

CITY OF MARYSVILLE
St. Clair County, Michigan

ANNUAL FINANCIAL REPORT
with Supplementary Information

FOR THE YEAR ENDED
JUNE 30, 2022

CITY OF MARYSVILLE
St. Clair County, Michigan

TABLE OF CONTENTS
JUNE 30, 2022

	<u>Page Number</u>
Independent Auditor's Report	1
Management's Discussion and Analysis	4
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	9
Statement of Activities	10
Fund Financial Statements:	
Balance Sheet - Governmental Funds	12
Reconciliation of the Balance Sheet for Governmental Funds to the Statement of Net Position	13
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	14
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	15
Statement of Net Position - Proprietary Funds	16
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	18
Statement of Cash Flows - Proprietary Funds	19
Statement of Fiduciary Net Position - Fiduciary Funds	21
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	22
Combining Statement of Net Position - Discretely Presented Component Units	23
Combining Statement of Activities - Discretely Presented Component Units	24
Notes to Financial Statements	26
Required Supplementary Information:	
Budgetary Comparison Information - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	63
Local Street Fund	65
Employee Retirement Systems - General City Employees' Retirement System - Schedule of Investment Returns	66
Schedule of Changes in Net Pension Liability and Related Ratios	67
Schedule of City Contributions	69

CITY OF MARYSVILLE
St. Clair County, Michigan

TABLE OF CONTENTS
JUNE 30, 2022

	<u>Page Number</u>
Required Supplementary Information - (cont'd):	
Police Officers and Firefighters' Retirement System -	
Schedule of Investment Returns	70
Schedule of Changes in Net Pension Liability and Related Ratios	71
Schedule of City Contributions	73
Retiree Health Benefits -	
Schedule of Investment Returns	74
Schedule of Changes in Net OPEB Liability and Related Ratios	75
Schedule of City Contributions	77
Supplementary Information:	
General Fund -	
Combining Balance Sheet	78
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance	79
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Industrial Development Fund	80
Combining and Individual Fund Statements and Schedules	
Nonmajor Governmental Funds -	
Combining Balance Sheet	81
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	83
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual	
Major Street Fund	85
Drug Law Enforcement Fund	86
Recreation Fund	87
Golf Course Fund	88
Ambulance Fund	89
Internal Service Funds -	
Combining Statement of Net Position	90
Combining Statement of Revenues, Expenses, and Changes in Net Position	91
Combining Statement of Cash Flows	92

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Marysville
Marysville, Michigan

Report on the Audit of the Financial Statements

Opinions

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 Marysville, Michigan (the "City"), as of and for the year ended June 30, 2022 and the related notes to the financial statements which collectively comprise the City's basic financial statements, as listed in the table of contents.

In our opinion based on our audit and the report of the other auditor, 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 Marysville, Michigan, as of June 30, 2022 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.

We did not audit the financial statements of the City of Marysville Housing Commission, which represent 99 percent, 99 percent, and 100 percent, respectively, of the assets, net position, and revenues of the discretely presented component units as of June 30, 2022 and the respective changes in financial position. Those statements were audited by other auditors whose report has been furnished to us, and our opinion insofar as it relates to the amounts included for the City of Marysville Housing Commission is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events considered in the aggregate that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance, and therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events considered in the aggregate that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

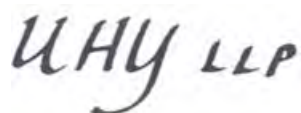
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, employee retirement systems and retiree health benefits schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 and other auditors 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements; 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 by us and other auditors. In our opinion, based on our audit and the report of other auditors, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all 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 16, 2022 on our consideration of the City of Marysville'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 Marysville's internal control over financial reporting and compliance.

The image shows a handwritten signature in dark ink that reads "UHY LLP". The letters are written in a cursive, slightly slanted style.

Port Huron, Michigan
December 16, 2022

OVERVIEW OF THE FINANCIAL STATEMENTS

The City of Marysville, Michigan's (the "City") annual report is presented to offer readers a narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2022. This annual report consists of four parts – management's discussion and analysis, the basic financial statements, required supplementary information, and other supplementary information, which present combining statements for the General Fund, nonmajor governmental funds, and internal service funds. The basic financial statements include two kinds of statements that present different views of the City. The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status. The remaining statements are fund financial statements that focus on individual parts of the City's government, reporting the City's operations in more detail than the government-wide statements.

Government-wide Financial Statements

One of the most important questions asked about the City is, "As a whole, what is the City's financial condition as a result of the year's activities?" The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the government's assets and deferred outflows of resources and liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid (full accrual).

The two government-wide statements report the City's net position and how they have changed. Net position, defined as the difference between the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, is one way to measure the City's financial health.

The government-wide financial statements of the City are divided into two categories:

Governmental Activities - most of the City's basic services are included here, such as the police, fire, public works, parks and recreation, general administration, and debt retirement. Property taxes, state-shared revenues, and charges for services provide most of the funding.

Business-type Activities - these activities operate like private businesses, where the City charges fees to recover the costs of services provided. The City's water supply and wastewater operations are treated as business-type activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant funds, not the City as a whole. Funds are accounting devices that the City uses to track specific sources of revenues and expenditures. Some funds are required by State law and/or by bond covenants. Other funds are established by City Council to manage operations.

The City has three types of funds:

Governmental Funds - Most of the City's basic services are included in governmental funds, which focus on how cash and other financial assets can readily be converted to cash flow in and out, and the balances left at year end that are available for spending. The governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance City programs. Currently, the City has 12 governmental funds.

Proprietary Funds - Proprietary funds use the accrual basis of accounting, which is the same basis used by the private businesses. The City maintains two different types of proprietary funds:

Enterprise Funds - are used to report services for which the City charges customers a fee for those services. The City has two enterprise funds, the Water Supply System and Wastewater Funds.

Internal Service Funds - reports activities that provide services and supplies to other City programs. The City utilizes an Equipment Rental Fund, Healthcare Fund, and an Employee Vacation and Sick Fund.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the City's operations. The City has four fiduciary funds, two for separate employee retirement systems, retirees' health care, and a custodial fund.

FINANCIAL OVERVIEW (Government-wide Financial Analysis)

The City has combined total net position of \$41,190,296. This is an increase of \$988,486 over 2021. Governmental activities comprise \$14,106,324 and business-type activities make up \$27,083,972 of the total net position. In a condensed format, the table below shows net position at of the June 30, 2022 and 2021.

	Governmental Activities		Business-type Activities	
	2022	2021	2022	2021
Assets				
Current and other assets	\$ 16,591,969	\$ 15,721,407	\$ 8,371,518	\$ 7,637,687
Capital assets	<u>29,414,083</u>	<u>27,878,180</u>	<u>30,590,848</u>	<u>31,379,002</u>
Total Assets	<u>46,006,052</u>	<u>43,599,587</u>	<u>38,962,366</u>	<u>39,016,689</u>
Deferred Outflows of Resources				
Deferred charges on refunding	29,414	48,002	37,283	41,013
Related to pensions	3,743,679	642,579	402,678	53,517
Related to OPEB	<u>1,715,478</u>	<u>1,456,838</u>	<u>268,863</u>	<u>206,004</u>
Total Deferred Outflows of Resources	<u>5,488,571</u>	<u>2,147,419</u>	<u>708,824</u>	<u>300,534</u>
Liabilities				
Current liabilities	752,474	712,525	362,402	182,485
Non-current liabilities	<u>36,564,803</u>	<u>26,733,224</u>	<u>12,224,816</u>	<u>11,668,868</u>
Total Liabilities	<u>37,317,277</u>	<u>27,445,749</u>	<u>12,587,218</u>	<u>11,851,353</u>
Deferred Inflows of Resources				
Related to Pensions	71,022	3,317,282	-	377,084
Related to OPEB	<u>-</u>	<u>1,639,166</u>	<u>-</u>	<u>231,785</u>
Total Deferred Inflows of Resources	<u>71,022</u>	<u>4,956,448</u>	<u>-</u>	<u>608,869</u>
Net Position				
Net investment in capital assets	28,209,415	26,579,662	22,585,743	22,568,316
Restricted	2,983,919	2,915,721	6,000	6,000
Unrestricted (Deficit)	<u>(17,087,010)</u>	<u>(16,150,574)</u>	<u>4,492,229</u>	<u>4,282,685</u>
Total Net Position	<u>\$ 14,106,324</u>	<u>\$ 13,344,809</u>	<u>\$ 27,083,972</u>	<u>\$ 26,857,001</u>

The City's governmental activities experienced an increase in net position of \$761,515. The business-type activities experienced an increase in net position of \$226,971.

The following table shows the changes in net position for 2022 and 2021:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenue:				
Program Revenue -				
Charges for services	\$ 1,998,194	\$ 1,703,667	\$ 5,702,126	\$ 5,492,321
Operating grants and contributions	2,311,627	1,772,765	-	-
Capital grants and contributions	432,947	644,383	-	-
General Revenue -				
Property taxes	6,847,367	6,728,460	-	-
Grants and contributions not restricted to specific programs	3,108,413	2,770,398	-	-
Unrestricted investment income (	226,014)	152,582	(90,615)	28,254
Gain on sale of assets	66,249	18,600	-	-
Total Revenue	<u>14,538,783</u>	<u>13,790,855</u>	<u>5,611,511</u>	<u>5,520,575</u>
Program Expenses:				
General government	1,572,774	1,190,731	-	-
Public safety	5,790,593	4,846,358	-	-
Public works	4,513,498	3,622,380	-	-
Recreation and culture	1,968,896	1,382,248	-	-
Interest on long-term debt	38,096	49,296	-	-
Water supply system	-	-	2,407,909	2,344,416
Wastewater	-	-	2,870,042	2,445,813
Total Program Expenses	<u>13,883,857</u>	<u>11,091,013</u>	<u>5,277,951</u>	<u>4,790,229</u>
Increase (Decrease) in net position before transfers	654,926	2,699,842	333,560	730,346
Transfers	106,589	98,433	(106,589)	(98,433)
Changes in Net Position	<u>\$ 761,515</u>	<u>\$ 2,798,275</u>	<u>\$ 226,971</u>	<u>\$ 631,913</u>

Governmental Activities

Revenues for governmental activities totaled \$14.5 million in 2022, of which approximately \$6.8 million or 47.1% of total revenue was received from taxes, followed by grants and contributions not restricted to specific programs of \$3.1 million or 21.4% of total revenue.

Business-type Activities

The City has two business-type activities: Water Supply and Wastewater. The City operates its own water and sewage treatment facilities. The Water Supply and Wastewater Funds had a net change in net position of \$305,761 and \$(78,790), respectively.

FINANCIAL ANALYSIS OF MAJOR FUNDS

The General Fund ended 2022 with a fund balance of \$10,289,565, of which \$526,799 was nonspendable, \$165,336 was committed, and \$1,591,130 was assigned, with the remaining amount of \$8,006,300 classified as unassigned. This is an increase of \$784,811 from the prior year.

The City's other major governmental funds, the Local Street Fund and the Public Improvement Fund, ended 2022 with fund balances of \$918,140 and \$128,133, respectively. This is an increase of \$282,457 for the Local Street Fund, primarily due to a transfer in from other funds in 2022, and a decrease of \$21,603 in the Public Improvement Fund.

The major proprietary funds are the Water Supply System and Wastewater Funds, which have been discussed previously.

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. The General Fund budgeted revenues and transfers in increased by \$725,000 due to intergovernmental revenues increasing during the year and General Fund budgeted expenditures and transfers out increased by \$297,521 due to parks projects and public safety cost increases.

The General Fund revenues and other financing sources for the year were over budget by \$1,541,828 or 15% due to intergovernmental revenue, lease proceeds, and sale of assets coming in over the budgeted amounts. The General Fund expenditures and transfers out for the year were under budget by \$282,454 or 3%.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City had \$60 million invested in capital assets for its governmental and business-type activities (net of accumulated depreciation) as of June 30, 2022. The investment in capital assets includes land, building and building improvements, infrastructure (including bike paths, sidewalks, and streets), machinery and equipment, vehicles, and utility systems (water supply and wastewater systems). During the year, the City added \$3,242,321 of capital assets in governmental activities and \$780,552 in business-type activities before taking into account depreciation. Depreciation for the year was \$1,706,418 for governmental activities and \$1,568,706 for business-type activities.

The City's major additions were street improvements, concrete replacement, Mermaid Park improvements, a building purchase, and new water lines.

Additional information on the capital assets of the City can be found in Note 5 to the financial statements.

Long-term Debt

At June 30, 2022, the City had \$9,718,750 in long-term debt, compared to \$10,653,739 at June 30, 2021. The reductions in debt are primarily due to scheduled payments. Lease obligation additions of \$325,247 were recognized due to adoption of GASB Statement No. 87.

Additional information on the long-term debt of the City can be found in Note 8 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City of Marysville, population of 9,997 per the 2020 Census (9,959 per the 2010 Census), is primarily a residential community located in St. Clair County; this was a slight increase from the 2010 Census. The City's proximity to the downtown Detroit metropolitan area and several major roadways, including Interstate Highways 94 and 69, has aided residential development in previous years.

The City General Fund progressively relies on property taxes as its main source of revenue. The City continues to operate within the state-authorized tax rate limit. The following history presents the level of taxes as a percent of total revenue:

2022	57.5 %
2021	62.3
2020	68.1
2019	67.7
2018	69.4
2017	72.8
2016	78.2
2015	75.7
2014	75.9
2013	79.8

With the continual uncertainty with Revenue Sharing at the State level, along with the short-term outlook for the State of Michigan, the City administration along with City Council will closely analyze all aspects of the budget process to continue providing the services that benefit the community.

The City's elected and appointed officials considered many factors when setting the 2022-2023 fiscal year budget, along with the tax rates and fees that will be charged for the City's activities. Revenues and transfers for the budgeted 2022-2023 year is expected to decrease by 12.0% or \$1,438,959 and expenditures and transfers budgeted for the 2022-2023 year in the General Fund is expected to increase by 8.0% or \$896,083 from the 2021-2022 actual amounts as a result of increased transfers. City Council is anticipating a decrease in the General Fund fund balance of \$1,550,230 in the 2022-2023 fiscal year.

CONTACTING THE CITY'S MANAGEMENT

This financial report is intended to provide our citizens, stakeholders, customers, and investors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, we invite you to contact the Finance Director's office by mail at 1255 Delaware, Marysville, Michigan 48040, by phone (810) 455-1314, by fax (810) 364-3940, or email mbooth@cityofmarysvillemi.com.

A separate report is issued for City of Marysville Housing Commission that can be obtained at 1100 New York, Marysville, Michigan 48040.

BASIC FINANCIAL STATEMENTS

CITY OF MARYSVILLE, MICHIGAN

**STATEMENT OF NET POSITION
JUNE 30, 2022**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets:				
Cash and cash equivalents	\$ 5,755,999	\$ 4,115,663	\$ 9,871,662	\$ 629,870
Investments	7,665,185	3,770,976	11,436,161	569,810
Receivables (net of allowance)	2,173,533	899,778	3,073,311	40,287
Prepaid expenses/deposits	233,014	9,001	242,015	-
Internal balances	423,900	(423,900)	-	-
Inventory	1,264	-	1,264	14,941
Beneficial interest in assets held by others	339,074	-	339,074	-
Capital assets (net of accumulated depreciation)				
Assets not being depreciated	2,888,909	160,323	3,049,232	137,864
Assets being depreciated	26,525,174	30,430,525	56,955,699	1,776,020
Total Assets	<u>46,006,052</u>	<u>38,962,366</u>	<u>84,968,418</u>	<u>3,168,792</u>
Deferred Outflows of Resources:				
Deferred charges on refunding	29,414	37,283	66,697	-
Related to pensions	3,743,679	402,678	4,146,357	-
Related to OPEB	1,715,478	268,863	1,984,341	-
Total Deferred Outflows of Resources	<u>5,488,571</u>	<u>708,824</u>	<u>6,197,395</u>	<u>-</u>
Liabilities:				
Payables	684,446	309,821	994,267	100,081
Accrued interest	7,953	52,581	60,534	-
Advances and deposits	9,289	-	9,289	44,505
Unearned revenue	50,786	-	50,786	1,309
Non-current liabilities -				
Net OPEB liability	12,214,066	1,914,279	14,128,345	-
Net pension liability	22,674,375	2,268,149	24,942,524	-
Due within one year	203,029	819,313	1,022,342	6,179
Due in more than one year	1,473,333	7,223,075	8,696,408	2,870
Total Liabilities	<u>37,317,277</u>	<u>12,587,218</u>	<u>49,904,495</u>	<u>154,944</u>
Deferred Inflows of Resources:				
Related to pensions	<u>71,022</u>	<u>-</u>	<u>71,022</u>	<u>-</u>
Net Position:				
Net investment in capital assets	28,209,415	22,585,743	50,795,158	1,913,884
Restricted -				
Nonexpendable	313,451	-	313,451	-
Expendable	2,670,468	6,000	2,676,468	-
Unrestricted (deficit)	<u>(17,087,010)</u>	<u>4,492,229</u>	<u>(12,594,781)</u>	<u>1,099,964</u>
Total Net Position	<u>\$ 14,106,324</u>	<u>\$ 27,083,972</u>	<u>\$ 41,190,296</u>	<u>\$ 3,013,848</u>

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

CITY OF MARYSVILLE, MICHIGAN

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
General Government	\$ 1,572,774	\$ 174,703	\$ 19,666	\$ -
Public Safety	5,790,593	568,787	1,055,021	-
Public Works	4,513,498	467,513	1,070,539	432,947
Recreation and Culture	1,968,896	787,191	166,401	-
Interest on Long-term Debt	38,096	-	-	-
Total Governmental Activities	<u>13,883,857</u>	<u>1,998,194</u>	<u>2,311,627</u>	<u>432,947</u>
Business-type Activities:				
Water Supply System	2,407,909	2,799,824	-	-
Wastewater	2,870,042	2,902,302	-	-
Total Business-type Activities	<u>5,277,951</u>	<u>5,702,126</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 19,161,808</u>	<u>\$ 7,700,320</u>	<u>\$ 2,311,627</u>	<u>\$ 432,947</u>
Component Units				
Housing Commission	\$ 814,003	\$ 541,842	\$ 331,731	\$ 291,890
Local Development Finance Authority District No. 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Component Units	<u>\$ 814,003</u>	<u>\$ 541,842</u>	<u>\$ 331,731</u>	<u>\$ 291,890</u>

General Revenues:

Property taxes

Grants and contributions not

restricted to specific programs

Unrestricted investment income

Gain on sale of assets

Transfers

Total general revenues and transfers

Change in net position

Net position at beginning of year

Net position at end of year

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

Net (Expense) Revenue and Change in Net Position

Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$(1,378,405)	\$ -	\$(1,378,405)	\$ -
(4,166,785)	-	(4,166,785)	-
(2,542,499)	-	(2,542,499)	-
(1,015,304)	-	(1,015,304)	-
(38,096)	-	(38,096)	-
<u>(9,141,089)</u>	<u>-</u>	<u>(9,141,089)</u>	<u>-</u>
-	391,915	391,915	-
-	32,260	32,260	-
<u>-</u>	<u>424,175</u>	<u>424,175</u>	<u>-</u>
(9,141,089)	424,175	(8,716,914)	-
-	-	-	351,460
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	351,460
<u>-</u>	<u>-</u>	<u>-</u>	<u>351,460</u>
6,847,367	-	6,847,367	-
3,108,413	-	3,108,413	-
(226,014)	(90,615)	(316,629)	1,692
66,249	-	66,249	-
106,589	(106,589)	-	-
<u>9,902,604</u>	<u>(197,204)</u>	<u>9,705,400</u>	<u>1,692</u>
761,515	226,971	988,486	353,152
<u>13,344,809</u>	<u>26,857,001</u>	<u>40,201,810</u>	<u>2,660,696</u>
<u>\$ 14,106,324</u>	<u>\$ 27,083,972</u>	<u>\$ 41,190,296</u>	<u>\$ 3,013,848</u>

CITY OF MARYSVILLE, MICHIGAN

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022**

	General	Special Revenue Fund Local Street	Capital Projects Fund Public Improvement	Other Governmental Funds	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 2,572,808	\$ 619,621	\$ 127,867	\$ 2,118,840	\$ 5,439,136
Investments	5,705,546	259,650	33,110	1,082,831	7,081,137
Receivables, net of allowance -					
Property taxes	18,954	-	-	-	18,954
Interest and accounts	1,562,001	1,990	87	107,728	1,671,806
Due from other governmental units	235,769	52,396	-	193,189	481,354
Due from other funds	91,656	-	-	3,717	95,373
Prepaid expenditures/deposits	77,276	4,602	-	6,220	88,098
Advance to other funds	423,900	-	-	-	423,900
Beneficial interest in assets held by others	25,623	-	-	313,451	339,074
Total Assets	\$ 10,713,533	\$ 938,259	\$ 161,064	\$ 3,825,976	\$ 15,638,832
Liabilities:					
Accounts payable	\$ 233,676	\$ 13,679	\$ 32,931	\$ 201,034	\$ 481,320
Accrued liabilities	120,358	6,440	-	27,502	154,300
Advances and deposits	-	-	-	9,289	9,289
Due to other funds	-	-	-	96,156	96,156
Unearned revenue	50,786	-	-	-	50,786
Total Liabilities	404,820	20,119	32,931	333,981	791,851
Deferred Inflows of Resources:					
Unavailable revenues -					
Property taxes	19,148	-	-	-	19,148
Charges for services	-	-	-	62,593	62,593
Total Deferred Inflows of Resources	19,148	-	-	62,593	81,741
Fund Balances:					
Nonspendable -					
Prepaid expenditures	77,276	4,602	-	6,220	88,098
Beneficial interest in assets held by others	25,623	-	-	41,119	66,742
Advance to other funds	423,900	-	-	-	423,900
Perpetual Care	-	-	-	272,332	272,332
Restricted	-	913,538	128,133	1,621,645	2,663,316
Committed	165,336	-	-	1,488,086	1,653,422
Assigned	1,591,130	-	-	-	1,591,130
Unassigned	8,006,300	-	-	-	8,006,300
Total Fund Balances	10,289,565	918,140	128,133	3,429,402	14,765,240
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 10,713,533	\$ 938,259	\$ 161,064	\$ 3,825,976	\$ 15,638,832

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

CITY OF MARYSVILLE, MICHIGAN

**RECONCILIATION OF THE BALANCE SHEET FOR GOVERNMENTAL FUNDS TO
THE STATEMENT OF NET POSITION
JUNE 30, 2022**

Fund Balances - total governmental funds		\$ 14,765,240
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources		
Capital assets		80,518,470
Accumulated depreciation/amortization		(51,528,913)
Certain changes in pension and OPEB plan liabilities are reported as deferred outflows (inflows) of resources in the statement of net position.		
Deferred outflows of resources		5,319,504
Deferred inflows of resources		(71,022)
Other long - term assets are not available to pay for current period expenditures and, therefore, are unavailable in the funds.		
Delinquent personal property taxes	\$ 19,148	
Charges for services	62,593	81,741
<hr style="width: 100%;"/>		
Internal Service Fund used by management to charge cost of the City's motor pool activities, healthcare, and accrued vacation and sick benefits. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		269,086
Long - term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Bonds payable	(895,026)	
Lease/installment purchase payable	(274,062)	
Net OPEB liability	(11,894,926)	
Net pension liability	(22,140,235)	
Accrued interest	(7,953)	(35,212,202)
<hr style="width: 100%;"/>		
Discounts and Premiums on bonds are reported as other financing sources or uses in the governmental funds, where they are capitalized and amortized from net position (netted against bonds payables).		(64,994)
Losses on refunding are not reported in the governmental funds, where they are capitalized and amortized from net position		29,414
<hr style="width: 100%;"/>		
Net Position of governmental activities		<u>\$ 14,106,324</u>

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

CITY OF MARYSVILLE, MICHIGAN

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	General	Special Revenue Fund Local Street	Capital Projects Fund Public Improvement	Other Governmental Fund	Total Governmental Funds
Revenues:					
Taxes	\$ 6,744,965	\$ -	\$ -	\$ 101,504	\$ 6,846,469
Licenses and permits	348,268	-	-	-	348,268
Intergovernmental	4,011,378	380,200	-	1,101,374	5,492,952
Charges for services	586,055	-	-	712,603	1,298,658
Fines and forfeits	9,516	-	-	-	9,516
Interest and rent	(132,026)	(6,734)	91	174,996	36,327
Other	161,266	1,122	-	165,678	328,066
Total Revenues	<u>11,729,422</u>	<u>374,588</u>	<u>91</u>	<u>2,256,155</u>	<u>14,360,256</u>
Expenditures:					
Current -					
General government	1,028,210	-	-	-	1,028,210
Public safety	3,773,311	-	-	5,782	3,779,093
Public works	1,661,049	1,217,131	-	1,066,760	3,944,940
Recreation and cultural	496,858	-	-	1,176,316	1,673,174
Other activities	1,772,618	-	-	-	1,772,618
Capital outlay	218,161	-	842,194	313,503	1,373,858
Debt service -					
Principal	97,277	-	-	323,065	420,342
Interest	34,265	-	-	4,828	39,093
Total Expenditures	<u>9,081,749</u>	<u>1,217,131</u>	<u>842,194</u>	<u>2,890,254</u>	<u>14,031,328</u>
Revenues over (under) expenditures	<u>2,647,673</u>	<u>(842,543)</u>	<u>(842,103)</u>	<u>(634,099)</u>	<u>328,928</u>
Other Financing Sources (Uses):					
Sale of asset	66,249	-	-	-	66,249
Lease proceeds	199,806	-	-	125,441	325,247
Transfers in	20,400	1,125,000	820,500	463,700	2,429,600
Transfers out	<u>(2,149,317)</u>	<u>-</u>	<u>-</u>	<u>(120,400)</u>	<u>(2,269,717)</u>
Total Other Financing Sources (Uses)	<u>(1,862,862)</u>	<u>1,125,000</u>	<u>820,500</u>	<u>468,741</u>	<u>551,379</u>
Net Change in Fund Balances	784,811	282,457	(21,603)	(165,358)	880,307
Fund Balances at beginning of year	<u>9,504,754</u>	<u>635,683</u>	<u>149,736</u>	<u>3,594,760</u>	<u>13,884,933</u>
Fund Balances at end of year	<u>\$ 10,289,565</u>	<u>\$ 918,140</u>	<u>\$ 128,133</u>	<u>\$ 3,429,402</u>	<u>\$ 14,765,240</u>

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

CITY OF MARYSVILLE, MICHIGAN

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

Net change in fund balances - total governmental funds	\$	880,307
<p>Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay		3,067,838
Depreciation/amortization expense	(	1,620,186)
<p>Governmental funds do not report the fair value of donated assets as revenues and expenditures. However, the fair value is reported as both revenues and expenses in the statement of activities.</p>		
Acquisition value of donated assets		121,658
<p>Revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
	(	9,380)
<p>The issuance of long-term debt (e.g. bonds and notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources to governmental funds. Neither transaction, however, has any effect on net position.</p>		
Principal payment on bonds/notes/leases		420,342
Lease proceeds	(	325,247)
<p>Accrued interest expense on bonds and the amortization of bond premiums and deferred charges are not recorded by governmental funds, but are reported under interest and fiscal charges for the purpose of net position.</p>		
Amortization of bond premium	\$	17,343
Amortization of deferred charge on refunding	(	18,588)
Decrease in accrued interest		997
		997
<p>Internal service funds used by management to charge costs of the City's motor pool, healthcare, and vacation and sick activities. The net revenues (expenses) attributable to those funds is reported with governmental activities.</p>		
	(	160,098)
<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 the funds.</p>		
Increase in net OPEB liability	(	3,251,907)
Increase in net pension liability	(	6,390,501)
Change in pension/OPEB expense related to deferred items related to the pension/OPEB plans		8,027,692
		8,027,692
Change in net position of governmental activities	\$	761,515

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

CITY OF MARYSVILLE, MICHIGAN

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022**

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water Supply System	Wastewater	Total	Internal Service Funds
Assets:				
Current Assets -				
Cash and cash equivalents	\$ 1,900,381	\$ 2,215,282	\$ 4,115,663	\$ 316,863
Investments	1,326,513	2,444,463	3,770,976	584,048
Accounts and interest receivable	454,787	444,991	899,778	1,419
Due from other funds	-	-	-	4,500
Inventories	-	-	-	1,264
Prepaid expenses	6,801	2,200	9,001	144,916
	3,688,482	5,106,936	8,795,418	1,053,010
Total Current Assets				
Non-Current Assets -				
Property, plant, and equipment	21,925,987	35,842,865	57,768,852	2,326,227
Less - accumulated depreciation	(11,942,215)	(15,235,789)	(27,178,004)	(1,901,701)
	9,983,772	20,607,076	30,590,848	424,526
Total Non-Current Assets				
Total Assets	13,672,254	25,714,012	39,386,266	1,477,536
Deferred Outflows of Resources:				
Related to pension plan	197,979	204,699	402,678	94,829
Related to OPEB plan	150,363	118,500	268,863	44,824
Deferred charge on refunding	28,763	8,520	37,283	-
	377,105	331,719	708,824	139,653

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

	Business-type Activities - Enterprise Funds			Governmental
	Water Supply System	Wastewater	Total	Internal Service Funds
Liabilities:				
Current Liabilities -				
Accounts payable	\$ 199,893	\$ 76,774	\$ 276,667	\$ 45,475
Accrued expenses	23,803	9,351	33,154	3,351
Accrued interest	7,616	44,965	52,581	-
Due to other funds	-	-	-	3,717
Bonds payable (current portion)	68,866	750,447	819,313	-
Total Current Liabilities	<u>300,178</u>	<u>881,537</u>	<u>1,181,715</u>	<u>52,543</u>
Long-term Liabilities (net of current portion) -				
Advance from other funds	423,900	-	423,900	-
Net OPEB obligation	1,070,569	843,710	1,914,279	319,140
Net pension liability	1,115,149	1,153,000	2,268,149	534,140
Accrued vacation and sick	-	-	-	442,280
Bonds payable	869,815	6,353,260	7,223,075	-
Total Long-term Liabilities	<u>3,479,433</u>	<u>8,349,970</u>	<u>11,829,403</u>	<u>1,295,560</u>
Total Liabilities	<u>3,779,611</u>	<u>9,231,507</u>	<u>13,011,118</u>	<u>1,348,103</u>
Net Position:				
Net investment in capital assets	9,073,854	13,511,889	22,585,743	424,526
Restricted	6,000	-	6,000	-
Unrestricted (deficit)	1,189,894	3,302,335	4,492,229	(155,440)
Total Net Position	<u>\$ 10,269,748</u>	<u>\$ 16,814,224</u>	<u>\$ 27,083,972</u>	<u>\$ 269,086</u>

CITY OF MARYSVILLE, MICHIGAN

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water Supply System	Wastewater	Total	Internal Service Funds
Operating Revenues:				
Charges for services	\$ 2,781,676	\$ 2,851,612	\$ 5,633,288	\$ 1,059,364
Rent income	-	-	-	599,904
Other	18,148	50,690	68,838	-
Total Operating Revenues	<u>2,799,824</u>	<u>2,902,302</u>	<u>5,702,126</u>	<u>1,659,268</u>
Operating Expenses:				
Personnel services	1,017,951	880,630	1,898,581	1,457,388
Supplies	216,483	148,511	364,994	67,787
Other services	571,204	651,761	1,222,965	139,739
Depreciation	563,033	1,005,673	1,568,706	86,232
Total Operating Expenses	<u>2,368,671</u>	<u>2,686,575</u>	<u>5,055,246</u>	<u>1,751,146</u>
Operating Income (Loss)	<u>431,153</u>	<u>215,727</u>	<u>646,880</u>	<u>(91,878)</u>
Non-Operating Revenues (Expenses):				
Investment income	(32,859)	(57,756)	(90,615)	(14,926)
Interest expenses	(39,238)	(183,467)	(222,705)	-
Total Non-Operating Revenues (Expenses)	<u>(72,097)</u>	<u>(241,223)</u>	<u>(313,320)</u>	<u>(14,926)</u>
Net Income (Loss) Before Transfers	359,056	(25,496)	333,560	(106,804)
Transfers:				
Transfers out	<u>(53,295)</u>	<u>(53,294)</u>	<u>(106,589)</u>	<u>(53,294)</u>
Change in Net Position	305,761	(78,790)	226,971	(160,098)
Net Position at beginning of year	<u>9,963,987</u>	<u>16,893,014</u>	<u>26,857,001</u>	<u>429,184</u>
Net Position end of year	<u>\$ 10,269,748</u>	<u>\$ 16,814,224</u>	<u>\$ 27,083,972</u>	<u>\$ 269,086</u>

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

CITY OF MARYSVILLE, MICHIGAN

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water Supply System	Wastewater	Total	Internal Service Funds
Cash Flows From Operating Activities:				
Cash receipts from customers	\$ 2,814,245	\$ 2,874,583	\$ 5,688,828	\$ -
Cash receipts from interfund services	-	-	-	1,660,187
Cash payments to suppliers	(513,687)	(628,243)	(1,141,930)	(1,356,066)
Cash payments for interfund services	(99,274)	(82,787)	(182,061)	-
Cash payments to employees	(894,602)	(655,879)	(1,550,481)	(251,495)
Net Cash Provided by Operating Activities	<u>1,306,682</u>	<u>1,507,674</u>	<u>2,814,356</u>	<u>52,626</u>
Cash Flows From Noncapital Financing Activities:				
Transfers from/to other funds	(53,295)	(53,294)	(106,589)	(53,294)
Due from/to other funds	-	-	-	1,619
Net Cash Used for Noncapital Financing Activities	<u>(53,295)</u>	<u>(53,294)</u>	<u>(106,589)</u>	<u>(51,675)</u>
Cash Flows From Capital and Related Financing Activities:				
Interest paid	(36,990)	(187,252)	(224,242)	-
Bond payments	(68,864)	(740,447)	(809,311)	-
Repayment of advances from other funds	(141,300)	-	(141,300)	-
Acquisition and construction of capital assets	(611,951)	(168,601)	(780,552)	(52,825)
Net Cash Used for Capital and Related Financing Activities	<u>(859,105)</u>	<u>(1,096,300)</u>	<u>(1,955,405)</u>	<u>(52,825)</u>
Cash Flows From Investing Activities:				
Net purchases of investments	(168,732)	(453,168)	(621,900)	(53,893)
Net Increase (Decrease) in Cash and Cash Equivalents for the year	225,550	(95,088)	130,462	(105,767)
Cash and Cash Equivalents at Beginning of Year	<u>1,674,831</u>	<u>2,310,370</u>	<u>3,985,201</u>	<u>422,630</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 1,900,381</u></u>	<u><u>\$ 2,215,282</u></u>	<u><u>\$ 4,115,663</u></u>	<u><u>\$ 316,863</u></u>

Continued

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

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Water Supply System</u>	<u>Wastewater</u>	<u>Total</u>	<u>Internal Service Funds</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Operating income (loss) for the year	\$ 431,153	\$ 215,727	\$ 646,880	\$ (91,878)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities -				
Depreciation	563,033	1,005,673	1,568,706	86,232
Change in assets and liabilities:				
Receivables	14,421	(27,719)	(13,298)	919
Prepays and deposits	42,563	39,951	82,514	(36,316)
Inventories	-	-	-	1
Net OPEB liability	326,639	340,194	666,833	140,310
Net pension liability	321,344	377,082	698,426	174,539
Deferred outflows/inflows related to pension and OPEB plans	(527,344)	(493,545)	(1,020,889)	(217,474)
Accounts payable/accrued expenses	134,873	50,311	185,184	(3,707)
Net Cash Provided by Operating Activities	<u>\$ 1,306,682</u>	<u>\$ 1,507,674</u>	<u>\$ 2,814,356</u>	<u>\$ 52,626</u>

Concluded

CITY OF MARYSVILLE, MICHIGAN

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2022**

	Employee Retirement Systems		Retirees' Health Care	Total	Custodial Fund
	Police and Firefighters	Other City Employees			
Assets:					
Cash and cash equivalents	\$ 7,202	\$ 4,699	\$ -	\$ 11,901	\$ 24,113
Investments, at fair value -					
Cash/money market funds	346,512	387,341	383,281	1,117,134	-
U.S. government securities	2,305,881	2,650,633	2,310,018	7,266,532	-
Corporate bonds	1,999,087	2,383,302	1,934,225	6,316,614	-
Mutual/exchange traded funds	519,613	603,528	380,461	1,503,602	-
Stocks	9,906,284	11,568,144	8,745,367	30,219,795	-
Total Investments	15,077,377	17,592,948	13,753,352	46,423,677	-
Receivables -					
Taxes	-	-	-	-	69,077
Members	12,994	16,092	-	29,086	-
Interest and dividends	25,619	31,044	90,749	147,412	-
Total Receivables	38,613	47,136	90,749	176,498	69,077
Prepayments	-	-	153,374	153,374	-
Total Assets	15,123,192	17,644,783	13,997,475	46,765,450	93,190
Liabilities:					
Accounts payable	19,341	25,207	1,448,762	1,493,310	-
Due to other governmental units	-	-	-	-	93,190
Total Liabilities	19,341	25,207	1,448,762	1,493,310	93,190
Net Position:					
Restricted for pension benefits	15,103,851	17,619,576	-	32,723,427	-
Restricted for other postemployment benefits	-	-	12,548,713	12,548,713	-
	\$ 15,103,851	\$ 17,619,576	\$ 12,548,713	\$ 45,272,140	\$ -

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

CITY OF MARYSVILLE, MICHIGAN

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	Employee Retirement Systems		Retirees' Health Care	Total	Custodial Fund
	Police and Firefighters	Other City Employees			
Additions:					
Contributions -					
Member contributions	\$ 173,568	\$ 206,378	\$ -	\$ 379,946	\$ -
Employer contributions	1,181,483	1,074,810	-	2,256,293	-
Total Contributions	<u>1,355,051</u>	<u>1,281,188</u>	<u>-</u>	<u>2,636,239</u>	<u>-</u>
Investment Income -					
Interest/dividends	285,374	332,978	369,272	987,624	-
Net depreciation	(2,249,163)	(2,572,655)	(2,297,918)	(7,119,736)	-
Total Investment Income	(1,963,789)	(2,239,677)	(1,928,646)	(6,132,112)	-
Less investment expenses	(97,604)	(114,857)	(43,169)	(255,630)	-
Net investment income	<u>(2,061,393)</u>	<u>(2,354,534)</u>	<u>(1,971,815)</u>	<u>(6,387,742)</u>	<u>-</u>
Taxes collected	-	-	-	-	13,875,530
Total Additions	<u>(706,342)</u>	<u>(1,073,346)</u>	<u>(1,971,815)</u>	<u>(3,751,503)</u>	<u>13,875,530</u>
Deductions:					
Taxes paid to other governmental	-	-	-	-	13,875,530
Retirement benefit payments	1,734,186	1,856,814	-	3,591,000	-
Employee refunds	-	16,635	-	16,635	-
Health/life insurance	-	-	1,343,892	1,343,892	-
Administration	21,250	23,996	34,500	79,746	-
Total Deductions	<u>1,755,436</u>	<u>1,897,445</u>	<u>1,378,392</u>	<u>5,031,273</u>	<u>13,875,530</u>
Net decrease in net position	(2,461,778)	(2,970,791)	(3,350,207)	(8,782,776)	-
Net Position:					
Beginning of year	<u>17,565,629</u>	<u>20,590,367</u>	<u>15,898,920</u>	<u>54,054,916</u>	<u>-</u>
End of year	<u>\$ 15,103,851</u>	<u>\$ 17,619,576</u>	<u>\$ 12,548,713</u>	<u>\$ 45,272,140</u>	<u>\$ -</u>

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

COMPONENT UNITS

CITY OF MARYSVILLE, MICHIGAN

**COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
JUNE 30, 2022**

	<u>Housing Commission</u>	<u>Local Development Finance Authority District No. 1</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ 614,213	\$ 15,657	\$ 629,870
Investments	569,810	-	569,810
Receivables	40,287	-	40,287
Inventory	14,941		14,941
Capital assets (net of accumulated depreciation) -			
Assets not being depreciated	137,864	-	137,864
Assets being depreciated	<u>1,776,020</u>	<u>-</u>	<u>1,776,020</u>
Total Assets	<u>3,153,135</u>	<u>15,657</u>	<u>3,168,792</u>
Liabilities:			
Payables and accrued liabilities	100,081	-	100,081
Unearned revenue	1,309	-	1,309
Advances and deposits	44,505	-	44,505
Non-current liabilities			
Due within one year	6,179	-	6,179
Due in more than one year	<u>2,870</u>	<u>-</u>	<u>2,870</u>
Total Liabilities	<u>154,944</u>	<u>-</u>	<u>154,944</u>
Net Position:			
Net investment in capital assets	1,913,884	-	1,913,884
Unrestricted	<u>1,084,307</u>	<u>15,657</u>	<u>1,099,964</u>
Total Net Position	<u>\$ 2,998,191</u>	<u>\$ 15,657</u>	<u>\$ 3,013,848</u>

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

CITY OF MARYSVILLE, MICHIGAN

**COMBINING STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2022**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contribution
Housing Commission				
Business-type Activities:				
Low rent and capital fund program	\$ 814,003	\$ 541,842	\$ 331,731	\$ 291,890
Local Development Finance Authority				
District No. 1				
Governmental Activities:				
Interest on long-term debt	-	-	-	-
Total Component Units	\$ 814,003	\$ 541,842	\$ 331,731	\$ 291,890

General Revenues:
 Unrestricted investment income

Change in net position

Net position at beginning of year

Net position at end of year

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

<u>Net (Expense) Revenue and Change in Net Position</u>		
<u>Housing Commission</u>	<u>Local Development Finance Authority District No. 1</u>	<u>Total</u>
\$ 351,460	\$ -	\$ 351,460
-	-	<u>-</u>
		351,460
<u>1,692</u>	<u>-</u>	<u>1,692</u>
353,152	-	353,152
<u>2,645,039</u>	<u>15,657</u>	<u>2,660,696</u>
<u>\$ 2,998,191</u>	<u>\$ 15,657</u>	<u>\$ 3,013,848</u>

CITY OF MARYSVILLE
St. Clair County, Michigan

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Reporting Entity -

The City of Marysville, Michigan (the “City”), was incorporated in 1924 under the provisions of Act 279, P.A. of 1909, as amended (Home Rule City Act). The City operates under a Council-Manager form of government and provides the following services as authorized by its charter, including public safety (police, fire, civil defense, and inspections), highways and streets, sanitation, community development, culture-recreation, public improvements, planning and zoning, water supply and sewage disposal systems, and general administrative services.

These financial statements present the City and its component unit entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are in substance part of the government’s operations. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the City.

BLENDED COMPONENT UNIT -

CITY OF MARYSVILLE BUILDING AUTHORITY - is governed by a five-person board which is appointed by the Mayor with the City Council confirmation. The main function of the City of Marysville Building Authority (the “Authority”) at the present time is to pay off building bonds and maintain buildings. The Authority is reported as if it were a part of the primary government because its sole purpose is to finance the construction of City facilities that require financing. The Authority activity is reported as a Debt Service Fund and Capital Project Fund captioned “Building Authority.” Separate financial statements for the Authority are not published.

DISCRETELY PRESENTED COMPONENT UNITS -

MARYSVILLE HOUSING COMMISSION - is a Public Housing Agency established pursuant to the Authority of Act 18 of the Public Act of 1933, as amended, which is governed by a five- (5) member board appointed by the City Manager. This is a legally separate entity but is considered a component unit due to the City’s ability to influence the Housing Commission’s actions through representation on the Housing Commission’s Board and because of their financial relationship.

The audited financial statements of the Marysville Housing Commission may be obtained at the following location:

Marysville Housing Commission
1100 New York
Marysville, Michigan 48040

CITY OF MARYSVILLE
St. Clair County, Michigan

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (cont'd):

LOCAL DEVELOPMENT FINANCE AUTHORITY DISTRICT NO. I - was formed for the purpose of promoting and stimulating the local economy and operates with 11 members, 7 of which are appointed by the City, 2 by Marysville Public Schools District, 1 by St. Clair County Community College, and 1 by St. Clair County. This is a legally separate entity but is considered a component unit due to the City's ability to influence the Authority's actions through representation on the Authority's Board and because of their financial relationship. The main function of the Authority at the present time is to provide aid to local businesses for economic growth. The activities of the Local Development Finance Authority are included within the scope of the audit of the City's basic financial statements. A separate audited financial statement for the Authority was not issued.

B. Government-wide and Fund Financial Statements -

The government-wide financial statements (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. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. 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 governmental funds and enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation -

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary funds and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded 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 revenue as soon as all eligibility requirements imposed by the provider have been met.

CITY OF MARYSVILLE
St. Clair County, Michigan

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (cont'd):

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 to be *available* when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgements, are recorded only when payment is due.

State shared revenue, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and therefore have been recognized as revenues of the current fiscal period. Property taxes, which are levied on July 1 and due on August 31, are recognized as revenue in the year for which they are levied. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

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

Local Street Fund - is primarily funded from State Act 51 revenues and is used to account for the cost of maintenance of certain capital improvements to the local streets of the City.

Public Improvement Fund - is used to account for the funds restricted for improvements to the City. Financing is generally from General Fund appropriations.

The City reports the following major proprietary funds:

Water Supply System Fund - is used to account for the treatment and distribution of water to residential and commercial users.

Wastewater Fund - is used to account for sanitary sewer services provided to the residential and commercial users.

Additionally, the City reports the following fund types:

Governmental Fund Types -

Special Revenue Funds - are used to account for and report the proceeds of specific revenue sources that are restricted, committed, or assigned to expenditures for a specified purpose other than for debt service or capital projects.

Debt Service Funds - are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

CITY OF MARYSVILLE
St. Clair County, Michigan

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (cont'd):

Capital Projects Fund - is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlay, including the acquisition or construction of capital facilities and other capital assets.

Permanent Fund - is used to account for resources that are legally restricted to the extent that only earnings and not principal may be used for the perpetual care of the City's cemetery.

Proprietary Fund Type -

Internal Service Funds - are used to account for charges to other funds for the costs of operating and maintaining the City's motor pool, healthcare, and vested vacation and sick for qualified employees. Charges are made to other funds based on equipment used, estimated employee healthcare costs, and when vacation and sick benefits are earned. The internal service funds of the City are the Equipment Rental, Healthcare, and Employee Vacation and Sick Funds.

Fiduciary Fund Types -

Pension Trust and Other Post-Employment Benefits Trust Funds - are used to accumulate resources for pension and health and life benefits.

Custodial Fund - is used to account for assets held by the City as an agent for other governments.

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 government's enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenue 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 on-going operations. The principal operating revenues of the Enterprise and Internal Services Funds are charges to customers (other funds) for sales and services. Operating expenses of the Enterprise and Internal Service Funds include costs of sales and services, administrative expense, 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's policy to use restricted resources first and then unrestricted resources as they are needed.

CITY OF MARYSVILLE
St. Clair County, Michigan

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (cont'd):

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance -

Deposits and Investments -

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposit with original maturities of three months or less from the date of acquisition.

Investments are stated at fair value, which is determined as follows: (a) short-term investments are reported at cost, which approximates fair value; (b) securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates; (c) investments that do not have established market values are reported at estimated fair value; and (d) cash deposits are reported at carrying amount which reasonably approximates fair value.

State statutes authorize the City to deposit in the accounts of federally insured banks, credit unions, and savings and loan associations and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, bankers' acceptances, and mutual funds composed of otherwise legal investments (except those with a fluctuating per share value).

Receivables and Payables -

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances to other funds in the General Fund are reported as nonspendable to indicate that they are not available for appropriation and are not expendable available financial resources.

All accounts and property taxes receivables are shown net of an allowance for uncollectible amounts.

Inventories and Prepaid Items -

All inventories are valued at cost using the first in/first out (FIFO) method. Inventories of governmental funds are recorded as expenditures when purchased.

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

CITY OF MARYSVILLE
St. Clair County, Michigan

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (cont'd):

Beneficial Interest in Assets Held by Others -

Beneficial interest in assets held by others represent assets transferred to the Community Foundation of St. Clair County (the “Foundation”) to establish an agency endowment fund plus accumulated investment earnings. The City has two different agreements. Under the terms of one agreement with the Foundation, a board of five residents may recommend or request distribution from the fund in amounts limited by the spending policies of the Foundation. The other agreement for the cemetery perpetual fund is to be held in perpetuity. The Foundation’s current spending policy is to distribute 5% of the average fair value over the prior 16 quarters determined as of September 30 of the year preceding the distribution. At the time of the transfer of assets, the City granted variance power to the Foundation. The Foundation expects to follow the recommendations but reserves the right to accept or reject recommendations.

Property Tax Calendar -

The City’s property tax is levied as of July 1 on the assessed valuation of property located in the City as of the preceding December 31. The taxes are due on July 31 with final collection date as of February 28, after which they are added to the delinquent tax roll. The City also collects taxes for other governmental units, which are recorded in the Tax Agency Fund.

Capital Assets -

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide and proprietary fund type 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 acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives in years:

	Primary Government	Component Units
Buildings and improvements	7-50	15-40
Land improvements	7-40	-
Utility systems	10-50	-
Machinery and equipment	3-20	3-7
Bike paths and sidewalks	30	-
Vehicles	3-10	-
Streets	20-30	-

CITY OF MARYSVILLE
St. Clair County, Michigan

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (cont'd):

Compensated Absences -

In accordance with contracts negotiated with the various employee groups of the City, individual employees have vested rights upon termination of employment to receive payment for unused vacation and sick leave under formulas and conditions specified in the contracts. The City has elected to fund vacation and sick time as it is earned. As a result, these amounts are appropriately accounted for in the Employees Vacation and Sick Pay Fund, an Internal Service Fund.

Long-term Obligations -

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, business-type activities, or proprietary fund type statements of net position. Bond premiums and discounts, if material, 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.

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 while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Leases -

The City is a lessee for a noncancelable lease of equipment. The City recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements.

At the commencement of the lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life or the period of the lease, whichever is shorter.

Key estimates and judgements related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) the lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the City is reasonably certain to exercise.

CITY OF MARYSVILLE
St. Clair County, Michigan

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (cont'd):

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term obligations on the statement of net position.

Deferred Outflows/Inflows of Resources -

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. The City reports deferred outflows of resources for deferred charges on refunding and items related to the pension plans and the other postemployment benefit (OPEB) plan. The deferred charges on refunding result from the difference in the carrying value of refunded debt and its reacquisition price; this amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The pension and OPEB related deferred outflows of resources are amortized over the expected remaining service lives of the participants, with the exception of the net difference between expected and actual plan investment earnings which are amortized over five (5) years.

In addition to liabilities, the statements of net position and balance sheet reports a separate section of deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) so will not be recognized as an inflow of resources (revenue) until that time. The City reports items on the government-wide statement of net position related to the pension plans and the OPEB plan and another item on the governmental fund balance sheet for unavailable revenues primarily from delinquent personal property taxes, fees, and cost reimbursements grants. These amounts will be recognized as inflows of resources in the period the amounts become available. The pension and OPEB related deferred inflows of resources are amortized over the expected remaining service lives of the participants, with the exception of the net difference between expected and actual plan investment earnings which are amortized over five (5) years.

Fund Balance -

In the fund financial statements, governmental funds reported fund balances in one or more of the following classifications:

Nonspendable fund balance – the portion of fund balance that is not in a spendable form or because it must remain intact.

Restricted fund balance – the portion of fund balance that has limitations imposed by external sources.

Committed fund balance – the portion of fund balance where amounts can only be used for specific purposes pursuant to constraints imposed by formal action via board resolution, (e.g., to establish, modify or rescind) of the highest level of decision-making authority (City Council).

CITY OF MARYSVILLE
St. Clair County, Michigan

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (cont'd):

Assigned fund balance – the portion of fund balance that reflects the City’s intended use of resources, currently only the City Council can assign fund balance. Amounts in excess of nonspendable, restricted, and committed fund balance in funds other than the General Fund are reported as assigned.

Unassigned fund balance – the portion of fund balance in the General Fund that cannot be classified into one of the four categories above.

When different classifications of fund balance are present, it is the City’s policy that expenditures are to be spent from restricted fund balance first, if appropriate, followed in order by committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

Estimates -

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:

Budgetary Information -

Annual budgets are adopted for the General and Special Revenue Funds on a basis consistent with accounting principles generally accepted in the United States of America and are not significantly different from the modified accrual basis used to reflect actual results.

In January, the department heads/responsible individuals are provided with various information to prepare the budgets for their departments, which are due at the end of January. The City Manager and Finance Director assemble each of the department budgets and prepare one tentative overall budget. The budget is presented to the City Council in April for review. The City Council holds a public hearing and may make any revisions, which, in their opinion and as a result of the public hearing, is necessary. The General Fund budget was approved at the activity level and at the total expenditure level for the Special Revenue Funds.

Michigan Public Act 621 of 1978, Section 18, as amended, provides that a local governmental unit shall not incur expenditures in excess of the amount appropriated at the legally enacted level. The Michigan Department of Treasury requires the reporting of any significant overages at the legal level of budgetary control (any overages at the legal level of budgetary control greater than 10% of total expenditures and the overage itself is larger than 10%). For the fiscal year ended June 30, 2022, the City had overages that exceeded these thresholds as follows:

Excess of Expenditures over Appropriations -

<u>Fund Type/Function/Activity</u>	<u>Appropriations</u>	<u>Expended</u>	<u>Variance</u>
Nonmajor Governmental Funds:			
Golf Fund -			
Recreation & Culture	\$ 915,000	\$ 1,043,763	\$ 128,763

CITY OF MARYSVILLE
St. Clair County, Michigan

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 - DEPOSITS AND INVESTMENTS:

Carrying Amount -

At year-end, the carrying amount of the City of Marysville cash and investments is as follows:

	<u>Primary Government</u>	<u>Component Units</u>	<u>Fiduciary Funds</u>	<u>Reporting Entity</u>
Petty Cash and Cash on Hand	\$ 2,415	\$ 100	\$ -	\$ 2,515
Deposits with Financial Institutions	<u>9,869,247</u>	<u>1,199,580</u>	<u>36,014</u>	<u>11,104,841</u>
Investments -				
Cash with Brokers	-	-	1,117,134	1,117,134
Commercial Paper	3,957,766	-	-	3,957,766
Municipal Bonds	4,413,480	-	-	4,413,480
U.S. Government Securities	3,064,915	-	7,266,532	10,331,447
Stocks	-	-	30,219,795	30,219,795
Corporate Bond/Notes	-	-	6,316,614	6,316,614
Mutual Funds	<u>-</u>	<u>-</u>	<u>1,503,602</u>	<u>1,503,602</u>
Total Investments	<u>11,436,161</u>	<u>-</u>	<u>46,423,677</u>	<u>57,859,838</u>
Grand Total	<u>\$ 21,307,823</u>	<u>\$ 1,199,680</u>	<u>\$ 46,459,691</u>	<u>\$ 68,967,194</u>
Reconciliation to Statements of Net Position				
Reported as Cash and Cash Equivalents -				
Petty Cash	\$ 2,415	\$ 100	\$ -	\$ 2,515
Deposits with Financial Institutions	<u>9,869,247</u>	<u>629,770</u>	<u>36,014</u>	<u>10,535,031</u>
Total Cash and Cash Equivalents	<u>9,871,662</u>	<u>629,870</u>	<u>36,014</u>	<u>10,537,546</u>
Reported as Investments -				
Deposits with Financial Institutions	-	569,810	-	569,810
Cash with Brokers	-	-	1,117,134	1,117,134
Commercial Paper	3,957,766	-	-	3,957,766
Municipal Bonds	4,413,480	-	-	4,413,480
U.S. Government Securities	3,064,915	-	7,266,532	10,331,447
Stocks	-	-	30,219,795	30,219,795
Corporate Bond/Notes	-	-	6,316,614	6,316,614
Mutual Funds	<u>-</u>	<u>-</u>	<u>1,503,602</u>	<u>1,503,602</u>
Total Investments	<u>11,436,161</u>	<u>569,810</u>	<u>46,423,677</u>	<u>58,429,648</u>
Grand Total - Statements of Net Position	<u>\$ 21,307,823</u>	<u>\$ 1,199,680</u>	<u>\$ 46,459,691</u>	<u>\$ 68,967,194</u>

CITY OF MARYSVILLE
St. Clair County, Michigan

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 - DEPOSITS AND INVESTMENTS - (cont'd):

Deposits -

Act 217 PA 1982, as amended, authorizes the City to deposit in certificates of deposit, savings accounts, depository accounts, or depository receipts of a state or nationally chartered bank or state or federal chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and which maintain a principal office or branch office located in this State under the laws of this State or the United States, but only if the bank, savings and loan association, savings bank, or credit union is eligible to be a depository of surplus funds belonging to the State under Section 5 or 6 of Act 105 of the Public Acts of 1855, as amended by section 21.145 and 21.146 of the Michigan Compiled Laws.

Custodial Credit Risk - Deposits - Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned. As an indication of the level of deposit credit risk assumed by the City, as of June 30, 2022, the book value of the City's deposits, excluding the Housing Commission, was \$9,920,918 with a corresponding bank balance of \$10,056,266, of which \$853,902 was covered by depository insurance with the remaining \$9,202,364 uninsured and uncollateralized.

The Housing Commission's deposits had a bank balance of \$1,184,023, which was insured.

The City's investment policy allows for the use of bank deposits, including certificates of deposit. There are no limitations placed on the use of bank deposits.

Investments -

The City's investment policy and Act 20 of the Michigan Public Acts of 1943, as amended, authorizes the City to invest surplus funds in bonds, securities, and other obligations of the United States government or an agency or instrumentality of the United States; certificates of deposits, savings accounts, deposit accounts, or depository receipts of a bank or a savings and loan association which is a member of the Federal Deposit Insurance Corporation or a credit union which is insured by the National Credit Union Administration. The bank, savings and loan association, or credit union, must be eligible to be a depository of surplus funds belonging to the State; bankers' acceptance of United States banks; commercial paper rated at the time of purchase within the highest classifications established by not less than two standard rating services, which mature not more than 270 days after the date of purchase; mutual funds registered under the Investment Company Act of 1940, Title I of Michigan Chapter 686, with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation; investment pools through an interlocal agreement under the Urban Cooperation Act of 1967; investment pools organized under the Surplus Funds Investment Pool Act, 1982 PA 367, 129.111 to 129.118; and investment pools organized under the Local Government Investment Pool Act, 1985 PA 121, MCL 129.141 to 129.150.

Cash and investments of the City's retirement systems and retirees' healthcare fund are subject to the requirements of the Public Employee Retirement System Investments Act (MCL 38.1132).

The Housing Commission investments are limited by state law to direct obligations of the U.S. Government or its agencies or instrumentalities to which acceptable collateral is pledged, certificates of deposit, or savings accounts that are either insured or secured with acceptable collateral.

CITY OF MARYSVILLE
St. Clair County, Michigan

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 - DEPOSITS AND INVESTMENTS - (cont'd):

Credit Risk - Investments - is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

The City Employees' Retirement System and the Police Officers' and Firefighters' Retirement System specifies that all debt securities must have a qualifying rating of Baa/BBB or above by at least two of its major rating agencies at the time of issue. The Retiree's Healthcare System specifies that all debt securities must have an investment grade rating of BBB or better by Standard & Poor. The overall rating of the portfolio should be AA or better. As of June 30, 2022, the credit quality ratings of City's investments in Commercial Paper, Corporate Bonds/Notes, and Municipal Bonds had the following ratings:

<u>Fair Value</u>	<u>Rating Agency</u>	<u>Rating</u>
\$ 1,522,067	Moody's	A1
2,627,945	Moody's	A2
419,146	Moody's	A3
104,400	Moody's	AA1
678,079	Moody's	AA2
696,475	Moody's	AA3
368,905	Moody's	AAA
3,996	Moody's	BAA1
3,957,766	Moody's	P-1
3,542,834	S & P	AA
<u>766,247</u>	S & P	AA-
<u>\$ 14,687,860</u>		

The City categorized 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 quoted prices for similar assets in active markets, quoted prices for identical or similar assets in inactive markets, inputs other than quoted prices that are observable, or market-corroborated inputs; and 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.

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, the fair value measurements are categorized based on the lowest level input that is significant to valuation. The City's assessment of the significance of particular inputs used requires judgement and consideration of factors specific to each asset.

CITY OF MARYSVILLE
St. Clair County, Michigan

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 - DEPOSITS AND INVESTMENTS - (cont'd):

The City has the following recurring fair value measurements as of June 30, 2022:

	Level 1	Level 2	Level 3	Total
Commercial Paper	\$ -	\$ 3,957,766	\$ -	\$ 3,957,766
Municipal Bonds	-	4,413,480	-	4,413,480
U.S. Governmental Securities	-	10,331,447	-	10,331,447
Stocks	30,219,795	-	-	30,219,795
Corporate Bonds/Notes	-	6,316,614	-	6,316,614
Mutual/Exchange Traded Funds	1,503,602	-	-	1,503,602
	<u>\$ 31,723,397</u>	<u>\$ 25,019,307</u>	<u>\$ -</u>	56,742,704
Cash Held with Brokers				1,117,134
				<u>\$ 57,859,838</u>

The fair value of municipal bonds, U.S. government securities, asset-backed securities, and corporate bonds/notes are based on inputs (pricing) of similar assets at or near June 30, 2022.

Custodial Credit Risk - Investments - is the risk that, in the event of the failure of the counterparty, the City may not be able to recover the value of its investments that are in the possession of another party. The City's policy requires securities be held by a third-party custodian designated by the treasurer and evidenced by safekeeping receipts. As of June 30, 2022, \$57,859,838 of investments was held in third-party safekeeping not in the City's name, however, was evidenced by safekeeping receipts. Cash with a carrying amount of \$1,117,134 was federally insured up to \$750,000.

Component Unit - the Housing Commission's investments are insured or registered with securities held by the Housing Commission or its agent in the Housing Commission's name.

Concentration of Credit Risk - Investments - is the risk of loss attributed to the magnitude of the City's investment in a single issuer.

Primary Government - the City places no limits on the amounts the City may invest with any single issuer.

Fiduciary Fund - the General City Employees' Retirement System and the Police Officers' and Firefighters' Retirement System establish certain minimums and maximums that may be invested in any asset class (International Securities, Small/Mid Cap Equity, Large Cap Equity, Core Bonds, Fixed Income, and Cash). The managers may not invest more than 5.0% of the System's assets in the outstanding securities of an issue, except for Treasury and Agency securities. There is no policy that places limits on the amount any of the other pension-type funds may invest with any issuer.

As of June 30, 2022, the City had investments of 5.0% or more of the total investment as follows:

	<u>Fiduciary Funds</u>
U.S. Treasury Notes	12.6 %

CITY OF MARYSVILLE
St. Clair County, Michigan

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 - DEPOSITS AND INVESTMENTS - (cont'd):

Interest Rate Risk - Investment - is the risk that the value of investments will decrease as a result of a rise in the interest rates. The investment policy adopted by the City for the primary government specifies the investment portfolio shall be designed with the objective of obtaining a rate of return throughout the budgetary and economic cycle taking into account the investment risk contracts and cash flow characteristics of the portfolio. At year-end, the City's investments excluding the Housing Commission (component unit) had the following range of maturity dates:

<u>Investment Type</u>	<u>Fair Value</u>	<u><1</u>	<u>1-5</u>	<u>5-10</u>	<u>>10</u>
U.S. Government Securities	\$ 10,331,447	\$ -	\$ 8,748,059	\$ 1,464,212	\$ 119,176
Commercial Paper	3,957,766	3,957,766	-	-	-
Municipal Bonds	4,413,480	3,045,111	1,368,369	-	-
Corporate Bonds/Notes	<u>6,316,614</u>	<u>625,233</u>	<u>2,549,529</u>	<u>3,141,852</u>	<u>-</u>
Total Investments	<u>\$25,019,307</u>	<u>\$ 7,628,110</u>	<u>\$12,665,957</u>	<u>\$ 4,606,064</u>	<u>\$ 119,176</u>

NOTE 4 - RECEIVABLES:

Receivables in the governmental and business-type activities are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Property taxes	\$ 33,954	\$ -
Interest and accounts	1,763,225	899,778
Due from other governmental units	<u>481,354</u>	<u>-</u>
	2,278,533	899,778
Less - Allowance for uncollectible	(<u>105,000</u>)	<u>-</u>
	<u>\$ 2,173,533</u>	<u>\$ 899,778</u>

CITY OF MARYSVILLE
St. Clair County, Michigan

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 5 - CAPITAL ASSETS:

Primary Government

Capital asset activity of the primary government for the year ended June 30, 2022 was as follows:

	<u>July 1, 2021</u>		<u>Adjustments/</u>	<u>June 30, 2022</u>
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 1,099,305	\$ -	\$ -	\$ 1,099,305
Land improvements	532,370	-	-	532,370
Construction in progress	<u>1,073,114</u>	<u>2,314,086</u>	<u>2,129,966</u>	<u>1,257,234</u>
Total capital assets, not being depreciated	<u>2,704,789</u>	<u>2,314,086</u>	<u>2,129,966</u>	<u>2,888,909</u>
Capital assets, being depreciated:				
Buildings	9,229,677	487,417	-	9,717,094
Building improvements	1,088,137	-	-	1,088,137
Land improvements	11,699,131	816,760	-	12,515,891
Machinery and equipment	4,319,964	104,668	-	4,424,632
Vehicles	2,331,520	-	-	2,331,520
Bikepaths	1,183,251	-	-	1,183,251
Sidewalks	2,382,784	4,387	-	2,387,171
Streets	44,663,123	1,319,722	-	45,982,845
Right-to-use assets -				
Equipment & vehicles	-	<u>325,247</u>	-	<u>325,247</u>
Total capital assets being depreciated	<u>76,897,587</u>	<u>3,058,201</u>	<u>-</u>	<u>79,955,788</u>
Less - Accumulated depreciation/amortization:				
Buildings	3,607,681	176,810	-	3,784,491
Building improvements	370,070	63,071	-	433,141
Land improvements	4,511,648	331,717	-	4,843,365
Machinery and equipment	3,486,244	161,851	-	3,648,095
Vehicles	1,338,523	115,368	-	1,453,891
Bikepaths	517,067	42,086	-	559,153
Sidewalks	2,032,999	37,737	-	2,070,736
Streets	35,859,964	693,241	-	36,553,205
Right-to-use assets -				
Equipment & vehicles	-	<u>84,537</u>	-	<u>84,537</u>
Total accumulated depreciation/amortization	<u>51,724,196</u>	<u>1,706,418</u>	<u>-</u>	<u>53,430,614</u>
Total capital assets being depreciated/ amortized, net	<u>25,173,391</u>	<u>1,351,783</u>	<u>-</u>	<u>26,525,174</u>
Governmental activities capital assets, net	<u>\$ 27,878,180</u>	<u>\$ 3,665,869</u>	<u>\$ 2,129,966</u>	<u>\$ 29,414,083</u>

CITY OF MARYSVILLE
St. Clair County, Michigan

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 5 - CAPITAL ASSETS - (cont'd):

	July 1, 2021 Balance	Additions	Adjustments/ Deletions	June 30, 2022 Balance
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 8,000	\$ -	\$ -	\$ 8,000
Construction in progress	17,604	152,323	17,604	152,323
Total capital assets, not being depreciated	25,604	152,323	17,604	160,323
Capital assets, being depreciated:				
Buildings	32,681,592	145,965	-	32,827,557
Building improvements	1,088,145	-	-	1,088,145
Utility systems	19,594,586	463,804	-	20,058,390
Machinery and equipment	3,598,373	36,064	-	3,634,437
Total capital assets being depreciated	56,962,696	645,833	-	57,608,529
Less accumulated depreciation for:				
Buildings	12,733,745	988,813	-	13,722,558
Building improvements	549,025	37,456	-	586,481
Utility systems	9,609,009	398,037	-	10,007,046
Machinery and equipment	2,717,519	144,400	-	2,861,919
Total accumulated depreciation	25,609,298	1,568,706	-	27,178,004
Total capital assets being depreciated, net	31,353,398	(922,873)	-	30,430,525
Total capital assets, net	\$ 31,379,002	\$(770,550)	\$ 17,604	\$ 30,590,848

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

Governmental Activities:	
General Government	\$ 66,778
Public Safety	288,590
Public Works	983,017
Recreation and Cultural	281,801
Total depreciation/amortization expense - Governmental Activities	\$ 1,620,186
 Business-type Activities:	
Water Supply System Fund	\$ 563,033
Wastewater Fund	1,005,673
Total depreciation expense - Business-type Activities	\$ 1,568,706

In addition, there was depreciation of \$86,232 in the Motor Pool Fund.

CITY OF MARYSVILLE
St. Clair County, Michigan

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 5 - CAPITAL ASSETS - (cont'd):

Construction/Purchase Commitments -

The City has committed to the following contracts at June 30, 2022:

	<u>Contract Amount</u>	<u>Payments through 6/30/2022</u>	<u>Remaining Balance</u>
Chrysler Beach Bike Path	\$ 145,933	\$ 69,373	\$ 76,560
Connecticut Water Main	563,805	-	563,805
Ambulance Replacement	112,027	-	112,027

Housing Commission - Activity for the Housing Commission for the year ended June 30, 2022 was as follows:

	<u>July 1, 2021 Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2022 Balance</u>
Capital assets, not being depreciated:				
Land	\$ 104,253	\$ -	\$ -	\$ 104,253
Construction in progress	455,422	-	421,811	33,611
Total capital assets, not being depreciated	<u>559,675</u>	<u>-</u>	<u>421,811</u>	<u>137,864</u>
Capital assets, being depreciated:				
Buildings and improvements	7,100,299	713,701	-	7,814,000
Furniture and equipment	267,982	-	923	267,059
Total capital assets, being depreciated	<u>7,368,281</u>	<u>713,701</u>	<u>923</u>	<u>8,081,059</u>
Less - Accumulated depreciation	(6,253,144)	(52,818)	(923)	(6,305,039)
Total capital assets being depreciated, net	<u>1,115,137</u>	<u>660,883</u>	<u>-</u>	<u>1,776,020</u>
Housing Commission capital assets, net	<u>\$ 1,674,812</u>	<u>\$ 660,883</u>	<u>\$ 421,811</u>	<u>\$ 1,913,884</u>

Depreciation expense for the year ended June 30, 2022 was \$52,818.

NOTE 6 - PAYABLES:

Payables in the governmental and business-type activities are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Accounts payable/accrued liabilities	\$ 526,795	\$ 276,667
Accrued wages and fringe benefits	157,651	33,154
	<u>\$ 684,446</u>	<u>\$ 309,821</u>

CITY OF MARYSVILLE
St. Clair County, Michigan

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 - INTERFUND RECEIVABLE, PAYABLE, AND TRANSFERS:

The composition of interfund balances as of June 30, 2022 is as follows:

Due To/From Other Funds -

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Golf Course Fund	\$ 91,656 (1)
Golf Course Fund	Employee Vacation & Sick Fund	3,717 (1)
Equipment Rental Fund	Golf Course Fund	<u>4,500 (1)</u>
		<u>\$ 99,873</u>

Advance To/From Other Funds -

General Fund	Water Supply System Fund	<u>\$ 423,900 (5)</u>
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Transfers From/To Other Funds -

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Cemetery Perpetual Care Fund	\$ 20,400 (2)
Local Streets Fund	General Fund	1,025,000 (2)
Major Streets Fund	Motor Vehicle Highway Fund	100,000 (3)
Public Improvement Fund	General Fund	820,500 (2)
Park & Recreation Fund	General Fund	99,174 (2)
Building Authority Debt Fund	General Fund	79,643 (4)
	Wastewater Fund	53,294 (4)
	Water Supply System Fund	53,295 (4)
	Equipment Rental Fund	53,294 (4)
Golf Course Fund	General Fund	<u>125,000 (2)</u>
		<u>\$ 2,429,600</u>

- (1) Amount due for reimbursement of costs
- (2) Annual appropriation
- (3) Appropriation for construction/equipment
- (4) Rent
- (5) Advance for capital improvements

CITY OF MARYSVILLE
St. Clair County, Michigan

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 - LONG-TERM DEBT:

The following is a summary of changes in the long-term debt (including current portions) for the year ended June 30, 2022:

	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Due Within One Year
<u>Governmental Activities:</u>					
Governmental Funds -					
Direct Borrowing -					
Installment Purchases	\$ 70,226	\$ -	\$ 37,082	\$ 33,144	\$ 33,144
2016 General Obligation					
Refunding Bonds	1,193,957	-	298,931	895,026	63,929
Bond Premium	82,337	-	17,343	64,994	6,499
Leases	-	325,247	84,329	240,918	99,457
Total Governmental Funds	<u>1,346,520</u>	<u>325,247</u>	<u>437,685</u>	<u>1,234,082</u>	<u>203,029</u>
Internal Service Funds -					
Other liabilities -					
Accrued Vacation and Sick	455,520	-	13,240	442,280	-
Total Governmental Activities	<u>1,802,040</u>	<u>325,247</u>	<u>450,925</u>	<u>1,676,362</u>	<u>203,029</u>
<u>Business-type Activities:</u>					
Enterprise Funds -					
Direct Borrowing -					
Wastewater Fund -					
2016 General Obligation					
Refunding Bond	278,400	-	18,560	259,840	18,560
Wastewater System Junior					
State Revolving Funds -					
Series 5303-01	1,335,000	-	120,000	1,215,000	120,000
Series 5366-01	5,595,000	-	450,000	5,145,000	460,000
Clean Water Program 2003	615,000	-	150,000	465,000	150,000
Bond Premium	20,754	-	1,887	18,867	1,887
Total Wastewater Fund	<u>7,844,154</u>	<u>-</u>	<u>740,447</u>	<u>7,103,707</u>	<u>750,447</u>
Water Fund -					
2016 General Obligation					
Refunding Bond	937,643	-	62,509	875,134	62,511
Bond Premium	69,902	-	6,355	63,547	6,355
Total Water Fund	<u>1,007,545</u>	<u>-</u>	<u>68,864</u>	<u>938,681</u>	<u>68,866</u>
Total Business-type Activities	<u>8,851,699</u>	<u>-</u>	<u>809,311</u>	<u>8,042,388</u>	<u>819,313</u>
Total Primary Government	<u>\$ 10,653,739</u>	<u>\$ 325,247</u>	<u>\$ 1,260,236</u>	<u>\$ 9,718,750</u>	<u>\$ 1,022,342</u>
<u>Housing Commission:</u>					
Other Liabilities -					
Accrued Compensated Absences	\$ 5,328	\$ 3,721	\$ -	\$ 9,049	\$ 6,179

CITY OF MARYSVILLE
St. Clair County, Michigan

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 - LONG-TERM DEBT - (cont'd):

Significant details regarding outstanding long-term debt (including current portions) are presented as follows:

Primary Government -

Governmental Activities:

Installment Purchases -

The City entered into a purchase agreement for copiers in the amount of \$13,782. Payments are due in monthly installments of \$272 including interest of 6.87% through June 2023. The assets had a net book value of \$3,981 at June 30, 2022.

\$ 2,701

The City entered into a purchase agreement for grounds equipment in the amount of \$151,659. Payments are due in monthly installments of \$2,831 including interest of 4.55% through May 2023. The assets had a net book value of \$63,409 at June 30, 2022.

30,443

\$ 33,144

Bonds -

On March 15, 2016, the City issued \$3,945,000 General Obligation Limited Tax Refunding Bonds, Series 2016, to purchase U.S. government securities that were placed in an irrevocable trust for the purpose of generating resources for the 2005 Building Authority Refunding Bonds and the 2006 General Obligation Bonds. As a result, the portion of those bonds that was refunded has been removed from the City's financial statements. The bonds are due in annual installments ranging from \$145,000 to \$235,000 through October 2031 plus interest ranging from 3.00% to 4.00%, payable semi-annually.

\$ 895,026

Leases -

The City leases certain assets from various third parties. The assets leased include vehicles and equipment. Payments are monthly for vehicles and annual for equipment.

\$ 240,918

Compensated Absences -

In accordance with contracts negotiated with various employee groups of the City of Marysville, individual employees have vested rights upon termination of employment to receive payment for unused vacation and sick leave under formulas and conditions specified in the contracts. Accrued vacation and sick of \$442,280 has been recorded as a long-term liability in the Employee Vacation and Sick Fund (Internal Service Fund).

CITY OF MARYSVILLE
St. Clair County, Michigan

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 - LONG-TERM DEBT - (cont'd):

Business-type Activities:

Bonds/Loans -

On March 15, 2016, the City issued \$3,945,000 General Obligation Limited Tax Refunding Bonds, Series 2016, to purchase U.S. government securities that were placed in an irrevocable trust for the purpose of generating resources for the 2005 Building Authority Refunding Bonds and the 2006 General Obligation Bonds. As a result, the portion of those bonds that was refunded has been removed from the City's financial statements. The bonds are due in annual installments ranging from \$145,000 to \$235,000 through October 2031 plus interest ranging from 3.0% to 4.0%, payable semi-annually. \$ 1,134,974

The Clean Water Program Loan for the purpose of eliminating discharge into the St. Clair River in the original amount of \$2,550,000 is due in annual installments ranging from \$150,000 to \$160,000 through October 1, 2024 plus interest of 2.5%, payable semi-annually. 465,000

State Revolving Fund (SRF) Wastewater General Obligation Limited Tax Bonds were issued to finance the construction and improvement to the City's sanitary sewer system, of which 40% of the bonds were forgivable under the American Recovery and Reinvestment Act of 2009. The bonds are shown net of the forgivable portion.

2009 Bonds (Series 5303-01) in the original amount of \$3,955,000 is due in annual installments ranging from \$120,000 to \$150,000 through October 1, 2030 with interest of 2.5%, payable semi-annually. 1,215,000

2010 Bonds (Series 5366-01) in the original amount of \$15,260,000 with interest of 2.5%, of which \$6,104,000 was forgivable. Principal payments are due in annual installments of \$460,000 to \$575,000 through October 2031. 5,145,000

\$ 7,959,974

The proceeds of the 2016 Refunding Bond issues were placed in a special escrow account and is invested in securities of the U.S. government and its agencies. The maturities of these investments coincide with the principal and interest on the extinguished debts and are sufficient to pay all principal and interest on the 2006 and 2005 Refunding Bonds when due. Accordingly, the trust account assets and liabilities for the defeased bonds outstanding are not included in these financial statements. At June 30, 2022, the defeased bonds outstanding were \$2,150,000 for the 2006 Refunding Bonds.

CITY OF MARYSVILLE
St. Clair County, Michigan

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 - LONG-TERM DEBT - (cont'd):

The annual requirements to pay the debt outstanding at June 30, 2022 (excluding accrued compensated absences) are as follows:

Year Ending June 30,	Governmental Activities					
	Installment Purchases		Refunding Bonds		Leases	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 33,144	\$ 823	\$ 63,928	\$ 30,851	\$ 99,457	\$ 2,892
2024	-	-	85,973	28,603	57,437	2,019
2025	-	-	83,769	26,056	40,224	1,200
2026	-	-	83,769	23,543	40,998	482
2027	-	-	81,565	21,063	2,802	28
2028-2031	-	-	496,022	51,363	-	-
	<u>\$ 33,144</u>	<u>\$ 823</u>	<u>\$ 895,026</u>	<u>\$ 181,479</u>	<u>\$ 240,918</u>	<u>\$ 6,621</u>

Year Ending June 30,	Business-type Activities			
	State Revolving Fund/ Clean Water Bond		Refunding Bonds	
	Principal	Interest	Principal	Interest
2023	\$ 730,000	\$ 161,436	\$ 81,071	\$ 39,124
2024	750,000	142,935	109,027	36,272
2025	770,000	123,968	106,231	33,044
2026	625,000	106,562	106,231	29,857
2027	640,000	90,750	103,436	26,712
2028-2031	<u>3,310,000</u>	<u>203,500</u>	<u>628,978</u>	<u>65,137</u>
	<u>\$ 6,825,000</u>	<u>\$ 829,151</u>	<u>\$ 1,134,974</u>	<u>\$ 230,146</u>

Component Unit -

Accrued Compensated Absences - Represent unpaid vacation and sick due to the employees of the Housing Commission upon termination of employment. As of June 30, 2022, the liability for these benefits was \$9,049.

NOTE 9 - RETIREMENT PLANS:

The City has two single employer-defined benefit retirement plans covering substantially all employees as follows:

- General City Employee Retirement System
- Police Officers and Firefighters Retirement System

Summary of Significant Accounting Policies -

Basis of Accounting

The plans utilize the accrual basis of accounting and are reported within the City's reporting entity as separate Pension Trust Funds. Contributions from employees are recognized as revenues in the period in which employees provide the services.

CITY OF MARYSVILLE
St. Clair County, Michigan

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 - RETIREMENT PLANS - (cont'd):

Method Used to Value Investments

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national or international exchanges are valued at the last reported sales at current exchange rates. Investments that do not have an established market are reported at estimated fair value.

General City Employees Retirement System -

Plan Description

General City Employees Retirement System (GCERS) - was established by City Council in 1945 for the purpose of continuing and providing retirement income to certain employees and retired employees and survivor benefits to their eligible beneficiaries. GCERS is administered, managed, and operated by a five (5) member Board of Trustees, which is composed of the Mayor of the City of Marysville, one (1) council member selected by the City Council, a citizen who is not a member, and two (2) members of GCERS. GCERS may be amended by the Board of Trustees as listed. GCERS is audited within the scope of the audit of the basic financial statements; separate audited financial statements are not issued.

The membership at June 30, 2022 was comprised of 39 active participants, 55 retirees and beneficiaries, and 7 other vested inactive participants.

In general, all employees are eligible for retirement on attainment of age 60 or 62 with 5 years of service, 10 years of service if hired after July 1, 2019, or age 55 with 25 years of service. The annual normal pension payable is equal to 2.25% of final average compensation multiplied by the number of years of credited service or 1.50% of final average compensation multiplied by the number of years of credited service if hired after July 1, 2019.

Pension Plan Investments - Policy and Rate of Return

Investment Policy - GCERS' policy in regard to the allocation of invested assets is established and may be amended by the Retirement Board of Trustees (the "Board") by a majority vote of its members. It is the policy of the Board to pursue an investment strategy that manages risk through diversification of the portfolio across a broad selection of distinct asset classes. The following was the Board's adopted asset allocation policy as of June 30, 2022:

<u>Asset Class</u>	<u>Target Allocation</u>
US Large Cap Equity	40 %
US Small/Mid Cap Equity	20
International Equity	15
US Core Bonds	20
Cash Equivalents	5

CITY OF MARYSVILLE
St. Clair County, Michigan

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 - RETIREMENT PLANS - (cont'd):

Rate of Return - For the year ended June 30, 2022, the annual money-weighted rate of return on plan investments, net of plan investment expense, was (11.65)%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Contributions and Funding Policy

Participants contribute 8.00% of compensation with the remaining amount contributed by the City based on actuarially determined amounts. Most administrative costs of GCERS are paid with plan assets.

For fiscal year 2022, the annual required contribution (actuarially determined) was \$748,894 and the actual contribution was \$1,074,810.

Net Pension Liability of GCERS

The net pension liability of GCERS has been measured as of June 30, 2022 and is composed of the following:

	<u>Total Pension Liability</u>	<u>GCERS' Net Position</u>	<u>Net Pension Liability</u>
Beginning balance	\$ 28,499,097	\$ 20,590,367	\$ 7,908,730
Service cost	293,581	-	293,581
Interest on total pension liability	2,089,197	-	2,089,197
Net investment income	-	(2,354,534)	2,354,534
Expected and actual difference	375,691	-	375,691
Contributions from employer	-	1,074,810	(1,074,810)
Contributions from employees	-	206,378	(206,378)
Benefit payments	(1,873,449)	(1,873,449)	-
Administrative costs	<u>-</u>	<u>(23,996)</u>	<u>23,996</u>
Ending balance	<u>\$ 29,384,117</u>	<u>\$ 17,619,576</u>	<u>\$ 11,764,541</u>
GCERS fiduciary net position as a percentage of the total pension liability			59.96%

CITY OF MARYSVILLE
St. Clair County, Michigan

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 - RETIREMENT PLANS - (cont'd):

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

For the year ended June 30, 2022, the City recognized pension expense of \$1,211,766 for GCERS in the government-wide and proprietary fund financial statements of the primary government. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions for GCERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 421,741	\$ -
Net difference between projected and actual earnings on GCERS investments	1,666,887	-
	\$ 2,088,628	\$ -

The amounts of deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

2023	\$ 512,249
2024	451,790
2025	349,449
2026	775,140
	\$ 2,088,628

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of June 30, 2022. The valuation used the following actuarial assumptions included in the measurement:

Salary Increases	4.00%
Investment Rate of Return	7.50%

Mortality Rates - Mortality rates were based on the RP 2000 Combined Healthy Annuitant Mortality Table projected to 2014.

Discount Rate - The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Projected Cash Flows - Based on those assumptions, GCERS' fiduciary net position was projected to be available to make 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.

CITY OF MARYSVILLE
St. Clair County, Michigan

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 - RETIREMENT PLANS - (cont'd):

The long-term expected rate of return on GCERS investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of GCERS investment expense and inflation) are developed for each 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 percentage and by adding expected inflation. Best estimates of arithmetic real rates of return as of June 30, 2022 for each asset class included in GCERS' target asset allocation, as disclosed in the investment footnote, are summarized in the following table.

Asset Class	Long-term Expected Real Rate of Return
Global Equity	5.00 - 10.00 %
Global Fixed Income/Credit	2.20 - 8.00
Real Assets	4.50 - 10.00
Diversifying Strategies	4.00 - 5.50
Money Markets	1.50

Sensitivity of the Net Pension Liability to Changes in the Discount Rate -

The following presents the net pension liability of GCERS, calculated using the discount rate of 7.50 percent, as well as what GCERS' net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Net pension liability of GCERS	\$ <u>14,870,796</u>	\$ <u>11,764,541</u>	\$ <u>9,116,464</u>

Police Officers and Firefighters Retirement System

Plan Description

The Police Officers and Firefighters Retirement System (POFRS) was established by City Charter in 1965 for the purpose of providing pensions for police officers and firefighters who retire on account of superannuation or total and permanent disability and to provide survivor pensions to certain dependents. POFRS is administered, managed, and operated by a five- (5) member Board of Trustees, which is comprised of the Mayor or his appointee (must be a Council member), one (1) council member selected by the City Council, a citizen who is not a member, one (1) police officer member, and one (1) firefighter member. POFRS may be amended by the Board of Trustees as listed. POFRS is audited within the scope of the audit of the basic financial statements; separate audited financial statements are not issued.

The membership at June 30, 2022 was comprised of 23 active participants, 34 retirees and beneficiaries, and 1 other vested inactive participant.

CITY OF MARYSVILLE
St. Clair County, Michigan

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 - RETIREMENT PLANS - (cont'd):

In general, all employees are eligible for normal retirement on attainment of age 55 and 5 years of service or age 57 with 10 or more years of service if hired after June 30, 2019. The annual normal pension payable is equal to 2.50% of final salary multiplied by the number of years of credited service, subject to a maximum of 25 years, plus 2.00% of final average salary multiplied by the number of years of credited service in excess of 25 years or 1.50% of final average compensation multiplied by the number of years of credited service in excess of 25 years if hired after June 30, 2019.

POFRS Investments - Policy and Rate of Return

Investment Policy - POFRS' policy in regard to the allocation of invested assets is established and may be amended by the Retirement Board of Trustees (the "Board") by a majority vote of its members. It is the policy of the Board to pursue an investment strategy that manages risk through diversification of the portfolio across a broad selection of distinct asset classes. The following was the Board's adopted asset allocation policy as of June 30, 2022:

<u>Asset Class</u>	<u>Target Allocation</u>
US Large Cap Equity	40.00 %
US Small/Mid Cap Equity	20.00
International Equity	15.00
US Core Bonds	20.00
Cash Equivalents	5.00

Rate of Return - For the year ended June 30, 2022, the annual money-weighted rate of return on POFRS investments, net of POFRS investment expense, was (11.93)%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Contributions and Funding Policy

Participants contribute 8.00% of compensation with the remaining amount contributed by the City based on actuarially determined amounts. Most administrative costs of POFRS are paid with POFRS assets.

For fiscal year 2022, the annual required contribution (actuarially determined) was \$899,331 and the actual contribution was \$1,181,483.

CITY OF MARYSVILLE
St. Clair County, Michigan

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 - RETIREMENT PLANS - (cont'd):

Net Pension Liability of POFRS

The net pension liability of POFRS has been measured as of June 30, 2022 and is composed of the following:

	Total Pension Liability	POFRS' Net Position	Net Pension Liability
Beginning balance	\$ 27,335,957	\$ 17,565,629	\$ 9,770,328
Service cost	306,336	-	306,336
Interest on total pension liability	2,008,140	-	2,008,140
Net investment income	-	(2,061,393)	2,061,393
Expected and actual differences	365,587	-	365,587
Contributions from employer	-	1,181,483	(1,181,483)
Contributions from employees	-	173,568	(173,568)
Benefit payments	(1,734,186)	(1,734,186)	-
Administrative costs	-	(21,250)	21,250
	<u>\$ 28,281,834</u>	<u>\$ 15,103,851</u>	<u>\$ 13,177,983</u>

POFRS fiduciary net position as a percentage of the total pension liability 53.40%

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

For the year ended June 30, 2022, the City recognized pension expense of \$1,234,388 for POFRS in the government-wide financial statements of the primary government. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions for POFRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 558,499	\$ 71,022
Net difference between projected and actual earnings on POFRS investments	<u>1,499,230</u>	<u>-</u>
	<u>\$ 2,057,729</u>	<u>\$ 71,022</u>

The amounts of deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

2023	\$ 482,959
2024	494,844
2025	336,144
2026	<u>672,760</u>
	<u>\$ 1,986,707</u>

CITY OF MARYSVILLE
St. Clair County, Michigan

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 - RETIREMENT PLANS - (cont'd):

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of June 30, 2022. The valuation used the following actuarial assumptions in the measurement:

Salary Increases	4.00%
Investment Rate of Return	7.50%

Mortality Rates - Mortality rates were based on the RP 2000 Combined Healthy Annuitant Mortality Table projected to 2014.

Discount Rate - The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Projected Cash Flows - Based on those assumptions, POFRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on POFRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on POFRS investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of POFRS investment expense and inflation) are developed for each 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 percentage and by adding expected inflation. Best estimates of arithmetic real rates of return as of June 30, 2022 for each asset class included in POFRS' target asset allocation, as disclosed in the investment footnote, are summarized in the following table.

<u>Asset Class</u>	<u>Long-term Expected Real Rate of Return</u>
Global Equity	5.00 - 10.00 %
Global Fixed Income/Credit	2.20 - 8.00
Real Assets	4.50 - 10.00
Diversifying Strategies	4.00 - 5.50
Money Markets	1.50

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of POFRS, calculated using the discount rate of 7.50 percent, as well as what POFRS' net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net pension liability of POFRS	\$ <u>16,253,457</u>	\$ <u>13,177,983</u>	\$ <u>10,577,799</u>

CITY OF MARYSVILLE
St. Clair County, Michigan

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10 - POSTEMPLOYMENT BENEFITS:

Plan Description -

The City of Marysville, Michigan administers the City Retiree Health Plan (the “OPEB Plan”), a single-employer defined benefit other postemployment benefit (OPEB) plan that provides postemployment benefits, other than pension, for eligible retirees. Management of the OPEB Plan is provided by the City Council which consists of 7 members. The OPEB Plan does not issue a publicly available financial report as it is audited within the financial report of the City.

Summary of Significant Accounting Policies -

The basis of accounting and method used to value investments are the same as the retirement plans outlined in Note 9.

Benefits Provided -

The City provides health, dental, vision, prescription drug, and death benefits to certain full-time employees upon retirement. Union employees hired prior to July 1, 2013 are eligible for benefits for themselves, their spouse, and their eligible dependents. All union employees hired after that date are not eligible for benefits. Administrative employees hired prior to December 1, 2005 who retire directly from the City are eligible for retiree health for themselves, their spouse, and their eligible dependents. Administrative employees hired prior to December 1, 2005 who terminate employment with 10 or more years of continuous service and defer retirement until normal retirement age are eligible at normal retirement for benefits for themselves only. Administrative employees hired after December 1, 2005 and who retire directly, not deferred, after 20 years of continuous employment are eligible for retiree health benefits.

Plan Membership -

At June 30, 2022, OPEB Plan membership consisted of 39 active members and 71 inactive members or beneficiaries receiving benefits.

Investment Policy -

The OPEB Plan’s policy in regard to the allocation of invested assets is established and may be amended by the City Council by a majority vote of its members.

CITY OF MARYSVILLE
St. Clair County, Michigan

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10 - POSTEMPLOYMENT BENEFITS - (cont'd):

The long-term expected rate of return on OPEB Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB Plan investment expense and inflation) are developed for each 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 percentage and by adding expected inflation. The adopted asset allocation policy and the best estimates of arithmetic real rates of return for each asset class as of June 30, 2022 are as follows:

Asset Class	Target Allocation
Large-cap	45 %
Mid-cap	7
Small-cap	4
International	12
Real Assets	2
Fixed Income	28
Cash	2
TOTAL	100 %

Long-term expected real rate of return is 7.50% over all assets.

Rate of Return -

For the year ended June 30, 2022, the annual money-weighted rate of return on OPEB Plan investments, net of investment expense, is (12.44)%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Contribution and Funding Policy -

The OPEB Plan does not require any contributions. During the year ended June 30, 2022, the actuarially determined contribution was \$1,326,873. There were no contributions made during the year ended June 30, 2022.

The contributions of the OPEB Plan members and the City are established and may be amended by the City Council. Most administrative costs of the OPEB Plan are paid with OPEB Plan assets.

The 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 calculation.

CITY OF MARYSVILLE
St. Clair County, Michigan

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10 - POSTEMPLOYMENT BENEFITS - (cont'd):

Net OPEB Liability of the OPEB Plan

The net OPEB liability of the City has been measured by an actuarial valuation as of June 30, 2021, which used updated procedures to roll forward the estimated liability to June 30, 2022, and is composed of the following:

	Total OPEB Liability	OPEB Plan's Net Position	Net OPEB Liability
Beginning balance	\$ 25,968,215	\$ 15,898,920	\$ 10,069,295
Service cost	262,805	-	262,805
Interest on total OPEB liability	1,789,930	-	1,789,930
Net investment income	-	(1,971,815)	1,971,815
Benefit payments	(1,343,892)	(1,343,892)	-
Administrative expenses	-	(34,500)	34,500
Ending balance	\$ 26,677,058	\$ 12,548,713	\$ 14,128,345

OPEB Plan fiduciary net position as a percentage of the total OPEB liability 47.04%

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the OPEB Plan

For the year ended June 30, 2022, the City recognized OPEB expense of \$1,866,600 for the OPEB Plan in the government-wide and proprietary fund financial statements of the primary government. At June 30, 2022, the City reported deferred outflows and deferred inflows of resources related to the OPEB Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 237,411	\$ -
Changes in assumptions	594,010	-
Net difference between projected and actual earnings on OPEB Plan investments	1,152,920	-
	\$ 1,984,341	\$ -

The amounts of deferred inflows of resources related to the OPEB Plan will be recognized in OPEB expense as follows:

2023	\$ 1,032,400
2024	180,040
2025	164,602
2026	607,299
	\$ 1,984,341

CITY OF MARYSVILLE
St. Clair County, Michigan

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10 - POSTEMPLOYMENT BENEFITS - (cont'd):

Actuarial Assumptions -

The total OPEB liability was determined by an actuarial valuation at June 30, 2022. The valuation used the following assumptions included in the measurement:

Investment Rate of Return - 7.00%

Mortality Rates - Pub-2010 Mortality Tables with fully generational adjustments for mortality improvements using gender-specific improvement scale MP-2019.

Healthcare Cost Trend Rate - 7.50% graded down to 4.50% in 0.25% increments for Non-Medicare rates and 5.75% graded down to 4.50% in 0.25% increments for Medicare rates.

Projected Cash Flows - The OPEB Plan's fiduciary net position was projected to cover projected future benefit payments of current and active members. This projection assumes the City makes the annual recommended actuarially determined contribution, as well as the other assumptions described above. Should the City not make all actuarially determined contributions, the OPEB liability would increase significantly.

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 discount rate of 7.00%, as well as what the 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.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net OPEB liability	\$ 18,010,153	\$ 14,128,345	\$ 10,982,893

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the net OPEB liability of the City, calculated using the healthcare cost trend rate for Non-Medicare of 7.50% and for Medicare of 5.75% graded down in 0.25% increments to 4.50%, as well as what the 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.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net OPEB liability	\$ 10,696,745	\$ 14,128,345	\$ 18,365,326

NOTE 11 - DEFERRED COMPENSATION:

The City offers their employees deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans, available to all employees, permit them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

CITY OF MARYSVILLE
St. Clair County, Michigan

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 - DEFERRED COMPENSATION - (cont'd):

When a trust, custodial account, or annuity contract exists, assets are owned or held by the trust, custodian, or insurer for the exclusive benefit of participants and beneficiaries and are not subject to the claims of public employer creditors, nor can they be used by the public employer for any purpose other than the payment of benefits to those individuals participating in the plan or their designated beneficiaries.

NOTE 12 - RISK MANAGEMENT:

General Liability and Property -

The City's liability and property insurance plan carries \$7,000,000 of liability coverage and approximately \$69,000,000 of property insurance with a \$5,000 per claim deductible on property and \$1,000 on liability.

Workers' Compensation -

The City participates in the Michigan Municipal Workers' Compensation Self-Insurance Fund administered by the Michigan Municipal League. The fund provides coverage of workers compensation claims subject to a maximum of \$2,000,000 per occurrence.

Health Insurance/Pharmacy Charges -

The City is self-insured for healthcare benefits with the administered services of the program being performed on a contracted basis by a third party. The City pays claims up to \$25,000 per contract per year. Stop loss insurance has been purchased to insure the City against losses in excess of these limits. Based on past history, the City has estimated the accrual for healthcare claims, including an estimate for claims incurred but not reported (IBNR) of \$68,544, which is recorded as a current liability in the various funds.

Changes in the balance of claim liability during the past two years are as follows:

	2022	2021
Unpaid claims, beginning of year	\$ 35,999	\$ 43,175
Insured claims (including IBNR's)	2,213,698	2,026,941
Claims Paid	(2,181,143)	(2,034,117)
Unpaid claims, end of year	\$ 68,554	\$ 35,999

CITY OF MARYSVILLE
St. Clair County, Michigan

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 13 - SUMMARY OF INSPECTION DEPARTMENT:

The following schedule presents the City's inspection department revenues and expenditures in accordance with Public Act 245 of 1999:

Revenues:		\$ <u>185,878</u>
Expenditures:		
Salaries and Wages		95,001
Benefits		7,442
Contractual Services		46,767
Supplies		1,566
Utilities		510
Other		<u>26,838</u>
		<u>178,124</u>
Revenues over expenditures		7,754
Over expenditure in prior years		(<u>150,345</u>)
Cumulative deficit		<u><u>\$ (142,591)</u></u>

NOTE 14 - FUND BALANCE/NET POSITION:

Restricted Fund Balance/Net Position -

The fund balances and net position of the Primary Government have been restricted for the following purposes at June 30, 2022:

Governmental Funds/Activities:

Streets -		
Motor Vehicle Highway		\$ 11,833
Major Street		1,357,937
Local Street		<u>913,538</u>
		2,283,308
Cemetery -		
Perpetual Care - Expendable		191,791
Debt Service - Building Authority		18
Acquisition/Construction of Assets -		
Public Improvement		128,133
Public Safety -		
Drug Law Enforcement		<u>60,066</u>
Total Restricted Fund Balance - Governmental Funds		2,663,316
Perpetual Care - Nonspendable		313,451
Prepaid Expenditures - Nonspendable		<u>7,152</u>
Total Restricted Net Position - Governmental Activities		<u><u>\$ 2,983,919</u></u>

CITY OF MARYSVILLE
St. Clair County, Michigan

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 14 - FUND BALANCE/NET POSITION - (cont'd):

Business-type Activities:	
Waterfront improvements	\$ <u> 6,000</u>

Committed Fund Balance -

At June 30, 2022, City Council had committed the following fund balances:

Industrial Development - General Fund	\$ <u> 165,336</u>
Capital Projects -	
Ambulance	1,090,106
Building Authority	<u> 17</u>
	<u> 1,090,123</u>
Recreation and Cultural -	
Parks and Recreation	247,066
Golf Course	<u> 150,897</u>
	<u> 397,963</u>
Total Committed Fund Balance	\$ <u> 1,653,422</u>

Assigned Fund Balance -

At June 30, 2022, the City had assigned the following fund balances:

City Hall Building Improvements	\$ 40,900
2022/23 Operations	<u> 1,550,230</u>
	\$ <u> 1,591,130</u>

NOTE 15 - TAX ABATEMENTS:

The City has received reduced property tax revenues during 2022 as a result of industrial facilities tax exemptions (IFT's). The IFT's were entered into based upon the Industrial Development Districts Act, PA 198 of 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 amounted to approximately \$283,100 in reduced City tax revenues in the General Fund.

CITY OF MARYSVILLE
St. Clair County, Michigan

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 16 - CHANGE IN ACCOUNTING PRINCIPLE:

The City implemented GASB Statement No. 87, *Leases*. The objective of the statement is to improve accounting and financial reporting for leases by governments by requiring 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 of 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, thereby enhancing the relevance and consistency of information about the City's leasing. There was no effect on the beginning fund balance or beginning net positions.

NOTE 17 - SUBSEQUENT EVENT:

The City has issued an Issuer's Certificate with the Michigan Finance Authority for Wastewater System Junior Lien Revenue Bonds for \$4,855,000.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MARYSVILLE, MICHIGAN

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 6,697,129	\$ 6,697,129	\$ 6,744,965	\$ 47,836
Licenses and permits	261,535	261,535	348,268	86,733
Intergovernmental - Federal/State	2,109,214	2,834,214	4,011,378	1,177,164
Charges for services	515,908	515,908	586,055	70,147
Fines and forfeits	10,000	10,000	9,516	(484)
Interest and rents	89,104	89,104	(128,728)	(217,832)
Other	49,057	49,057	161,266	112,209
Total Revenues	<u>9,731,947</u>	<u>10,456,947</u>	<u>11,732,720</u>	<u>1,275,773</u>
Expenditures:				
Current -				
General Government:				
Legislative	21,890	19,990	17,732	2,258
Elections	24,986	11,986	5,758	6,228
City Manager	219,407	236,007	219,789	16,218
City Assessor/Clerk/Treasurer	465,055	470,055	462,722	7,333
Board of review	1,937	1,937	1,715	222
Community development	35,347	37,847	36,793	1,054
General administration	381,572	384,065	375,783	8,282
	<u>1,150,194</u>	<u>1,161,887</u>	<u>1,120,292</u>	<u>41,595</u>
Less: Reimbursement from other funds	<u>(104,293)</u>	<u>(106,786)</u>	<u>(112,000)</u>	<u>5,214</u>
Total General Government	<u>1,045,901</u>	<u>1,055,101</u>	<u>1,008,292</u>	<u>46,809</u>
Public Safety:				
Fire department	-	1,750	1,640	110
Public safety department	3,536,030	3,851,030	3,579,730	271,300
Emergency management	18,950	13,950	13,817	133
Building inspections	182,301	179,801	178,124	1,677
Total Public Safety	<u>3,737,281</u>	<u>4,046,531</u>	<u>3,773,311</u>	<u>273,220</u>
Public Works:				
Department of public works	784,263	721,059	713,070	7,989
Street lighting	248,500	233,500	198,500	35,000
Cemetery	210,518	190,518	127,402	63,116
Dial-A-Ride	80,000	80,000	77,823	2,177
Sanitation	716,500	700,000	657,454	42,546
	<u>2,039,781</u>	<u>1,925,077</u>	<u>1,774,249</u>	<u>150,828</u>
Less: Reimbursement from other funds	<u>(176,405)</u>	<u>(113,201)</u>	<u>(113,200)</u>	<u>(1)</u>
Total Public Works	<u>1,863,376</u>	<u>1,811,876</u>	<u>1,661,049</u>	<u>150,827</u>

Continued

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Recreational and Cultural:				
Parks	\$ 420,883	\$ 475,000	\$ 477,279	\$(2,279)
Beautification committee	17,947	7,947	1,896	6,051
Library	20,077	15,000	12,141	2,859
Historical commission	13,969	8,000	5,542	2,458
Total Recreational and Cultural	<u>472,876</u>	<u>505,947</u>	<u>496,858</u>	<u>9,089</u>
Other	<u>1,776,631</u>	<u>1,782,631</u>	<u>1,772,618</u>	<u>10,013</u>
Capital Outlay	<u>53,500</u>	<u>45,000</u>	<u>218,161</u>	<u>(173,161)</u>
Debt Service -				
Principal	63,930	63,930	97,277	(33,347)
Interest	33,269	33,269	34,265	(996)
Total Debt Service	<u>97,199</u>	<u>97,199</u>	<u>131,542</u>	<u>(34,343)</u>
Total Expenditures	<u>9,046,764</u>	<u>9,344,285</u>	<u>9,061,831</u>	<u>282,454</u>
Revenues over expenditures	<u>685,183</u>	<u>1,112,662</u>	<u>2,670,889</u>	<u>1,558,227</u>
Other Financing Sources (Uses):				
Lease proceeds	-	-	199,806	199,806
Sale of asset	-	-	66,249	66,249
Transfers In	20,400	20,400	20,400	-
Transfers Out	(2,149,317)	(2,149,317)	(2,149,317)	-
Total Other Financing Sources (Uses)	<u>(2,128,917)</u>	<u>(2,128,917)</u>	<u>(1,862,862)</u>	<u>266,055</u>
Net Change in Fund Balance	(1,443,734)	(1,016,255)	808,027	1,824,282
Fund Balance at beginning of year	<u>9,316,202</u>	<u>9,316,202</u>	<u>9,316,202</u>	<u>-</u>
Fund Balance at end of year	<u>\$ 7,872,468</u>	<u>\$ 8,299,947</u>	<u>\$ 10,124,229</u>	<u>\$ 1,824,282</u>

Reconciliation of Budget-Basis to GAAP-Basis Reporting:

Net Change in General Fund			
Fund Balance - Budgetary-Basis			\$ 808,027
Perspective Difference -			
Other Budgeted Fund Net Change allocated to the General Fund for GAAP-Basis General Fund			
Industrial Development Fund			<u>(23,216)</u>
Net Change in Fund Balance - GAAP-Basis			<u>\$ 784,811</u>

CITY OF MARYSVILLE, MICHIGAN

**LOCAL STREET FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 360,757	\$ 360,757	\$ 380,200	\$ 19,443
Interest	5,000	5,000	(6,734)	(11,734)
Other	<u>2,500</u>	<u>2,500</u>	<u>1,122</u>	<u>(1,378)</u>
Total Revenues	<u>368,257</u>	<u>368,257</u>	<u>374,588</u>	<u>6,331</u>
Expenditures:				
Current -				
Public Works:				
Routine maintenance	316,212	316,212	294,486	21,726
Traffic services maintenance	51,401	51,401	51,193	208
Winter maintenance	279,435	279,435	166,202	113,233
Administration/engineering	20,412	20,412	7,795	12,617
Construction	<u>1,523,125</u>	<u>1,523,125</u>	<u>697,455</u>	<u>825,670</u>
Total Expenditures	<u>2,190,585</u>	<u>2,190,585</u>	<u>1,217,131</u>	<u>973,454</u>
Revenues under expenditures	(1,822,328)	(1,822,328)	(842,543)	979,785
Other Financing Sources:				
Transfers in	<u>1,125,000</u>	<u>1,125,000</u>	<u>1,125,000</u>	<u>-</u>
Net Change in Fund Balance	(697,328)	(697,328)	282,457	979,785
Fund Balance at beginning of year	<u>635,683</u>	<u>635,683</u>	<u>635,683</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$(61,645)</u></u>	<u><u>\$(61,645)</u></u>	<u><u>\$ 918,140</u></u>	<u><u>\$ 979,785</u></u>

CITY OF MARYSVILLE, MICHIGAN
GENERAL CITY EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF INVESTMENT RETURNS

	<u>Annual money-weighted rate of return, net of investment expenses</u>
2022	-11.66%
2021	23.30%
2020	6.37%
2019	6.19%
2018	8.79%
2017	9.22%
2016	-6.08%
2015	-2.99%
2014	14.84%

* GASB Statement No. 67 was implemented for fiscal year ended June 30, 2014. This schedule is being built prospectively. Ultimately, ten years of data will be presented.

CITY OF MARYSVILLE, MICHIGAN

**GENERAL CITY EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total Pension Liability			
Service Cost	\$ 293,581	\$ 290,501	\$ 270,830
Interest	2,089,197	2,032,212	1,975,612
Differences between expected and actual experience	375,691	256,077	131,286
Change in assumptions	-	-	-
Benefit payments, including refunds	<u>(1,873,449)</u>	<u>(1,770,696)</u>	<u>(1,785,606)</u>
 Change in total pension liability	 885,020	 808,094	 592,122
 Total pension liability, beginning of year	 <u>28,499,097</u>	 <u>27,691,003</u>	 <u>27,098,881</u>
 Total pension liability, end of year	 <u><u>\$ 29,384,117</u></u>	 <u><u>\$ 28,499,097</u></u>	 <u><u>\$ 27,691,003</u></u>
 Plan Fiduciary Net Position			
Contributions - Employer	\$ 1,074,810	\$ 1,074,810	\$ 1,041,867
Contributions - Member	206,378	203,166	192,471
Net investment income	(2,354,534)	3,871,007	1,043,634
Benefit payments, including refunds	(1,873,449)	(1,770,696)	(1,785,606)
Administrative expenses	(23,996)	(13,471)	(24,325)
Other	<u>-</u>	<u>-</u>	<u>-</u>
 Net change in plan fiduciary net position	 (2,970,791)	 3,364,816	 468,041
 Plan fiduciary net position, beginning of year	 <u>20,590,367</u>	 <u>17,225,551</u>	 <u>16,757,510</u>
 Plan fiduciary net position, end of year	 <u><u>\$ 17,619,576</u></u>	 <u><u>\$ 20,590,367</u></u>	 <u><u>\$ 17,225,551</u></u>
 City's Net Pension Liability - Ending	 <u><u>\$ 11,764,541</u></u>	 <u><u>\$ 7,908,730</u></u>	 <u><u>\$ 10,465,452</u></u>
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	 59.96%	 72.25%	 62.21%
 Covered Employee Payroll	 \$ 2,588,049	 \$ 2,480,613	 \$ 2,404,958
 City's Net Pension Liability as a Percentage of Covered Employee Payroll	 454.6%	 318.8%	 435.2%

* GASB Statement No. 67 was implemented for fiscal year ended June 30, 2014. This schedule is being built prospectively. Ultimately, ten years of data will be presented.

2019	2018	2017	2016	2015	2014
\$ 324,725	\$ 282,730	\$ 254,227	\$ 245,681	\$ 245,629	\$ 217,247
1,919,988	1,920,369	1,957,280	1,952,667	1,857,804	1,846,179
284,447	(538,157)	(118,166)	(523,380)	(595,306)	(333,882)
-	-	(128,021)	-	1,318,205	-
(1,735,507)	(1,646,537)	(1,613,209)	(1,626,229)	(1,578,416)	(1,609,048)
793,653	18,405	352,111	48,739	1,247,916	120,496
26,305,228	26,286,823	25,934,712	25,885,973	24,638,057	24,517,561
<u>\$ 27,098,881</u>	<u>\$ 26,305,228</u>	<u>\$ 26,286,823</u>	<u>\$ 25,934,712</u>	<u>\$ 25,885,973</u>	<u>\$ 24,638,057</u>
\$ 1,017,228	\$ 1,027,450	\$ 480,103	\$ 436,383	\$ 460,017	\$ 402,234
180,875	184,393	175,201	168,132	160,854	169,379
963,084	1,318,432	1,331,409	(1,003,759)	(527,782)	2,472,730
(1,735,507)	(1,646,537)	(1,613,209)	(1,626,229)	(1,578,416)	(1,609,048)
(26,044)	(26,978)	(29,079)	(18,980)	(15,535)	(17,149)
-	-	-	(9,504)	(6,871)	(6,316)
399,636	856,760	344,425	(2,053,957)	(1,507,733)	1,411,830
16,357,874	15,501,114	15,156,689	17,210,646	18,718,379	17,306,549
<u>\$ 16,757,510</u>	<u>\$ 16,357,874</u>	<u>\$ 15,501,114</u>	<u>\$ 15,156,689</u>	<u>\$ 17,210,646</u>	<u>\$ 18,718,379</u>
<u>\$ 10,341,371</u>	<u>\$ 9,947,354</u>	<u>\$ 10,785,709</u>	<u>\$ 10,778,023</u>	<u>\$ 8,675,327</u>	<u>\$ 5,919,678</u>
61.84%	62.18%	58.97%	58.44%	66.49%	75.97%
\$ 2,189,939	\$ 2,201,882	\$ 2,201,882	\$ 2,079,266	\$ 2,100,013	\$ 1,962,528
472.2%	451.8%	489.8%	518.4%	413.1%	301.6%

CITY OF MARYSVILLE, MICHIGAN

**GENERAL CITY EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF CITY CONTRIBUTIONS**

	Actuarially determined contributions (ADC)	Contributions in relation to ADC	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2022	\$ 748,894	\$ 1,074,810	\$(325,916)	\$ 2,579,728	41.66%
2021	728,943	1,074,810	(345,867)	2,480,613	43.33%
2020	684,137	1,041,867	(357,730)	2,404,958	43.32%
2019	615,978	1,017,228	(401,250)	2,189,939	46.45%
2018	614,325	1,027,450	(413,125)	2,286,480	44.94%
2017	480,103	480,103	-	2,201,822	21.80%
2016	436,383	436,383	-	2,079,266	20.99%
2015	460,017	460,017	-	2,100,013	21.91%
2014	402,234	402,234	-	1,828,337	22.00%
2013	373,304	373,304	-	1,864,481	20.02%

Valuation Date: June 30 of the previous fiscal year

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Individual Entry Age
Amortization Method	Level percent of payroll, closed
Remaining Amortization Period	25 years
Asset Valuation Method	5-year smoothed market value
Inflation	2.50%
Salary Increases	4.00%, including inflation
Investment Rate of Return	7.50% for 2017 and thereafter, 7.75% for 2014-2016, and 8.0% for previous years
Retirement Age	Earliest age participant becomes eligible for normal retirement
Mortality	RP 2000 projected to 2014 beginning with the 2017 valuation, RP2000 Combined Healthy Mortality Table for previous years

CITY OF MARYSVILLE, MICHIGAN

**POLICE OFFICERS AND FIREFIGHTERS' RETIREMENT SYSTEM
SCHEDULE OF INVESTMENT RETURNS**

	<u>Annual money-weighted rate of return, net of investment expenses</u>
2022	-11.93%
2021	23.09%
2020	7.18%
2019	4.30%
2018	6.43%
2017	8.49%
2016	-7.09%
2015	-3.68%
2014	15.35%

* GASB Statement No. 67 was implemented for fiscal year ended June 30, 2014. This schedule is being built prospectively. Ultimately, ten years of data will be presented.

CITY OF MARYSVILLE, MICHIGAN

**POLICE OFFICERS AND FIREFIGHTERS' RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**

	2022	2021	2020
Total Pension Liability:			
Service cost	\$ 306,336	\$ 373,078	\$ 364,272
Interest	2,008,140	1,922,718	1,908,728
Differences between expected and actual experience	365,587	568,614	(682,216)
Changes in assumptions	-	-	-
Benefit payments, including refunds	(1,734,186)	(1,583,227)	(1,607,155)
 Change in total pension liability	 945,877	 1,281,183	 (16,371)
 Total pension liability, beginning of year	 <u>27,335,957</u>	 <u>26,054,774</u>	 <u>26,071,145</u>
 Total pension liability, end of year	 <u><u>\$ 28,281,834</u></u>	 <u><u>\$ 27,335,957</u></u>	 <u><u>\$ 26,054,774</u></u>
 Plan Fiduciary Net Position:			
Contributions - Employer	\$ 1,181,483	\$ 1,314,548	\$ 1,262,773
Contributions - Member	173,568	162,832	159,188
Net investment income	(2,061,393)	3,220,424	956,487
Benefit payments, including refunds	(1,734,186)	(1,583,227)	(1,607,155)
Administrative expenses	(21,250)	(13,372)	(23,432)
Other	-	-	-
 Net change in plan fiduciary net position	 (2,461,778)	 3,101,205	 747,861
 Plan fiduciary net position, beginning of year	 <u>17,565,629</u>	 <u>14,464,424</u>	 <u>13,716,563</u>
 Plan fiduciary net position, end of year	 <u><u>\$ 15,103,851</u></u>	 <u><u>\$ 17,565,629</u></u>	 <u><u>\$ 14,464,424</u></u>
 City's Net Pension Liability - Ending	 <u><u>\$ 13,177,983</u></u>	 <u><u>\$ 9,770,328</u></u>	 <u><u>\$ 11,590,350</u></u>
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	 53.40%	 64.26%	 55.52%
 Covered Employee Payroll	 \$ 2,087,032	 \$ 1,940,033	 \$ 1,989,850
 City's Net Pension Liability as a Percentage of Covered Employee Payroll	 631.4%	 503.6%	 582.5%

* GASB Statement No. 67 was implemented for fiscal year ended June 30, 2014. This schedule is being built prospectively. Ultimately, ten years of data will be presented.

2019	2018	2017	2016	2015	2014
\$ 358,774	\$ 346,030	\$ 324,912	\$ 303,047	\$ 300,240	\$ 304,469
1,866,396	1,884,136	1,843,364	1,832,666	1,708,579	1,684,480
(61,765)	(65,203)	(175,535)	(450,690)	87,539	(185,876)
-	-	110,843	-	1,048,328	-
(1,596,305)	(1,598,676)	(1,577,427)	(1,538,400)	(1,551,525)	(1,428,491)
567,100	566,287	526,157	146,623	1,593,161	374,582
25,504,045	24,937,758	24,411,601	24,264,978	22,671,817	22,297,235
<u>\$ 26,071,145</u>	<u>\$ 25,504,045</u>	<u>\$ 24,937,758</u>	<u>\$ 24,411,601</u>	<u>\$ 24,264,978</u>	<u>\$ 22,671,817</u>
\$ 1,230,551	\$ 1,174,069	\$ 635,516	\$ 575,476	\$ 583,248	\$ 544,898
156,546	155,287	151,391	148,911	143,863	162,383
690,067	788,873	1,005,385	(972,913)	(551,584)	2,128,427
(1,596,305)	(1,598,676)	(1,577,427)	(1,538,400)	(1,551,525)	(1,428,491)
(29,635)	(25,231)	(28,899)	(17,555)	(15,320)	(17,670)
-	-	-	(7,943)	(6,431)	(5,900)
451,224	494,322	185,966	(1,812,424)	(1,397,749)	1,383,647
13,265,339	12,771,017	12,585,051	14,397,475	15,795,224	14,411,577
<u>\$ 13,716,563</u>	<u>\$ 13,265,339</u>	<u>\$ 12,771,017</u>	<u>\$ 12,585,051</u>	<u>\$ 14,397,475</u>	<u>\$ 15,795,224</u>
<u>\$ 12,354,582</u>	<u>\$ 12,238,706</u>	<u>\$ 12,166,741</u>	<u>\$ 11,826,550</u>	<u>\$ 9,867,503</u>	<u>\$ 6,876,593</u>
52.61%	52.01%	51.21%	51.55%	59.33%	69.67%
\$ 1,956,839	\$ 1,941,086	\$ 1,871,942	\$ 1,863,138	\$ 1,775,066	\$ 1,766,882
631.4%	630.5%	650.0%	634.8%	555.9%	389.2%

CITY OF MARYSVILLE, MICHIGAN

**POLICE OFFICERS AND FIREFIGHTERS' RETIREMENT SYSTEM
SCHEDULE OF CITY CONTRIBUTIONS**

	Actuarially determined contributions (ADC)	Contributions in relation to ADC	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2022	\$ 899,331	\$ 1,181,483	\$(282,152)	\$ 2,205,381	53.57%
2021	862,003	1,314,548	(452,545)	1,940,033	67.76%
2020	855,334	1,262,773	(407,439)	1,989,850	63.46%
2019	805,551	1,230,551	(425,000)	1,956,839	62.88%
2018	760,944	1,174,069	(413,125)	1,941,086	60.49%
2017	635,516	635,516	-	1,871,942	33.95%
2016	575,476	575,476	-	1,863,138	30.89%
2015	583,248	583,248	-	1,775,066	32.86%
2014	544,898	544,898	-	1,766,882	30.84%
2013	571,900	571,900	-	1,918,654	29.81%

Valuation Date: June 30 of the previous fiscal year

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Individual Entry Age
Amortization Method	Level percent of payroll, closed
Remaining Amortization Period	25 years
Asset Valuation Method	4-year smoothed market value
Inflation	2.50%
Salary Increases	4.00%, including inflation
Investment Rate of Return	7.50% for 2017 and thereafter, 7.75% for 2014-2016, 8.0% for previous years
Retirement Age	Earliest age participant becomes eligible for normal retirement
Mortality	RP 2000 projected to 2014 in 2017 and thereafter RP 2000 Combined Healthy Mortality Table in 2015-2016 RP 2000 Healthy Annuitant Mortality for previous years

CITY OF MARYSVILLE, MICHIGAN

**RETIREE HEALTH BENEFITS
SCHEDULE OF INVESTMENT RETURNS**

	<u>Annual money-weighted rate of return, net of investment expenses</u>
2022	-12.44%
2021	22.04%
2020	6.23%
2019	6.81%
2018	9.48%
2017	9.49%

* GASB Statement No. 74 was implemented for fiscal year ended June 30, 2017. This schedule is being built prospectively. Ultimately, ten years of data will be presented.

CITY OF MARYSVILLE, MICHIGAN

**RETIREE HEALTH BENEFITS
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS**

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total OPEB Liability:			
Service cost	\$ 262,805	\$ 314,324	\$ 294,979
Interest	1,789,930	1,677,041	1,659,819
Differences between expected and actual experience	-	712,233	(798,380)
Changes in assumptions	-	1,782,031	-
Benefit payments, including refunds	(1,343,892)	(1,107,269)	(1,099,988)
Other changes	<u>-</u>	<u>-</u>	<u>-</u>
 Change in total OPEB liability	708,843	3,378,360	56,430
 Total OPEB liability, beginning of year	<u>25,968,215</u>	<u>22,589,855</u>	<u>22,533,425</u>
 Total OPEB liability, end of year	<u>\$ 26,677,058</u>	<u>\$ 25,968,215</u>	<u>\$ 22,589,855</u>
 Plan Fiduciary Net Position:			
Contributions - Employer	\$ -	\$ -	\$ -
Net investment income	(1,971,815)	3,207,263	930,018
Benefit payments, including refunds	(1,343,892)	(1,107,269)	(1,099,988)
Administrative expenses	(34,500)	(9,950)	(1,450)
Other	<u>-</u>	<u>-</u>	<u>-</u>
 Net change in plan fiduciary net position	(3,350,207)	2,090,044	(171,420)
 Plan fiduciary net position, beginning of year	<u>15,898,920</u>	<u>13,808,876</u>	<u>13,980,296</u>
 Plan fiduciary net position, end of year	<u>\$ 12,548,713</u>	<u>\$ 15,898,920</u>	<u>\$ 13,808,876</u>
 City's Net OPEB Liability - Ending	<u>\$ 14,128,345</u>	<u>\$ 10,069,295</u>	<u>\$ 8,780,979</u>
 Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	47.04%	61.22%	61.13%
 Covered Employee Payroll	\$ 3,146,472	\$ 3,025,454	\$ 3,010,390
 City's Net OPEB Liability as a Percentage of Covered Employee Payroll	449.0%	332.8%	291.7%

* GASB Statement No. 74 was implemented for fiscal year ended June 30, 2017. This schedule is being built prospectively. Ultimately, ten years of data will be presented.

<u>2019</u>	<u>2018</u>	<u>2017</u>
\$ 287,727	\$ 314,689	\$ 313,221
1,749,778	1,763,693	1,688,589
(2,064,539)	(1,064,942)	99,513
-	-	-
(1,252,097)	(1,174,008)	(1,027,324)
-	27,555	-
(1,279,131)	(133,013)	1,073,999
23,812,556	23,945,569	22,871,570
\$ 22,533,425	\$ 23,812,556	\$ 23,945,569
\$ -	\$ -	\$ 810,015
917,389	1,289,567	1,273,677
(1,252,097)	(1,174,008)	(1,027,323)
-	(8,900)	(69,738)
61,122	47,670	-
(273,586)	154,329	986,631
14,253,882	14,099,553	13,112,922
\$ 13,980,296	\$ 14,253,882	\$ 14,099,553
\$ 8,553,129	\$ 9,558,674	\$ 9,846,016
62.04%	59.86%	58.88%
\$ 3,010,390	\$ 3,408,007	\$ 3,408,007
284.1%	280.5%	288.9%

CITY OF MARYSVILLE, MICHIGAN

**RETIREE HEALTH BENEFITS
SCHEDULE OF CITY CONTRIBUTIONS**

	Actuarially determined contributions (ADC)	Contributions in relation to ADC	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2022	\$ 1,021,168	\$ -	\$ 1,021,168	\$ 3,146,472	0.00%
2021	1,021,168	-	1,021,168	3,025,454	0.00%
2020	973,861	-	973,861	3,010,390	0.00%
2019	976,570	-	976,570	3,010,390	0.00%
2018	1,105,558	-	1,105,558	3,408,007	0.00%
2017	810,015	810,015	-	3,408,007	23.77%

Valuation Date: June 30 of the previous odd-year fiscal year-end

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Individual Entry Age
Amortization Method	Level percent of payroll, open
Remaining Amortization Period	30 years
Asset Valuation Method	Actual
Medical Inflation Rate	6.00%, graded down to 4.50% in 0.10% increments over 10 years
Salary Increases	4.00%
Investment Rate of Return	7.50%
Retirement Age	Earliest age participant becomes eligible for normal retirement
Mortality	RP 2000 Combined Healthy Annuitant Mortality Table Projected to 2014

SUPPLEMENTARY INFORMATION

CITY OF MARYSVILLE, MICHIGAN

**GENERAL FUND
COMBINING BALANCE SHEET
JUNE 30, 2022**

	<u>General Fund</u> <u>(Budgetary-Basis)</u>	<u>Industrial</u> <u>Development</u>	<u>General Fund</u> <u>(GAAP-Basis)</u>
Assets:			
Cash and cash equivalents	\$ 2,539,199	\$ 33,609	\$ 2,572,808
Investments	5,573,892	131,654	5,705,546
Receivables, net of allowance -			
Property taxes	18,954	-	18,954
Accounts and interest	1,561,928	73	1,562,001
Due from other governmental units	235,769	-	235,769
Due from other funds	91,656	-	91,656
Advance to other funds	423,900	-	423,900
Prepaid expenditures	77,276	-	77,276
Beneficial interest in assets held by others	25,623	-	25,623
	<u>\$ 10,548,197</u>	<u>\$ 165,336</u>	<u>\$ 10,713,533</u>
Liabilities:			
Accounts payable	\$ 233,676	\$ -	\$ 233,676
Accrued liabilities	120,358	-	120,358
Unearned revenue	50,786	-	50,786
Total Liabilities	<u>404,820</u>	<u>-</u>	<u>404,820</u>
Deferred Inflows of Resources:			
Unavailable revenues -			
Property taxes	19,148	-	19,148
Fund Balance:			
Nonspendable -			
Prepaid expenditures	77,276	-	77,276
Beneficial interest in assets held by others	25,623	-	25,623
Advance to other funds	423,900	-	423,900
Committed	-	165,336	165,336
Assigned	1,591,130	-	1,591,130
Unassigned	8,006,300	-	8,006,300
Total Fund Balance	<u>10,124,229</u>	<u>165,336</u>	<u>10,289,565</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 10,548,197</u>	<u>\$ 165,336</u>	<u>\$ 10,713,533</u>

CITY OF MARYSVILLE, MICHIGAN

**GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>General Fund (Budgetary-Basis)</u>	<u>Industrial Development</u>	<u>General Fund (GAAP-Basis)</u>
Revenues:			
Taxes	\$ 6,744,965	\$ -	\$ 6,744,965
Licenses and permits	348,268	-	348,268
Intergovernmental - Federal/State	4,011,378	-	4,011,378
Charges for services	586,055	-	586,055
Fines and forfeits	9,516	-	9,516
Interest and rents	(128,728)	(3,298)	(132,026)
Other	161,266	-	161,266
Total Revenues	<u>11,732,720</u>	<u>(3,298)</u>	<u>11,729,422</u>
Expenditures:			
Current -			
General Government	1,008,292	19,918	1,028,210
Public Safety	3,773,311	-	3,773,311
Public Works	1,661,049	-	1,661,049
Recreation and Cultural	496,858	-	496,858
Other	1,772,618	-	1,772,618
Capital outlay	218,161	-	218,161
Debt Service -			
Principal	97,277	-	97,277
Interest	34,265	-	34,265
Total Expenditures	<u>9,061,831</u>	<u>19,918</u>	<u>9,081,749</u>
Revenues over (under) expenditures	<u>2,670,889</u>	<u>(23,216)</u>	<u>2,647,673</u>
Other Financing Sources (Uses):			
Lease proceeds	199,806	-	199,806
Sale of asset	66,249	-	66,249
Transfers in	20,400	-	20,400
Transfers out	(2,149,317)	-	(2,149,317)
Total Other Financing Sources (Uses)	<u>(1,862,862)</u>	<u>-</u>	<u>(1,862,862)</u>
Net Change in Fund Balances	808,027	(23,216)	784,811
Fund Balance at beginning of year	<u>9,316,202</u>	<u>188,552</u>	<u>9,504,754</u>
Fund Balance at end of year	<u>\$ 10,124,229</u>	<u>\$ 165,336</u>	<u>\$ 10,289,565</u>

CITY OF MARYSVILLE, MICHIGAN

INDUSTRIAL DEVELOPMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Interest	\$ 1,000	\$ 1,000	\$(3,298)	\$(4,298)
Expenditures:				
Current -				
General Government:				
Professional fees	<u>20,000</u>	<u>20,000</u>	<u>19,918</u>	<u>82</u>
Net Change in Fund Balance	(19,000)	(19,000)	(23,216)	(4,216)
Fund Balance at beginning of year	<u>188,552</u>	<u>188,552</u>	<u>188,552</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 169,552</u></u>	<u><u>\$ 169,552</u></u>	<u><u>\$ 165,336</u></u>	<u><u>\$(4,216)</u></u>

CITY OF MARYSVILLE, MICHIGAN

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2022**

Special Revenue Funds

	<u>Major Street</u>	<u>Drug Law Enforcement</u>	<u>Parks and Recreation</u>	<u>Golf Course</u>	<u>Ambulance</u>
Assets:					
Cash and cash equivalents	\$ 807,524	\$ 26,644	\$ 158,640	\$ 291,932	\$ 725,803
Investments	405,417	34,581	55,838	-	491,798
Accounts and interest receivable, net	20,378	45	26	-	87,114
Due from other governmental units	141,989	-	51,200	-	-
Due from other funds	-	-	-	3,717	-
Prepaid expenditures/deposits	2,550	-	1,524	2,146	-
Beneficial interest in assets held by others	-	-	-	-	-
Total Assets	<u><u>\$ 1,377,858</u></u>	<u><u>\$ 61,270</u></u>	<u><u>\$ 267,228</u></u>	<u><u>\$ 297,795</u></u>	<u><u>\$ 1,304,715</u></u>
Liabilities:					
Accounts payable	\$ 14,260	\$ 1,204	\$ 9,425	\$ 24,129	\$ 152,016
Accrued liabilities	3,111	-	9,213	15,178	-
Advances and deposits	-	-	-	9,289	-
Due to other funds	-	-	-	96,156	-
Total Liabilities	<u><u>17,371</u></u>	<u><u>1,204</u></u>	<u><u>18,638</u></u>	<u><u>144,752</u></u>	<u><u>152,016</u></u>
Deferred Inflows of Resources:					
Unavailable revenues - Charges for services	-	-	-	-	62,593
Fund Balance:					
Nonspendable -					
Prepaid expenditures	2,550	-	1,524	2,146	-
Beneficial interest in assets held by others	-	-	-	-	-
Perpetual Care	-	-	-	-	-
Restricted	1,357,937	60,066	-	-	-
Committed	-	-	247,066	150,897	1,090,106
Total Fund Balance	<u><u>1,360,487</u></u>	<u><u>60,066</u></u>	<u><u>248,590</u></u>	<u><u>153,043</u></u>	<u><u>1,090,106</u></u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u><u>\$ 1,377,858</u></u>	<u><u>\$ 61,270</u></u>	<u><u>\$ 267,228</u></u>	<u><u>\$ 297,795</u></u>	<u><u>\$ 1,304,715</u></u>

Debt Service Fund	Capital Projects Funds		Permanent Fund	
Building Authority	Motor Vehicle Highway	Building Authority	Cemetery Perpetual Care	Total
\$ 18	\$ 9,045	\$ 17	\$ 99,217	\$ 2,118,840
-	2,695	-	92,502	1,082,831
-	93	-	72	107,728
-	-	-	-	193,189
-	-	-	-	3,717
-	-	-	-	6,220
-	-	-	313,451	313,451
<u>\$ 18</u>	<u>\$ 11,833</u>	<u>\$ 17</u>	<u>\$ 505,242</u>	<u>\$ 3,825,976</u>
\$ -	\$ -	\$ -	\$ -	\$ 201,034
-	-	-	-	27,502
-	-	-	-	9,289
-	-	-	-	96,156
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>333,981</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,593</u>
-	-	-	-	6,220
-	-	-	41,119	41,119
-	-	-	272,332	272,332
18	11,833	-	191,791	1,621,645
-	-	17	-	1,488,086
<u>18</u>	<u>11,833</u>	<u>17</u>	<u>505,242</u>	<u>3,429,402</u>
<u>\$ 18</u>	<u>\$ 11,833</u>	<u>\$ 17</u>	<u>\$ 505,242</u>	<u>\$ 3,825,976</u>

CITY OF MARYSVILLE, MICHIGAN

NONMAJOR GOVERNMENTAL FUNDS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2022**

	Special Revenue Funds				
	Major Street	Drug Law Enforcement	Parks and Recreation	Golf Course	Ambulance
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,001,628	-	99,746	-	-
Charges for services	-	-	200	445,750	266,653
Interest and rent	(10,132)	(862)	(1,377)	254,541	(12,282)
Other	11,863	12,873	86,117	54,208	617
Total Revenues	<u>1,003,359</u>	<u>12,011</u>	<u>184,686</u>	<u>754,499</u>	<u>254,988</u>
Expenditures:					
Current -					
Public safety	-	5,782	-	-	-
Public works	1,066,760	-	-	-	-
Recreation and culture	-	-	220,921	955,395	-
Capital outlay	-	-	-	-	313,503
Debit service -					
Principal	-	-	-	88,065	-
Interest and charges	-	-	-	303	-
Total Expenditures	<u>1,066,760</u>	<u>5,782</u>	<u>220,921</u>	<u>1,043,763</u>	<u>313,503</u>
Revenues over (under) expenditures	<u>(63,401)</u>	<u>6,229</u>	<u>(36,235)</u>	<u>(289,264)</u>	<u>(58,515)</u>
Other Financing Sources (Uses):					
Transfers in	-	-	99,174	125,000	-
Transfers out	-	-	-	-	-
Lease proceeds	-	-	-	125,441	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>99,174</u>	<u>250,441</u>	<u>-</u>
Net Change in Fund Balances	<u>(63,401)</u>	<u>6,229</u>	<u>62,939</u>	<u>(38,823)</u>	<u>(58,515)</u>
Fund Balances at beginning of year	<u>1,423,888</u>	<u>53,837</u>	<u>185,651</u>	<u>191,866</u>	<u>1,148,621</u>
Fund Balances at end of year	<u>\$ 1,360,487</u>	<u>\$ 60,066</u>	<u>\$ 248,590</u>	<u>\$ 153,043</u>	<u>\$ 1,090,106</u>

Debt Service Fund	Capital Projects Funds		Permanent Fund	
Building Authority	Motor Vehicle Highway	Building Authority	Cemetery Perpetual Care	Total
\$ -	\$ 101,504	\$ -	\$ -	\$ 101,504
-	-	-	-	1,101,374
-	-	-	-	712,603
-	7	-	(54,899)	174,996
-	-	-	-	165,678
<u>-</u>	<u>101,511</u>	<u>-</u>	<u>(54,899)</u>	<u>2,256,155</u>
-	-	-	-	5,782
-	-	-	-	1,066,760
-	-	-	-	1,176,316
-	-	-	-	313,503
235,000	-	-	-	323,065
4,525	-	-	-	4,828
<u>239,525</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,890,254</u>
<u>(239,525)</u>	<u>101,511</u>	<u>-</u>	<u>(54,899)</u>	<u>(634,099)</u>
239,526	-	-	-	463,700
-	(100,000)	-	(20,400)	(120,400)
-	-	-	-	125,441
<u>239,526</u>	<u>(100,000)</u>	<u>-</u>	<u>(20,400)</u>	<u>468,741</u>
1	1,511	-	(75,299)	(165,358)
<u>17</u>	<u>10,322</u>	<u>17</u>	<u>580,541</u>	<u>3,594,760</u>
<u>\$ 18</u>	<u>\$ 11,833</u>	<u>\$ 17</u>	<u>\$ 505,242</u>	<u>\$ 3,429,402</u>

CITY OF MARYSVILLE, MICHIGAN

**MAJOR STREET FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental	\$ 885,238	\$ 885,238	\$ 1,001,628	\$ 116,390
Interest	7,500	7,500	(10,132)	(17,632)
Other	12,000	12,000	11,863	(137)
	<u>904,738</u>	<u>904,738</u>	<u>1,003,359</u>	<u>98,621</u>
Total Revenues				
	<u>904,738</u>	<u>904,738</u>	<u>1,003,359</u>	<u>98,621</u>
Expenditures:				
Public Works -				
Routine maintenance	201,726	201,726	167,247	34,479
Traffic services maintenance	62,071	62,071	36,619	25,452
Winter maintenance	168,466	168,466	91,635	76,831
Administration/engineering	231,759	231,757	7,652	224,105
Construction	556,281	556,283	763,607	(207,324)
	<u>1,220,303</u>	<u>1,220,303</u>	<u>1,066,760</u>	<u>153,543</u>
Total Expenditures				
	<u>1,220,303</u>	<u>1,220,303</u>	<u>1,066,760</u>	<u>153,543</u>
Net Change in Fund Balance	(315,565)	(315,565)	(63,401)	252,164
Fund Balance at beginning of year	<u>1,423,888</u>	<u>1,423,888</u>	<u>1,423,888</u>	<u>-</u>
Fund Balance at end of year	<u>\$ 1,108,323</u>	<u>\$ 1,108,323</u>	<u>\$ 1,360,487</u>	<u>\$ 252,164</u>

CITY OF MARYSVILLE, MICHIGAN

**DRUG LAW ENFORCEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Interest	\$ 500	\$ 500	\$(862)	\$(1,362)
Other	<u>7,500</u>	<u>7,500</u>	<u>12,873</u>	<u>5,373</u>
Total Revenues	8,000	8,000	12,011	4,011
Expenditures:				
Current -				
Public Safety:				
Supplies	<u>6,500</u>	<u>6,500</u>	<u>5,782</u>	<u>718</u>
Net Change in Fund Balance	1,500	1,500	6,229	4,729
Fund Balance at beginning of year	<u>53,837</u>	<u>53,837</u>	<u>53,837</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 55,337</u></u>	<u><u>\$ 55,337</u></u>	<u><u>\$ 60,066</u></u>	<u><u>\$ 4,729</u></u>

CITY OF MARYSVILLE, MICHIGAN

RECREATION FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental	\$ 45,146	\$ 45,146	\$ 99,746	\$ 54,600
Charges for services	-	-	200	200
Interest	-	-	(1,377)	(1,377)
Other	<u>109,200</u>	<u>53,700</u>	<u>86,117</u>	<u>32,417</u>
 Total Revenues	 154,346	 98,846	 184,686	 85,840
 Expenditures:				
Current -				
Recreation and culture	<u>243,906</u>	<u>223,906</u>	<u>220,921</u>	<u>2,985</u>
Revenues under expenditures	(89,560)	(125,060)	(36,235)	88,825
 Other Financing Sources:				
Transfers in	<u>99,174</u>	<u>99,174</u>	<u>99,174</u>	<u>-</u>
Net Change in Fund Balance	9,614	(25,886)	62,939	88,825
Fund Balance at beginning of year	<u>185,651</u>	<u>185,651</u>	<u>185,651</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 195,265</u></u>	<u><u>\$ 159,765</u></u>	<u><u>\$ 248,590</u></u>	<u><u>\$ 88,825</u></u>

CITY OF MARYSVILLE, MICHIGAN

**GOLF COURSE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Charges for services	\$ 364,050	\$ 423,600	\$ 445,750	\$ 22,150
Interest and rent	209,600	209,600	254,541	44,941
Other	<u>-</u>	<u>41,800</u>	<u>54,208</u>	<u>12,408</u>
Total Revenues	<u>573,650</u>	<u>675,000</u>	<u>754,499</u>	<u>79,499</u>
Expenditures:				
Current -				
Recreation and culture	605,139	827,569	955,395	(127,826)
Debt service -				
Principal	93,000	87,431	88,065	(634)
Interest and charges	<u>-</u>	<u>-</u>	<u>303</u>	<u>(303)</u>
Total Expenditures	<u>698,139</u>	<u>915,000</u>	<u>1,043,763</u>	<u>(128,763)</u>
Revenues under expenditures	<u>(124,489)</u>	<u>(240,000)</u>	<u>(289,264)</u>	<u>(49,264)</u>
Other Financing Sources:				
Transfers in	125,000	125,000	125,000	-
Lease proceeds	<u>-</u>	<u>-</u>	<u>125,441</u>	<u>125,441</u>
Total Other Financing Sources (Uses)	<u>125,000</u>	<u>125,000</u>	<u>250,441</u>	<u>125,441</u>
Net Change in Fund Balance	511	(115,000)	(38,823)	76,177
Fund Balance at beginning of year	<u>191,866</u>	<u>191,866</u>	<u>191,866</u>	<u>-</u>
Fund Balance at end of year	<u>\$ 192,377</u>	<u>\$ 76,866</u>	<u>\$ 153,043</u>	<u>\$ 76,177</u>

CITY OF MARYSVILLE, MICHIGAN

**AMBULANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Charges for services	\$ 250,000	\$ 235,000	\$ 266,653	\$ 31,653
Interest	7,000	2,000	(12,282)	(14,282)
Other	-	-	617	617
	<u>257,000</u>	<u>237,000</u>	<u>254,988</u>	<u>17,988</u>
Total Revenues	257,000	237,000	254,988	17,988
Expenditures:				
Capital Outlay	<u>802,000</u>	<u>487,000</u>	<u>313,503</u>	<u>173,497</u>
Net Change in Fund Balance	(545,000)	(250,000)	(58,515)	191,485
Fund Balance at beginning of year	<u>1,148,621</u>	<u>1,148,621</u>	<u>1,148,621</u>	<u>-</u>
Fund Balance at end of year	<u><u>\$ 603,621</u></u>	<u><u>\$ 898,621</u></u>	<u><u>\$ 1,090,106</u></u>	<u><u>\$ 191,485</u></u>

CITY OF MARYSVILLE, MICHIGAN

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2022**

	Equipment Rental	Healthcare	Employee Vacation and Sick	Total
Assets:				
Current Assets -				
Cash and cash equivalents	\$ 235,941	\$(84,713)	\$ 165,635	\$ 316,863
Investments	178,270	125,628	280,150	584,048
Accounts and interest receivable	173	1,034	212	1,419
Due from other funds	4,500	-	-	4,500
Inventories	1,264	-	-	1,264
Prepaid expenses	1,938	142,978	-	144,916
Total Current Assets	422,086	184,927	445,997	1,053,010
Non-Current Assets -				
Property, plant, and equipment	2,326,227	-	-	2,326,227
Less - accumulated depreciation	(1,901,701)	-	-	(1,901,701)
Total Non-Current Assets	424,526	-	-	424,526
Total Assets	846,612	184,927	445,997	1,477,536
Deferred Outflows of Resources:				
Related to pension plan	94,829	-	-	94,829
Related to OPEB plan	44,824	-	-	44,824
	139,653	-	-	139,653
Liabilities:				
Current Liabilities -				
Accounts payable	12,681	32,794	-	45,475
Accrued expenses	3,351	-	-	3,351
Due to other funds	-	-	3,717	3,717
Total Current Liabilities	16,032	32,794	3,717	52,543
Long-term Liabilities (net of current portion) -				
Net OPEB liability	319,140	-	-	319,140
Net pension liability	534,140	-	-	534,140
Accrued vacation and sick	-	-	442,280	442,280
Total Long-term Liabilities	853,280	-	442,280	1,295,560
Total Liabilities	869,312	32,794	445,997	1,348,103
Net Position:				
Net investment in capital assets	424,526	-	-	424,526
Unrestricted (deficit)	(307,573)	152,133	-	(155,440)
Total Net Position	\$ 116,953	\$ 152,133	\$ -	\$ 269,086

CITY OF MARYSVILLE, MICHIGAN

INTERNAL SERVICE FUNDS

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022**

	Equipment Rental	Healthcare	Employee Vacation and Sick	Total
Operating Revenues:				
Charges for services	\$ -	\$ 1,059,364	\$ -	\$ 1,059,364
Rent income	599,904	-	-	599,904
Total Operating Revenues	599,904	1,059,364	-	1,659,268
Operating Expenses:				
Personnel services	343,488	1,120,946	(7,046)	1,457,388
Supplies	67,787	-	-	67,787
Other services	139,739	-	-	139,739
Depreciation	86,232	-	-	86,232
Total Operating Expenses	637,246	1,120,946	(7,046)	1,751,146
Operating Income (Loss)	(37,342)	(61,582)	7,046	(91,878)
Non-Operating Revenues:				
Investment income	(4,460)	(3,420)	(7,046)	(14,926)
Net Loss Before Transfers	(41,802)	(65,002)	-	(106,804)
Transfers:				
Transfers out	(53,294)	-	-	(53,294)
Change in Net Position	(95,096)	(65,002)	-	(160,098)
Net Position at beginning of year	212,049	217,135	-	429,184
Net Position end of year	\$ 116,953	\$ 152,133	\$ -	\$ 269,086

CITY OF MARYSVILLE, MICHIGAN

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022**

	Equipment Rental	Healthcare	Employee Vacation and Sick	Total
Cash Flows From Operating Activities:				
Cash receipts from interfund services	\$ 600,419	\$ 1,059,768	\$ -	\$ 1,660,187
Cash payments to suppliers	(194,281)	(1,161,785)	-	(1,356,066)
Cash payments to employees	(245,301)	-	(6,194)	(251,495)
Net Cash Provided by (Used for) Operating Activities	160,837	(102,017)	(6,194)	52,626
Cash Flows From Noncapital Financing Activities:				
Transfers from/to other funds	(53,294)	-	-	(53,294)
Due from/to other funds	-	-	1,619	1,619
Net Cash Provided by (Used for) Noncapital Financing Activities	(53,294)	-	1,619	(51,675)
Cash Flows From Capital and Related Financing Activities:				
Acquisition and construction of capital assets	(52,825)	-	-	(52,825)
Cash Flows From Investing Activities:				
Net sales (purchases) of investments	(23,469)	5,991	(36,415)	(53,893)
Net Increase (Decrease) in Cash and Cash Equivalents for the year	31,249	(96,026)	(40,990)	(105,767)
Cash and Cash Equivalents at Beginning of Year	204,692	11,313	206,625	422,630
Cash and Cash Equivalents at End of Year	\$ 235,941	\$(84,713)	\$ 165,635	\$ 316,863
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
Operating income (loss)	\$(37,342)	\$(61,582)	\$ 7,046	\$(91,878)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities -				
Depreciation	86,232	-	-	86,232
Change in assets and liabilities:				
Receivables	515	404	-	919
Prepaid expenses	18,823	(55,139)	-	(36,316)
Inventories	1	-	-	1
Net OPEB liability	140,310	-	-	140,310
Net pension liability	174,539	-	-	174,539
Deferred outflows/inflows related to the pension/OPEB plans	(217,474)	-	-	(217,474)
Accounts payable/accrued expenses	(4,767)	14,300	(13,240)	(3,707)
Net Cash Provided by (Used in) Operating Activities	\$ 160,837	\$(102,017)	\$(6,194)	\$ 52,626