	2,652	8,190
Compensated absences (Note 6)	7,423	5,320	12,743
Current portion of long-term debt (Note 6)	-	200,000	200,000
Total current liabilities	12,961	207,972	220,933
Noncurrent liabilities:			
Compensated absences (Note 6)	12,514	8,226	20,740
Net OPEB liability (Note 11)	38,771	38,771	77,542
Long-term debt (Note 6)	-	1,890,914	1,890,914
Total noncurrent liabilities	51,285	1,937,911	1,989,196
Total liabilities	64,246	2,145,883	2,210,129
Deferred Inflows of Resources - Deferred OPEB cost reductions	863	863	1,726
Net Position			
Net investment in capital assets	5,533,805	7,833,604	13,367,409
Restricted	-	640,579	640,579
Unrestricted	1,156,530	3,354,712	4,511,242
Total net position	\$ 6,690,335	\$ 11,828,895	\$ 18,519,230

Proprietary Funds
Statement of Revenue, Expenses, and Changes in Net Position

Year Ended June 30, 2018

	Water Fund	Sewer Fund	Total
Operating Revenue			
Usage fees	\$ 748,810	\$ 991,297	\$ 1,740,107
Tap-in fees	175	5,940	6,115
Charges for services	8,982	-	8,982
Penalties	11,569	14,907	26,476
Miscellaneous	15,660	53,772	69,432
Total operating revenue	785,196	1,065,916	1,851,112
Operating Expenses			
Water production	155,020	-	155,020
Sewer treatment plant	-	450,674	450,674
Administration	105,265	157,151	262,416
Water system	265,838	-	265,838
Sewer system	-	235,810	235,810
Depreciation	158,342	369,302	527,644
Total operating expenses	684,465	1,212,937	1,897,402
Operating Income (Loss)	100,731	(147,021)	(46,290)
Nonoperating Revenue (Expense)			
Investment income	877	11,245	12,122
Interest expense	-	(43,052)	(43,052)
Grants used for operating purposes	-	105,427	105,427
Total nonoperating revenue	877	73,620	74,497
Change in Net Position	101,608	(73,401)	28,207
Net Position - Beginning of year (as restated) (Note 12)	6,588,727	11,902,296	18,491,023
Net Position - End of year	\$ 6,690,335	\$ 11,828,895	\$ 18,519,230

Proprietary Funds
Statement of Cash Flows

Year Ended June 30, 2018

	Water Fund	Sewer Fund	Total
Cash Flows from Operating Activities			
Receipts from customers	\$ 788,999	\$ 1,043,768	\$ 1,832,767
Payments to suppliers	22,454	(22,454)	-
Payments to suppliers, employees, and other funds	(541,681)	(820,685)	(1,362,366)
Net cash and cash equivalents provided by operating activities	269,772	200,629	470,401
Cash Flows from Noncapital Financing Activities -			
Operating grants	-	105,427	105,427
Cash Flows from Capital and Related Financing Activities			
Purchase of capital assets	(57,427)	(173,336)	(230,763)
Principal and interest paid on capital debt	-	(238,052)	(238,052)
Net cash and cash equivalents used in capital and related financing activities	(57,427)	(411,388)	(468,815)
Cash Flows Provided by Investing Activities - Interest received on investments	877	11,245	12,122
Net Increase (Decrease) in Cash and Cash Equivalents	213,222	(94,087)	119,135
Cash and Cash Equivalents - Beginning of year	809,599	3,897,422	4,707,021
Cash and Cash Equivalents - End of year	<u>\$ 1,022,821</u>	<u>\$ 3,803,335</u>	<u>\$ 4,826,156</u>
Balance Sheet Classification of Cash and Cash Equivalents			
Cash and investments	\$ 1,022,821	\$ 3,162,756	\$ 4,185,577
Restricted cash	-	640,579	640,579
Total cash and cash equivalents	<u>\$ 1,022,821</u>	<u>\$ 3,803,335</u>	<u>\$ 4,826,156</u>
Reconciliation of Operating Income (Loss) to Net Cash and Cash Equivalents from Operating Activities			
Operating income (loss)	\$ 100,731	\$ (147,021)	\$ (46,290)
Adjustments to reconcile operating income (loss) to net cash and cash equivalents from operating activities:			
Depreciation and amortization	158,342	369,302	527,644
Changes in assets and liabilities:			
Receivables	3,803	(22,148)	(18,345)
Accounts payable	6,896	496	7,392
Net cash and cash equivalents provided by operating activities	<u>\$ 269,772</u>	<u>\$ 200,629</u>	<u>\$ 470,401</u>

Note 1 - Significant Accounting Policies

The following is a summary of the significant accounting policies used by the City of Richmond, Michigan (the "City"):

Reporting Entity

The City of Richmond, Michigan is governed by an elected seven-member council. The accompanying financial statements present the City and its component unit, an entity for which the City is considered to be financially accountable. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City (see discussion below for description).

Discretely Presented Component Units

The Tax Increment Finance Authority (the "Authority") was created to promote capital expansion within the City. The Authority's governing body is selected by the City Council. In addition, the Authority's budget is subject to approval by the City Council. There are no separately issued financial statements for the Tax Increment Finance Authority.

The Economic Development Corporation (the "Corporation") was created to provide means and methods for the encouragement and assistance of industrial and commercial enterprises in relocating, purchasing, constructing, improving, or expanding within the City so as to provide needed services and facilities of such enterprises to the residents of the City. The Corporation was inactive during the year and has no assets or liabilities.

Accounting and Reporting Principles

The City follows accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board.

Report Presentation

Governmental accounting principles require that financial reports include two different perspectives, the government-wide perspective and the fund-based perspective. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. The government-wide financial statements are presented on the economic resources measurement focus and the full accrual basis of accounting. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The statements also present a schedule reconciling these amounts to the modified accrual-based presentation found in the fund-based statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Taxes and other items not properly included among program revenue are reported instead as general revenue.

As a general rule, the effect of interfund activity has been removed from the government-wide financial statements. Exceptions to this general rule occur when there are charges between the City's water and sewer function and various other functions. Eliminations of these charges would distort the direct costs and program revenue reported for the various functions concerned.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds, if any, are reported as separate columns in the fund financial statements.

Note 1 - Significant Accounting Policies (Continued)

Fund Accounting

The City accounts for its various activities in several different funds in order to demonstrate accountability for how it spends certain resources; separate funds allow the City to show the particular expenditures for which specific revenue is used. The various funds are aggregated into two broad fund types:

Governmental Funds

Governmental funds include all activities that provide general governmental services that are not business-type activities. Governmental funds can include the General Fund, special revenue funds, capital project funds, and permanent funds. The City reports the following funds as "major" governmental funds:

- The General Fund is the primary operating fund because it accounts for all financial resources used to provide general government services, other than those specifically assigned to another fund.
- The Major Streets Fund is a special revenue fund because it accounts for all financial resources received from the State of Michigan under Act 51 in order to provide maintenance of major streets.
- The Local Streets Fund is a special revenue fund because it accounts for all financial resources received from the State of Michigan under Act 51 in order to provide maintenance of local streets.

Proprietary Funds

Proprietary funds include enterprise funds, which provide goods or services to users in exchange for charges or fees. The City reports the following funds as "major" enterprise funds:

- The Water Fund provides water to customers in exchange for user charges.
- The Sewer Fund provides sewer services to customers in exchange for user charges.

Interfund Activity

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Furthermore, certain activity occurs during the year involving transfers of resources between funds. In the fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Basis of Accounting

The governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting is intended to better demonstrate accountability for how the City has spent its resources.

Note 1 - Significant Accounting Policies (Continued)

Expenditures are reported when the goods are received or the services are rendered. Capital outlays are reported as expenditures (rather than as capital assets) because they reduce the ability to spend resources in the future; conversely, employee benefit costs that will be funded in the future (such as pension and retiree healthcare-related costs, or sick and vacation pay) are not counted until they come due for payment. In addition, debt service expenditures, claims, and judgments are recorded only when payment is due.

Revenue is not recognized until it is collected, or collected soon enough after the end of the year that it is available to pay for obligations outstanding at the end of the year. For this purpose, the City considers amounts collected within 60 days of year end to be available for recognition. The following major revenue sources meet the availability criterion: property taxes, state gas and weight tax revenue, franchise fees, licenses, and interest associated with the current fiscal period. Conversely, some state-shared revenue and special assessments will be collected after the period of availability; receivables have been recorded for these, along with a “deferred inflow of resources.”

Proprietary funds and fiduciary funds use the economic resources measurement focus and the full accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Specific Balances and Transactions

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. The statement of cash flows includes both restricted and unrestricted cash and cash equivalents. Investments are stated at fair value, based on quoted market prices or estimated fair value.

Inventories and Prepaid Items

Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Assets

The Sewer Fund has restricted assets relating to the future capital needs for the sewer treatment plant, as required by Environmental Protection Agency regulations.

Land Held for Resale

The land held for resale in the Tax Increment Finance Authority Fund consists of real property purchased by the TIFA. The TIFA plans to sell the land. The land is recorded at the lower of cost or fair market value.

Capital Assets

Capital assets, which include property, equipment, and infrastructure assets (i.e., roads, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

Note 1 - Significant Accounting Policies (Continued)

Capital assets are depreciated using the straight-line method over the following useful lives:

Capital Asset Class	Depreciable Life
Buildings and improvements	5 - 50 years
Vehicles and equipment	5 - 40 years
Utility systems	50 years
Infrastructure - Roads	25 years

Long-term Obligations

In the government-wide financial statements and the 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, 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 the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time they are incurred. In the fund financial statements, governmental fund types recognize bond issuances and premiums as an "other financing source" and bond discounts as "other financing uses."

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then. The City does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. Unavailable revenue qualifies for reporting in this category. The deferred inflows of resources related to unavailable revenue are reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from two sources: special assessments and state-shared revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition, the City reports a deferred inflow of resources related to the other postemployment benefit (OPEB) plan. The deferred inflow of resources related to the OPEB plan is reported in the government-wide financial statements, Water Fund, and Sewer Fund. The deferred inflow of resources result from changes in assumptions.

Net Position

Net position of the City is classified in three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and is reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted net position is the remaining net position that does not meet the definition of invested in capital or restricted.

Net Position Flow Assumption

The City will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Note 1 - Significant Accounting Policies (Continued)

Fund Balance Flow Assumptions

The City will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Furthermore, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes, but do not meet the criteria to be classified as committed. The City Council has not authorized anyone to assign fund balance. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Property Tax Revenue

Properties are assessed as of December 31. The related property taxes are billed on July 1 and become an enforceable lien on December 1 of the following year. These taxes are due on September 30 with the final collection date of February 28 before they are added to the county tax rolls.

The 2017 taxable valuation of the City totaled \$171.3 million (a portion of which is captured by the TIFA), on which taxes levied consisted of 16.4417 mills for operating purposes. This resulted in \$2,412,195 for operating purposes, which is recognized in the General Fund financial statements as tax revenue.

Compensated Absences (Vacation and Sick Leave)

It is the City's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. Employees earn benefits based on time of service with the City. All vacation and sick pay is accrued when earned in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds as it comes due for payment, generally when time is taken off or employees terminate. Generally, the funds that report each employee's compensation (the General Fund, Street Funds, Cemetery, Parks and Recreation, Water, and Sewer funds, primarily) are used to liquidate the obligations.

Note 1 - Significant Accounting Policies (Continued)

Proprietary Funds Operating Classification

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Water and Sewer Funds is charges to customers for sales and services. The Water and Sewer Funds also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for these funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Upcoming Accounting Pronouncements

In November 2016, the Governmental Accounting Standards Board issued GASB Statement No. 83, *Certain Asset Retirement Obligations*, which establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations. The City is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the City's financial statements for the year ending June 30, 2019.

In January 2017, the Governmental Accounting Standards Board issued Statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. The City is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the City's financial statements for the year ending June 30, 2020.

In June 2017, the Governmental Accounting Standards Board issued GASB Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The City is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the City's financial statements for the year ending June 30, 2021.

In March 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. This statement establishes criteria to improve the information that is disclosed in the notes to the government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The City is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the City's financial statements for the year ending June 30, 2019.

Note 2 - Stewardship, Compliance, and Accountability

Construction Code Fees

The City tracks the results of building department operations in the General Fund. In accordance with Michigan Public Act 245 of 1999, the City is required to maintain an accounting system that separately accumulates revenue and expenditures related to the building department function. As required under a provision of the act, the City adopted this accounting treatment effective January 1, 2000. Activity for the year ended June 30, 2018 is as follows:

Accumulated expenditures over revenue - July 1, 2017	\$ (423,411)
Current year revenue	62,941
Current year expenditures - Direct costs	<u>94,626</u>
Excess of expenditures over revenue	<u>(31,685)</u>
Accumulated expenditures over revenue - June 30, 2018	<u>\$ (455,096)</u>

Note 3 - Deposits and Investments

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The law also allows investments outside the state of Michigan when fully insured. The City is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan. The City has adopted an investment policy in accordance with state law.

The City has designated six banks for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in all of the investment options as allowed under the state statutory authority, as listed above. The City's deposits and investment policies are in accordance with statutory authority.

The City's cash and investments are subject to custodial credit risk, which is examined in more detail below:

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. At year end, the City had \$7,559,961 of uninsured and uncollateralized bank deposits (certificates of deposit and checking and savings accounts). The City also holds bank deposits on behalf of its component unit. At year end, the City had \$259,553 of component unit bank deposits that were uninsured and uncollateralized. The City and its component unit believe that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the City and its component unit evaluate each financial institution with which they deposit funds and assess the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

June 30, 2018

Note 4 - Capital Assets

Capital asset activity of the City's governmental and business-type activities and its component unit was as follows:

Governmental Activities

	Balance July 1, 2017	Additions	Disposals	Balance June 30, 2018
Capital assets not being depreciated - Land	\$ 120,000	\$ -	\$ -	\$ 120,000
Capital assets being depreciated:				
Infrastructure	5,699,555	268,640	-	5,968,195
Buildings and improvements	5,807,122	69,233	-	5,876,355
Vehicles and equipment	4,730,757	104,092	(262,113)	4,572,736
Subtotal	16,237,434	441,965	(262,113)	16,417,286
Accumulated depreciation:				
Infrastructure	1,220,099	228,307	-	1,448,406
Buildings and improvements	1,708,542	101,615	-	1,810,157
Vehicles and equipment	2,979,493	170,911	(249,780)	2,900,624
Subtotal	5,908,134	500,833	(249,780)	6,159,187
Net capital assets being depreciated	10,329,300	(58,868)	(12,333)	10,258,099
Net capital assets	<u>\$ 10,449,300</u>	<u>\$ (58,868)</u>	<u>\$ (12,333)</u>	<u>\$ 10,378,099</u>

Business-type Activities

	Balance July 1, 2017	Additions	Disposals	Balance June 30, 2018
Capital assets not being depreciated:				
Land	\$ 157,042	\$ -	\$ -	\$ 157,042
Construction in progress	-	125,192	-	125,192
Subtotal	157,042	125,192	-	282,234
Capital assets being depreciated:				
Utility systems	17,015,240	21,268	-	17,036,508
Buildings	9,518,130	51,303	-	9,569,433
Vehicles and equipment	920,622	33,000	-	953,622
Subtotal	27,453,992	105,571	-	27,559,563
Accumulated depreciation:				
Utility systems	6,718,228	337,110	-	7,055,338
Buildings	4,313,263	173,458	-	4,486,721
Vehicles and equipment	824,339	17,076	-	841,415
Subtotal	11,855,830	527,644	-	12,383,474
Net capital assets being depreciated	15,598,162	(422,073)	-	15,176,089
Net capital assets	<u>\$ 15,755,204</u>	<u>\$ (296,881)</u>	<u>\$ -</u>	<u>\$ 15,458,323</u>

June 30, 2018

Note 4 - Capital Assets (Continued)

Component Unit

	Balance July 1, 2017	Reclassifications	Additions	Disposals	Balance June 30, 2018
Capital assets not being depreciated:					
Land	\$ 259,971	\$ 31,062	\$ 28,251	\$ -	\$ 319,284
Construction in progress	152,389	(149,322)	-	-	3,067
Subtotal	412,360	(118,260)	28,251	-	322,351
Capital assets being depreciated:					
Infrastructure	2,272,569	-	23,308	-	2,295,877
Buildings and improvements	171,857	83,407	-	-	255,264
Furniture and fixtures	209,883	34,853	6,353	-	251,089
Land improvements	729,704	-	-	-	729,704
Subtotal	3,384,013	118,260	29,661	-	3,531,934
Accumulated depreciation:					
Infrastructure	378,738	-	36,698	-	415,436
Buildings and improvements	154,388	-	8,962	-	163,350
Furniture and fixtures	96,846	-	27,349	-	124,195
Land improvements	106,983	-	26,229	-	133,212
Subtotal	736,955	-	99,238	-	836,193
Net capital assets being depreciated	2,647,058	118,260	(69,577)	-	2,695,741
Net capital assets	<u>\$ 3,059,418</u>	<u>\$ -</u>	<u>\$ (41,326)</u>	<u>\$ -</u>	<u>\$ 3,018,092</u>

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

Governmental activities:	
General government	\$ 428,850
Public safety	47,273
Recreation and culture	24,710
Total governmental activities	<u>\$ 500,833</u>
Business-type activities:	
Water	\$ 158,342
Sewer	369,302
Total business-type activities	<u>\$ 527,644</u>

June 30, 2018

Note 5 - Interfund Receivables, Payables, and Transfers

At June 30, 2018, \$14,176 was due to the General Fund from the Housing and Urban Development Fund related to purchases for various community development projects. The remaining amount will be paid in 2019.

Interfund transfers reported in the fund financial statements are composed of the following:

Paying Fund (Transfer Out)	Receiving Fund (Transfer In)	Amount
General Fund	Nonmajor governmental funds	\$ 467,081
Major Streets Fund	Local Streets Fund	50,000
Nonmajor governmental funds	Local Streets Fund	100,000
	Total	<u>\$ 617,081</u>

Transfers provided funding for capital projects, capital acquisitions, and program services in accordance with budgetary authorizations.

Note 6 - Long-term Debt

The City issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. City contractual agreements and installment purchase agreements are also general obligations of the government.

Long-term debt activity for the year ended June 30, 2018 can be summarized as follows:

Governmental Activities

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	\$ 186,740	\$ 90,337	\$ (71,715)	\$ 205,362	\$ 83,800

Business-type Activities

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General obligation bonds - 2010 Sewage Disposal System Revolving Loan:							
Amount of issue - \$1,585,000, Maturing through 2030	2.5%	\$40,000 - \$60,000	\$ 675,000	\$ -	\$ (45,000)	\$ 630,000	\$ 45,000
General obligation bonds - 2007 Sewage Disposal System Revolving Loan:							
Amount of issue - \$3,010,914, Maturing through 2027	1.625%	\$145,000 - \$170,000	1,610,914	-	(150,000)	1,460,914	155,000
Total bonds payable			2,285,914	-	(195,000)	2,090,914	200,000
Compensated absences			32,160	14,042	(12,719)	33,483	12,743
Total business-type activities			<u>\$ 2,318,074</u>	<u>\$ 14,042</u>	<u>\$ (207,719)</u>	<u>\$ 2,124,397</u>	<u>\$ 212,743</u>

Note 6 - Long-term Debt (Continued)

The Sewage Disposal System Revolving Loans represent the City's obligations under State Revolving Fund loans related to sewer construction projects. The City has pledged its full faith and credit related to the repayment of these obligations.

Debt Service Requirements to Maturity

Total interest expense for the year was approximately \$43,100. Annual debt service requirements to maturity for the above bonds are as follows:

Years Ending June 30	Business-type Activities		
	Principal	Interest	Total
2019	\$ 200,000	\$ 39,490	\$ 239,490
2020	200,000	35,846	235,846
2021	210,000	32,202	242,202
2022	215,000	28,352	243,352
2023	215,000	24,421	239,421
2024-2028	930,914	61,884	992,798
2029-2030	120,000	4,500	124,500
Total	\$ 2,090,914	\$ 226,695	\$ 2,317,609

Note 7 - Restricted Net Position

Restricted assets at June 30, 2018 consist of cash and cash equivalents that are restricted for future capital needs for the sewer treatment plant, as required by Environmental Protection Agency regulations. Net position has been restricted for capital improvement related to this requirement.

Note 8 - Commitments

The City entered into an agreement with Lenox Township for the annexation of land to be paid for by property taxes levied on the taxable value of the land. This agreement was modified during the year ended June 30, 1999. The modified agreement requires annual payments through September 1, 2018 totaling 3.6 mills of the total taxable value of the area annexed. The City paid \$129,201 during the year ended June 30, 2018 when the taxable value of the area was approximately \$36 million.

During the year ending June 30, 2019, the City will pay approximately \$140,000, based on an estimated taxable value of approximately \$39 million.

Note 9 - Risk Management

The City is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The City has purchased commercial insurance for property loss, torts, errors and omissions, and medical benefit claims and participates in the Michigan Municipal League risk pool for claims relating to workers' compensation. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The Michigan Municipal League risk pool program operates as a common risk-sharing management program for local units of government in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts.

Note 10 - Defined Contribution Pension Plan

The City provides pension benefits to all of its full-time employees through three defined contribution plans: (1) 401 Money Purchase Plan and 457 Deferred Compensation Plan administered by ICMA-RC Retirement Trust, (2) Pension Trust administered by Lincoln Financial Group and John Hancock Financial, and (3) MERS Defined Contribution Plan administered by Municipal Employees' Retirement System of Michigan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. As established by council resolution, the City contributes 10 percent of employees' gross earnings, and employees have to contribute at least 5 percent. In accordance with these requirements, the City contributed \$133,748 during the current year and employees contributed \$122,925.

Note 11 - Other Postemployment Benefit Plan

Plan Description

The City provides other postemployment benefits (OPEB) for all employees who meet eligibility requirements. The benefits are provided through the City of Richmond Employees' OPEB Plan (the "Plan"), a single-employer plan administered by City Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Benefits Provided

The Plan provides healthcare benefits for retirees. Benefits are provided through a third-party insurer, and the full cost of the benefits is covered by the Plan. The length of benefits begins after retirement with 25 or more years of service and lasts until age 65.

Employees Covered by Benefit Terms

As of July 1, 2017, the following members were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	1
Active plan members	<u>27</u>
Total plan members	<u><u>28</u></u>

Contributions

Retiree healthcare costs are paid by the City on a "pay-as-you-go" basis. The City has no obligation to make contributions in advance of when the insurance premiums are due for payment. For the fiscal year ended June 30, 2018, it was estimated the City would pay approximately \$9,000 for postemployment health benefit premiums; however, no actual premium expenses were incurred.

Total and Net OPEB Liability

The June 30, 2018 total OPEB liability was determined by an actuarial valuation performed as of July 1, 2017, which used updated procedures to roll forward the estimated liability to June 30, 2018.

June 30, 2018

Note 11 - Other Postemployment Benefit Plan (Continued)

Changes in the total OPEB liability during the measurement year were as follows:

Changes in Total OPEB Liability	Total OPEB Liability
Balance at July 1, 2017	\$ 307,929
Changes for the year:	
Service cost	9,691
Interest	9,408
Changes in assumptions	(7,942)
Benefit payments (estimated)	(8,918)
Net changes	2,239
Balance at June 30, 2018	\$ 310,168

OPEB Expense and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the City recognized OPEB expense of \$9,143.

At June 30, 2018, the City reported deferred inflows of resources related to OPEB of \$6,904 from changes in assumptions.

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

Years Ending June 30	Amount
2019	\$ 1,038
2020	1,038
2021	1,038
2022	1,038
2023	1,038
Thereafter	1,714
Total	\$ 6,904

Actuarial Assumptions

The total OPEB liability in the July 1, 2017 actuarial valuation was determined using an inflation assumption of 2.50 percent; assumed salary increases of 2.50 percent; a healthcare cost trend rate of 9.00 percent for 2019, decreasing 0.5 percent per year to an ultimate rate of 4.5 percent for 2028 and later years; and the RP-2014 mortality tables. These assumptions were applied to all periods included in the measurement.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.10 percent. The discount rate was based on the S&P municipal bond 20-year high grade rate index.

Note 11 - Other Postemployment Benefit Plan (Continued)

Sensitivity of the Total/Net OPEB Liability to Changes in the Discount Rate

The following presents the total/net OPEB liability of the City, calculated using the discount rate of 3.10 percent, as well as what the City's total/net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percent Decrease (2.10%)	Current Discount Rate (3.10%)	1 Percent Increase (4.10%)
Total/Net OPEB liability of the Employees' OPEB Plan	\$ 336,914	\$ 310,168	\$ 286,142

Sensitivity of the Total/Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the total/net OPEB liability of the City, calculated using the healthcare cost trend rate of 9.00 percent, as well as what the City's total/net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percent Decrease (8.00%)	Current Healthcare Cost Trend Rate (9.00%)	1 Percent Increase (10.00%)
Total/Net OPEB liability of the Employees' OPEB Plan	\$ 284,661	\$ 310,168	\$ 339,273

Note 12 - Change in Accounting Principle

During the current year, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. As a result, the government-wide statements and the proprietary funds now include a liability for the unfunded portion of the City's retiree healthcare costs. Some of the change in this new OPEB liability will be recognized immediately as part of the OPEB expense measurement, and part will be deferred and recognized over future years. Refer to Note 11 for further details. This change does not impact the General Fund or any other governmental funds.

As a result of implementing this statement, the beginning net position of the governmental activities, business-type activities, Water Fund, and Sewer Fund has been restated as follows:

	Net Position		
	As Previously Reported	As Restated	Effect of Change
Governmental activities	\$ 13,510,262	\$ 13,279,315	\$ (230,947)
Business-type activities	18,568,005	18,491,023	(76,982)
Water Fund	6,627,218	6,588,727	(38,491)
Sewer Fund	11,940,787	11,902,296	(38,491)

Required Supplemental Information

Required Supplemental Information
Budgetary Comparison Schedule - General Fund

Year Ended June 30, 2018

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 2,502,669	\$ 2,502,669	\$ 2,511,198	\$ 8,529
State-shared revenue and grants	549,348	549,348	575,494	26,146
Charges for services:				
Trash collection	300,000	300,000	312,564	12,564
Fees	20,000	20,000	30,745	10,745
Rentals	136,275	136,275	167,994	31,719
Fines and forfeitures:				
Traffic fines and penalties	19,000	19,000	40,537	21,537
Library fines	22,200	22,200	20,187	(2,013)
Licenses and permits	210,812	210,812	192,138	(18,674)
Interest	3,000	3,000	8,079	5,079
Other revenue:				
Donations	4,000	4,000	5,375	1,375
Other miscellaneous revenue	42,250	42,250	44,429	2,179
Special assessments	1,778	1,778	1,778	-
Total revenue	3,811,332	3,811,332	3,910,518	99,186
Expenditures				
Current services:				
General government:				
City Council	23,665	23,665	26,326	(2,661)
City manager	66,154	66,154	68,911	(2,757)
Cable television	50,327	50,327	50,989	(662)
Treasurer	78,035	78,035	68,265	9,770
Assessor	34,108	34,108	33,937	171
Board of Review	4,020	4,020	1,785	2,235
Clerk	105,982	105,982	102,870	3,112
Buildings and grounds	26,409	26,409	24,582	1,827
Attorney	21,800	21,800	28,187	(6,387)
Elections	11,321	11,321	6,489	4,832
Building and grounds - Police	48,425	48,425	46,219	2,206
Public safety:				
Police	1,249,437	1,249,437	1,134,208	115,229
Communications	239,565	239,565	243,259	(3,694)
Traffic safety	27,800	27,800	27,284	516
Civil defense/Emergency preparedness	1,411	1,411	850	561
Planning	66,245	66,245	66,766	(521)
Public service director	52,976	52,976	54,023	(1,047)
Building and trade inspections	88,175	88,175	95,290	(7,115)
Public works:				
Department of Public Works	197,267	209,657	200,336	9,321
Refuse collection and disposal	275,940	275,940	278,574	(2,634)
Street lighting	149,308	149,308	112,216	37,092
Recreation and culture - Library	352,870	352,870	317,766	35,104
Capital outlay	57,913	57,913	68,081	(10,168)
Debt service - Principal	129,741	129,741	129,201	540
Total expenditures	3,358,894	3,371,284	3,186,414	184,870
Excess of Revenue Over Expenditures	452,438	440,048	724,104	284,056
Other Financing Uses - Transfers out	(513,240)	(513,240)	(467,081)	46,159
Net Change in Fund Balance	(60,802)	(73,192)	257,023	330,215
Fund Balance - Beginning of year	1,820,846	1,820,846	1,820,846	-
Fund Balance - End of year	\$ 1,760,044	\$ 1,747,654	\$ 2,077,869	\$ 330,215

City of Richmond, Michigan

Required Supplemental Information
 Budgetary Comparison Schedule - Major Special Revenue Funds
 Major Streets Fund

Year Ended June 30, 2018

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
State-shared revenue and grants	\$ 350,751	\$ 350,751	\$ 452,699	\$ 101,948
Interest	-	-	341	341
Other revenue	100	100	542	442
Total revenue	350,851	350,851	453,582	102,731
Expenditures				
Current services -				
Public works:				
Street construction	150,550	150,550	34,148	116,402
Routine maintenance	83,288	83,288	99,109	(15,821)
Winter maintenance	87,418	87,418	87,286	132
Administration	9,220	9,220	8,530	690
Traffic services	30,698	30,698	26,755	3,943
Capital outlay	-	-	138,348	(138,348)
Total expenditures	361,174	361,174	394,176	(33,002)
Excess of Revenue (Under) Over Expenditures	(10,323)	(10,323)	59,406	69,729
Other Financing Uses - Transfers out	(50,000)	(50,000)	(50,000)	-
Net Change in Fund Balance	(60,323)	(60,323)	9,406	69,729
Fund Balance - Beginning of year	415,662	415,662	415,662	-
Fund Balance - End of year	<u>\$ 355,339</u>	<u>\$ 355,339</u>	<u>\$ 425,068</u>	<u>\$ 69,729</u>

City of Richmond, Michigan

Required Supplemental Information
 Budgetary Comparison Schedule - Major Special Revenue Funds (Continued)
 Local Streets Fund

Year Ended June 30, 2018

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
State-shared revenue and grants	\$ 129,722	\$ 129,722	\$ 142,377	\$ 12,655
Interest	-	-	127	127
Other revenue	100	100	11,590	11,490
Total revenue	129,822	129,822	154,094	24,272
Expenditures				
Current services -				
Public works:				
Street construction	147,550	147,550	126,095	21,455
Routine maintenance	90,210	90,210	68,879	21,331
Winter maintenance	9,003	9,003	3,633	5,370
Traffic services	48,243	48,243	40,441	7,802
Administration	6,080	6,080	5,583	497
Total expenditures	301,086	301,086	244,631	56,455
Excess of Expenditures Over Revenue	(171,264)	(171,264)	(90,537)	80,727
Other Financing Sources - Transfers in	167,000	167,000	150,000	(17,000)
Net Change in Fund Balance	(4,264)	(4,264)	59,463	63,727
Fund Balance - Beginning of year	143,851	143,851	143,851	-
Fund Balance - End of year	<u>\$ 139,587</u>	<u>\$ 139,587</u>	<u>\$ 203,314</u>	<u>\$ 63,727</u>

Required Supplemental Information
Schedule of Changes in the Total OPEB Liability and Related Ratios

	Last Fiscal Year
	<u>2018</u>
Total OPEB Liability	
Service cost	\$ 9,691
Interest	9,408
Changes in assumptions	(7,942)
Benefit payments, including refunds	<u>(8,918)</u>
Net Change in Total OPEB Liability	2,239
Total OPEB Liability - Beginning of year	<u>307,929</u>
Total OPEB Liability - End of year	<u>\$ 310,168</u>

Contributions to the OPEB plan are not based on a measure of pay; therefore, no covered payroll is presented.

Currently, one year of information is available; additional years of information will be displayed in future years, as it becomes available.

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds.

The City adopts its budget on a departmental basis, which is in accordance with the State's legal requirement and is the level of classification detail at which expenditures may not legally exceed appropriations.

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

- Prior to the first regular board meeting in April, the city manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
- A public hearing is conducted to obtain taxpayer comments.
- Prior to the second Monday in June, the budget is legally adopted by the City Council through adoption of the appropriation ordinance.
- The city manager is authorized to transfer budgeted amounts within the budgetary center (activity); however, any revisions that alter the total expenditure of any budgetary center (activity) must be approved by the City Council.

Excess of Expenditures Over Appropriations in Budgeted Funds

During the year, the City's General Fund and Major Streets Fund incurred expenditures that were in excess of the amounts budgeted, as follows:

	Budget	Actual	Variance
General Fund - City Council	\$ 23,665	\$ 26,326	\$ (2,661)
General Fund - City manager	66,154	68,911	(2,757)
General Fund - Cable television	50,327	50,989	(662)
General Fund - Attorney	21,800	28,187	(6,387)
General Fund - Communications	265,632	269,326	(3,694)
General Fund - Planning	66,245	66,766	(521)
General Fund - Public service director	52,976	54,023	(1,047)
General Fund - Building and trade inspections	88,175	95,290	(7,115)
General Fund - Refuse collection and disposal	275,940	278,574	(2,634)
General Fund - Capital outlay	57,913	68,081	(10,168)
Major Streets Fund - Routine maintenance	83,288	99,109	(15,821)
Major Streets Fund - Capital outlay	-	134,035	(134,035)
	<u>\$ 1,052,115</u>	<u>\$ 1,239,617</u>	<u>\$ (187,502)</u>

Other Supplemental Information

City of Richmond, Michigan

Special Revenue Funds

	Fire Department	Mausoleum	Cemetery	Parks and Recreation	Housing and Urban Development
Assets					
Cash and cash equivalents	\$ 312,454	\$ 53,717	\$ 125,817	\$ 88,014	\$ -
Due from other governmental units	8,041	-	-	-	14,176
Total assets	<u>\$ 320,495</u>	<u>\$ 53,717</u>	<u>\$ 125,817</u>	<u>\$ 88,014</u>	<u>\$ 14,176</u>
Liabilities					
Accounts payable	\$ 12,864	\$ -	\$ 15	\$ 5,298	\$ -
Due to other funds	-	-	-	-	14,176
Total liabilities	12,864	-	15	5,298	14,176
Fund Balances					
Nonspendable - Library endowment	-	-	-	-	-
Restricted:					
Library	-	-	-	-	-
Mausoleum	-	53,717	-	-	-
Committed:					
Fire operations	242,692	-	-	-	-
Parks and recreation	-	-	-	82,716	-
Cemetery	-	-	125,802	-	-
Fire equipment replacement	64,939	-	-	-	-
Assigned - Capital projects	-	-	-	-	-
Total fund balances	<u>307,631</u>	<u>53,717</u>	<u>125,802</u>	<u>82,716</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 320,495</u>	<u>\$ 53,717</u>	<u>\$ 125,817</u>	<u>\$ 88,014</u>	<u>\$ 14,176</u>

Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2018

<u>Capital Project Funds</u>		<u>Permanent Fund</u>		
Vehicle and Repairs	Street Improvement	Library Endowment	Total Nonmajor Governmental Funds	
\$ 32,287	\$ 562,157	\$ 65,228	\$ 1,239,674	
-	-	-	22,217	
\$ 32,287	\$ 562,157	\$ 65,228	\$ 1,261,891	
-	-	-	18,177	
-	-	-	14,176	
-	-	-	32,353	
-	-	10,000	10,000	
-	-	55,228	55,228	
-	-	-	53,717	
-	-	-	242,692	
-	-	-	82,716	
-	-	-	125,802	
-	-	-	64,939	
32,287	562,157	-	594,444	
32,287	562,157	65,228	1,229,538	
\$ 32,287	\$ 562,157	\$ 65,228	\$ 1,261,891	

City of Richmond, Michigan

	Special Revenue Funds				
	Fire Department	Mausoleum	Cemetery	Parks and Recreation	Housing and Urban Development
Revenue					
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ 4,000	\$ 14,176
Charges for services	127,476	1,530	46,736	77,669	-
Interest	178	49	556	-	-
Other revenue:					
Donations	-	-	-	100	-
Other miscellaneous revenue	-	-	2,550	7,904	-
Total revenue	127,654	1,579	49,842	89,673	14,176
Expenditures					
Current services:					
Public service	-	872	56,262	-	-
Public safety	216,054	-	-	-	-
Community and economic development	-	-	-	-	14,176
Recreation and culture	-	-	-	220,316	-
Capital outlay	-	-	-	-	-
Total expenditures	216,054	872	56,262	220,316	14,176
Excess of Revenue (Under) Over Expenditures	(88,400)	707	(6,420)	(130,643)	-
Other Financing Sources (Uses)					
Transfers in	131,082	-	33,000	131,000	-
Transfers out	-	-	-	-	-
Proceeds from disposal of capital assets	185,000	-	-	-	-
Total other financing sources (uses)	316,082	-	33,000	131,000	-
Net Change in Fund Balances	227,682	707	26,580	357	-
Fund Balances - Beginning of year	79,949	53,010	99,222	82,359	-
Fund Balances - End of year	\$ 307,631	\$ 53,717	\$ 125,802	\$ 82,716	\$ -

Other Supplemental Information

Combining Statement of Revenue, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

Year Ended June 30, 2018 June 30, 2018

Capital Project Funds		Permanent Fund	Total Nonmajor Governmental Funds
Vehicle and Repairs	Street Improvement	Library Endowment	
\$ -	\$ -	\$ -	\$ 18,176
-	-	-	253,411
11	534	-	1,328
-	150,000	-	150,100
-	-	-	10,454
11	150,534	-	433,469
-	-	-	57,134
-	-	-	216,054
-	-	-	14,176
-	-	-	220,316
36,427	-	-	36,427
36,427	-	-	544,107
(36,416)	150,534	-	(110,638)
41,999	130,000	-	467,081
-	(100,000)	-	(100,000)
12,525	-	-	197,525
54,524	30,000	-	564,606
18,108	180,534	-	453,968
14,179	381,623	65,228	775,570
\$ 32,287	\$ 562,157	\$ 65,228	\$ 1,229,538