

City of Roosevelt Park
Muskegon County, Michigan

REPORT ON FINANCIAL STATEMENTS
(with required supplementary information)

November 30, 2021



City of Roosevelt Park

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council
City of Roosevelt Park
Roosevelt Park, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Roosevelt Park, Michigan, as of and for the year ended November 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

City Council
City of Roosevelt Park
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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Roosevelt Park, Michigan, as of November 30, 2021, 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.

Emphasis of Matter – Change in Accounting Principle

As described in Note L to the financial statements, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, and pension and other post-employment benefits information on pages 3 through 12 and 50 through 57 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Muskegon, Michigan
February 21, 2022

As management of the City of Roosevelt Park, we present to the readers of the City's financial statements this overview and analysis of the financial activities of the City for the fiscal year ended November 30, 2021. We encourage you to consider the information presented in these financial statements along with the additional information that has been furnished in this letter.

FINANCIAL HIGHLIGHTS

- At the close of the fiscal year, the City had total assets/deferred outflows of resources of \$18,810,407 and total liabilities/deferred inflows of resources of \$12,792,552 leaving net position of \$6,017,855.
- Of the total \$6,017,855 in net position, the City has a deficit in unrestricted net position of \$2,162,620. The deficit in unrestricted net position is caused by the City's long-term net pension and other post-employment benefits liabilities.
- Total revenues, including all program and general revenues, were \$5,011,178. Of that total, the governmental activities revenues were \$3,415,027 and business-type revenues were \$1,596,151.
- Total expenses for all of the City's programs were \$5,244,403. Of that total, the governmental activities expenses were \$4,084,240 and the business-type expenses were \$1,160,163.
- The City's General Fund reported a total fund balance of \$1,186,306 at year-end, an increase of \$90,395 over the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the City's finances. These statements are similar to those of a private sector business.

The Statement of Net Position presents information on all of the City's assets/deferred outflows of resources and liabilities/deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported when the event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods.

Both of the government-wide financial statements mentioned above distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are designed to recover all or a significant part of their costs through user fees and charges for services (business type activities). The governmental activities of the City include general government, public safety, public works and culture and recreation activities. The business-type activities of the City include water distribution and sewer services.

The government-wide financial statements include not only the City (the primary government) but also the legally separate discretely presented component unit (Downtown Development Authority). The board of this organization is appointed by the City and given the interrelation of the two; there is some potential liability for the City due to the City's pledge of its full faith and credit for debt obligations. The financial information of this component unit is reported in a separate column from the financial information of the primary government itself.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories-governmental funds, proprietary funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. This information may be useful in evaluating a governmental entity's short-term financing requirements.

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

The City maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Major Streets Fund, and Local Streets Fund which are considered to be major funds. Data from the other funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary Funds

The City has two enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water distribution and sewer operations.

Enterprise funds provide the same type of information as the government-wide financial statements, only in more detail. The enterprise funds financial statements provided separate information for Water and Sewer funds both of which are major funds.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected on the government-wide financial statements because the resources from those funds are not available to support the City's programs. The accounting method used for fiduciary funds is much like that used for the proprietary funds.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The reader is encouraged to include the reading of this section in any attempt to analyze and understand these statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's budgetary information as it relates to the actual expenditures for the General Fund.

The combining statements referred to earlier in connection with the non-major governmental funds are presented immediately following the required supplementary information on budgetary information.

Government-wide Financial Analysis

The first table presented on the next page is a summary of the government-wide statement of net position for the City. As stated earlier, the net position may be used as an indicator of a government's financial health. As of November 30, 2021, the City's net position from governmental activities totaled \$626,600 (10%) and \$5,391,255 (90%) from business-type activities, creating a total government-wide net position total of \$6,017,855.

In examining the composition of net position, the reader should note that governmental activities include net position that is invested in capital assets (i.e., streets, buildings, land, vehicles, equipment, etc.) These assets are used to provide services to the City's residents, and they are not available to pay salaries, operational expenses or fund capital projects. Certain other governmental net position is shown as restricted, meaning that it is subject to external restrictions on how it may be used. The unrestricted net position for government-type activities actually depicts a deficit of (\$3,402,311). This represents the amount of discretionary cash or investments that can be used for general governmental operations. The deficit in unrestricted net position is caused by the City's long-term net pension and other post-employment benefits liabilities (OPEB).

The business-type activities show a total of \$5,391,255 in net position and \$1,239,691 in unrestricted net position. The Sewer Fund and Water Fund unrestricted net position are \$713,538 and \$510,129, respectively.

City of Roosevelt Park

Management's Discussion and Analysis

Governmental activities capital assets decreased because depreciation exceeded current year capital asset additions. Deferred outflows of resources and noncurrent liabilities increased due to the issuance of pension bonds and funding of the related pension plan after the Plan's fiscal year-end. Current liabilities increased due to current maturities of the new long-term debt.

Business-type capital assets decreased because depreciation exceeded current year capital asset additions. Current liabilities decreased due to a lower current maturities of long-term debt as the 2007 Capital Improvement Bonds were paid off.

Fluctuation in deferred inflows and outflows of resources are due to differences in experience, assumptions, and investment return related to the pension and other post-employment benefits plans which are being amortized over average expected remaining service lives of all employees.

Net Position

	Governmental		Business-type		Total	
	2021	2020	2021	2020	2021	2020
Current assets and other assets	\$ 2,451,879	\$ 2,103,089	\$ 1,468,366	\$ 1,358,199	\$ 3,920,245	\$ 3,461,288
Capital assets	6,599,664	7,069,037	4,151,564	4,261,292	10,751,228	11,330,329
Total assets	9,051,543	9,172,126	5,619,930	5,619,491	14,671,473	14,791,617
Deferred outflows of resources	3,725,041	1,009,045	413,893	112,116	4,138,934	1,121,161
Total assets and deferred outflows of resources	12,776,584	10,181,171	6,033,823	5,731,607	18,810,407	15,912,778
Current liabilities	756,770	394,651	49,541	189,570	806,311	584,221
Noncurrent liabilities	10,457,361	7,552,904	489,043	482,570	10,946,404	8,035,474
Total liabilities	11,214,131	7,947,555	538,584	672,140	11,752,715	8,619,695
Deferred inflows of resources	935,853	937,803	103,984	104,200	1,039,837	1,042,003
Total liabilities and deferred inflows of resources	12,149,984	8,885,358	642,568	776,340	12,792,552	9,661,698
Net position						
Net investment in capital assets	3,414,510	3,716,383	4,151,564	4,354,764	7,566,074	8,071,147
Restricted	614,401	596,764	-	-	614,401	596,764
Unrestricted	(3,402,311)	(3,017,334)	1,239,691	600,503	(2,162,620)	(2,416,831)
Total net position	\$ 626,600	\$ 1,295,813	\$ 5,391,255	\$ 4,955,267	\$ 6,017,855	\$ 6,251,080

The results of this year's operations for the City as a whole are reported in the statement of activities, which shows changes in net position.

Change in Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues						
Charges for services	\$ 742,236	\$ 679,717	\$ 1,596,006	\$ 1,478,854	\$ 2,338,242	\$ 2,158,571
Operating grants	474,990	474,688	-	-	474,990	474,688
General revenues						
Property taxes	1,681,586	1,642,320	-	-	1,681,586	1,642,320
Franchise fees	58,772	58,724	-	-	58,772	58,724
Grants and contributions not restricted	429,206	374,291	-	-	429,206	374,291
Unrestricted investment earnings	243	2,831	145	1,119	388	3,950
Miscellaneous	14,672	13,804	-	-	14,672	13,804
Gain on disposal of capital assets	13,322	4,000	-	-	13,322	4,000
Total revenues	3,415,027	3,250,375	1,596,151	1,479,973	5,011,178	4,730,348
Expenses:						
General government	816,330	880,281	-	-	816,330	880,281
Public safety	1,531,910	1,457,079	-	-	1,531,910	1,457,079
Public works	1,439,316	1,410,204	-	-	1,439,316	1,410,204
Community and economic developm	1,896	-	-	-	1,896	-
Culture and recreation	93,063	61,950	-	-	93,063	61,950
Interest on long term debt	201,725	91,443	-	-	201,725	91,443
Sewer	-	-	494,268	856,727	494,268	856,727
Water	-	-	665,895	894,045	665,895	894,045
Total expenses	4,084,240	3,900,957	1,160,163	1,750,772	5,244,403	5,651,729
Change in net position	(669,213)	(650,582)	435,988	(270,799)	(233,225)	(921,381)
Net position - Beginning	1,295,813	1,946,395	4,955,267	5,226,066	6,251,080	7,172,461
Net position - Ending	\$ 626,600	\$ 1,295,813	\$ 5,391,255	\$ 4,955,267	\$ 6,017,855	\$ 6,251,080

For the year ended November 30, 2021, net position decreased by \$669,213 in governmental activities and increased by \$435,988 in business-type activities, respectively. This resulted in an overall net decrease of \$235,225 in government-wide net position.

Governmental Activities

Governmental activities charges for services revenues increased due to additional support from the DDA.

Expenses for all governmental functions increased by a total of \$183,283. Culture and recreation increased due to the return of the Roosevelt Park Day festival after a year off due to the COVID-19 pandemic. Interest on long-term debt increased due to issuance costs on new long-term debt.

Business-type activities

Business-type activities revenues were similar to the prior year.

Expenses for all business-type functions decreased by a total of \$590,609. Most of the change was due to changes in pension costs and lower wastewater treatment costs as the City's water table went down which reduced the amount of infiltration.

Financial Analysis of the Government's Funds

As stated earlier in this discussion and analysis, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

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

At the end of the 2021 fiscal year, the City governmental funds reported a combined unassigned fund balance of \$1,162,813, all of which is in the General Fund. The remainder of the fund balance is nonspendable as it has been spent on prepaid items for the following year or is restricted for streets and highways or Roosevelt Park Day.

The General Fund is the chief operating fund of the City. The General Fund ended the year with a fund balance of \$1,186,306, an increase of \$90,395 from fiscal year 2020. The health of the General Fund may be measured by the ratio of unassigned fund balance to annual expenditures and transfers. The unassigned fund balance represents 19% of the General Fund's expenditures and transfers (38% in the prior year).

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Net position in the Sewer Fund and Water Fund increased by \$287,005 and \$132,452, respectively. The result was an overall net increase in the proprietary funds of \$419,457.

General Fund Budget

During the current fiscal year, the City made several amendments to its original General Fund budget. The most significant of those is listed below:

- Licenses and permits revenues were originally budgeted for \$119,700, amended up to \$135,860 due to another strong year for building and improvements in the City.
- Intergovernmental revenues – Federal were originally budgeted for \$0, amended up to \$41,279 as various grants for COVID-19 pandemic assistance were not originally budgeted.
- Intergovernmental revenues – State were originally budgeted for \$345,000, amended up to \$413,711 due to higher than expected revenue sharing.
- Charges for services were originally budgeted for \$692,952, amended down to \$643,520 as the City began directly posting payroll costs to all funds midway through the year rather than using labor reimbursements.
- Personnel expenditures were originally budgeted for \$261,836, amended up to \$3,358,184 and long-term debt issued was originally budgeted for \$0, amended to \$3,210,000 due to the issuance of pension bonds which were paid into trust.
- Police department expenditures were originally budgeted for \$846,191, amended up to \$919,624 to reflect actual overtime and adjustments to retirement and insurance costs.
- Public works expenditures were originally budgeted for \$355,006, amended down to \$245,132 due to an effort to better allocate public works charges to parks, streets, and sewer and water activities.
- Culture and recreation expenditures were originally budgeted for \$68,405, amended up to \$81,422 due to doing a better job of allocating payroll and other costs to parks.

Budget Variations

There were no significant variations between the final budget and actual revenues and expenditures other than for public service expenditures which were over budget by \$33,384 as the City had initially decided to charge street light utilities to Major Street and Local Street funds before determining that this was not allowed.

Capital Assets

The City investment in capital assets for its governmental and business-type activities as of November 30, 2021 totaled \$11,330,329 (net of accumulated depreciation). This investment in capital assets includes land, buildings, infrastructure, improvements, equipment, plants and vehicles.

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

- A Chevy 2500 for public works for \$29,941.
- A trackless plow for \$6,750.
- A police cruiser for \$44,871.

CAPITAL ASSETS
(Net of Accumulated Depreciation)

	Governmental		Business-type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Land	\$ 291,547	\$ 291,547	\$ 600	\$ 600	\$ 292,147	\$ 292,147
Land improvements	28,076	32,222	-	-	28,076	32,222
Buildings and improvements	807,364	846,468	-	-	807,364	846,468
Vehicles and equipment	342,370	332,258	-	-	342,370	332,258
Infrastructure	5,130,307	5,566,542	-	-	5,130,307	5,566,542
Sewer system	-	-	1,619,401	1,665,191	1,619,401	1,665,191
Water system	-	-	2,531,563	2,595,501	2,531,563	2,595,501
Total	\$ 6,599,664	\$ 7,069,037	\$ 4,151,564	\$ 4,261,292	\$ 10,751,228	\$ 11,330,329

Additional information on the City’s capital assets can be found in Note E of the “Notes to Financial Statements” of this report.

Debt Administration

At the end of the 2021 fiscal year, the City had total outstanding debt of \$6,461,980 consisting of general obligation bonds and compensated absences.

OUTSTANDING DEBT

	Governmental		Business-type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$ 6,395,154	\$ 3,352,654	\$ -	\$ 70,000	\$ 6,395,154	\$ 3,422,654
Compensated absences	66,826	62,130	-	-	66,826	62,130
Total	\$ 6,461,980	\$ 3,414,784	\$ -	\$ 70,000	\$ 6,461,980	\$ 3,484,784

The City’s total debt increased by \$3,047,196 during the fiscal year. This increase is a result of the issuance of general obligation pension bonds offset by normal scheduled debt service payments.

Additional information on the City’s long-term debt can be found in Note G of the “Notes to Financial Statements” of this report.

General Economic Overview

The City continues to see fiscal accountability and financial stability as its top priority. The operating margin between revenues and typical expenses for all services is small and will continue to be an on-going challenge.

<u>YEAR</u>	<u>TOTAL PROPERTY TAXES</u> <u>(percentage change)</u>	<u>STATE SHARED REVENUE</u> <u>(percentage change)</u>
2021	\$ 1,681,586 (+ 2.3%)	\$ 413,008 (+ 12.8%)
2020	1,642,320 (+ 2.7%)	366,285 (- 0.1%)
2019	1,598,468 (+ 3.8%)	366,612 (+ 3.9%)
2018	1,540,370 (+ .9%)	352,849 (+ 2.4%)
2017	1,527,169 (+ 3.5%)	344,500 (+ 7.8%)
2016	1,476,048 (- .1%)	319,509 (+ 1.0%)
2015	1,477,660 (+ 40.7%)	316,465 (- 0.3%)
2014	1,050,439 (+ .1%)	317,374 (+ 2.1%)
2013	1,049,071 (- 4.3%)	310,593 (+ 1.7%)
2012	1,096,674	305,343

For fiscal year 2022, the City will maintain its millage rate at 16.6 mills. The additional 5 mills that were levied beginning in 2015 will continue to be used primarily to fund the debt service of the Roosevelt Road construction project. The City has also budgeted an increase state revenue sharing based on projections from the State. For the fourth year in a row, the taxable value of real property has risen and an increased tax capture within the General Fund is expected.

One major change to the General Fund operations will be the removal of all building department permitting income as the City has partnered with the City of Norton Shores to handle all review, permit issuance, and inspections. In prior years, Roosevelt Park took in twenty percent of all proceeds and paid independent inspectors the remainder of the permit fees. Starting in 2022 the City will receive ten percent of all permitting fees while handling no physical operations. As such, the decrease in revenue corresponds with a significant decrease in expenditures. Other than the building permit changes, no other significant changes are expected in General Fund revenues.

The current and upcoming fiscal year challenges related to the ongoing COVID-19 pandemic are still be realized and has resulted in reduced operational revenues along with possible grants and stimulus revenue through state and federal sources. As in the 2021 year, we continue to budget conservatively as lasting impacts continue to be felt throughout nearly all operations.

The City has budgeted funds for continued zoning ordinance updates because of the creation and approval of the first ever City of Roosevelt Park Master Plan. Along with the adoption of a Master Plan, the City updated its five-year Parks and Recreation Master Plan. The upcoming fiscal year will see the implementation of the Plan and the beginning of larger scale park and recreation upgrades throughout the community. The City is also budgeting funds within the parks department to begin a multiyear series of equipment upgrades and site feature improvements.

The City continues to budget capital and maintenance funds for parks and playground improvements throughout the nine City parks. The City will be investing in safer equipment and other quality of life focused maintenance and upkeep items throughout the City's parks. Along with continued investments in current facilities, the City Council and Planning Commission continue to utilize the Master Plan as a guide to new parks and community features.

The City has budgeted over \$100,000 for local street and drainage improvements and will begin the mill and overlay projects throughout the community in the spring of 2022. As in the past, there are several grant sources that the City staff will continue to pursue in order to leverage additional street improvement funding within the upcoming year. There is also a very strong possibility that the ACT 51 funding will increase above the budgeted levels due to the ARPA funds received by the State of Michigan.

Projects planned in the Water and Sewer funds include basic maintenance and system upkeep as the multiyear installation of water meters and fixed based read systems were completed in 2020. The ongoing COVID response throughout the community will undoubtedly have an effect on the revenue and expenses within both the Water and Sewer funds.

Health insurance is a focus area of the City as it works to limit cost increases. Retiree cost sharing consisting of a ten percent contribution has been implemented since 2011 and the City has adopted the hard cap provision for all full-time employees to further alleviate the costs and to comply with the State's Economic Vitality Incentive Program (EVIP).

2022 will be the fourth year of the City's collective bargaining agreements with the Police Department and the Department of Public Works. The current agreement with the DPW employees runs through the end of the 2022 fiscal year while the agreement with the Police Department expires in November of 2023.

As of December 31, 2018, the collective bargaining units closed the defined benefit and retiree health insurance offerings for new hires. Along with the significant long-term savings of closing these programs within the collective bargaining units, the general employee unit of City has eliminated any retiree health care benefits for future hires. As the City of Roosevelt Park continues to explore ways to operate with increased efficiency, the City Council approved and issued a pension bond to help fund the current defined benefit system. With historically low interest rates, the City should see significant long-term savings with the debt issuance. With the strength of the economy and reduced part-time labor within the Police Department, possible structural changes to increase efficiencies and reduce overtime will be explored.

The City has adopted a defined contribution plan for both the Teamsters and POLC unions, as well as non-union new hires, in an effort to lower the long-term legacy costs for future retirees. Along with the adoption of defined contribution plans for all new hires, the City Council continues to review the pension and OPEB liabilities in order to ensure the long-term fiscal health of the City with focus beginning to move towards funding the outstanding OPEB obligation.

Overall, during this upcoming year the City Council and staff continue their goals to build strong infrastructure, update community assets, and provide as effective and efficient services as possible.

Requests for Information

This financial report is designed to provide a general overview of the City of Roosevelt Park's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City of Roosevelt Park, 900 Oak Ridge Road, Roosevelt Park, MI, 49441, or telephone (231) 755-3721.

City of Roosevelt Park
STATEMENT OF NET POSITION
November 30, 2021

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Component Unit</u>
ASSETS				
Current assets				
Cash and investments	\$ 2,326,635	\$ 1,001,318	\$ 3,327,953	\$ 1,229,807
Receivables	8,982	428,197	437,179	-
Due from other governmental units	108,793	-	108,793	-
Internal balances	(16,024)	16,024	-	-
Inventories	-	22,827	22,827	-
Prepaid items	23,493	-	23,493	-
Total current assets	2,451,879	1,468,366	3,920,245	1,229,807
Noncurrent assets				
Capital assets, net				
Nondepreciable	291,547	600	292,147	133,071
Depreciable	6,308,117	4,150,964	10,459,081	-
Total noncurrent assets	6,599,664	4,151,564	10,751,228	133,071
Total assets	9,051,543	5,619,930	14,671,473	1,362,878
DEFERRED OUTFLOWS OF RESOURCES				
Related to pension	3,064,158	340,462	3,404,620	-
Related to other postemployment benefits	660,883	73,431	734,314	-
Total deferred outflows of resources	3,725,041	413,893	4,138,934	-
Total assets and deferred outflows of resources	12,776,584	6,033,823	18,810,407	1,362,878
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	107,935	1,130	109,065	883
Due to other governmental units	44,174	48,411	92,585	799
Unearned revenues - expenditure-driven grants	198,661	-	198,661	-
Bonds and other obligations, due within one year	406,000	-	406,000	-
Total current liabilities	756,770	49,541	806,311	1,682
Noncurrent liabilities				
Bonds and other obligations, less amounts due within one year	6,055,980	-	6,055,980	-
Net pension liability	2,835,786	315,088	3,150,874	-
Net other postemployment benefits liability	1,565,595	173,955	1,739,550	-
Total noncurrent liabilities	10,457,361	489,043	10,946,404	-
Total liabilities	11,214,131	538,584	11,752,715	1,682
DEFERRED INFLOWS OF RESOURCES				
Related to pension	115,860	12,874	128,734	-
Related to other postemployment benefits	819,993	91,110	911,103	-
Total deferred inflows of resources	935,853	103,984	1,039,837	-
Total liabilities and deferred inflows of resources	12,149,984	642,568	12,792,552	1,682
NET POSITION				
Net investment in capital assets	3,414,510	4,151,564	7,566,074	133,071
Restricted				
Streets and highways	589,264	-	589,264	-
Roosevelt Park Day	25,137	-	25,137	-
Unrestricted	(3,402,311)	1,239,691	(2,162,620)	1,228,125
Total net position	\$ 626,600	\$ 5,391,255	\$ 6,017,855	\$ 1,361,196

The accompanying notes are an integral part of this statement.

City of Roosevelt Park
STATEMENT OF ACTIVITIES
For the year ended November 30, 2021

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		Total	
				Governmental Activities	Business-type Activities		
Primary government							
Governmental activities							
General government	\$ 816,330	\$ 11,549	\$ -	\$ (804,781)	\$ -	\$ (804,781)	\$ -
Public safety	1,531,910	76,417	25,831	(1,429,662)	-	(1,429,662)	-
Public works	1,439,316	647,144	439,709	(352,463)	-	(352,463)	-
Community and economic development	1,896	-	-	(1,896)	-	(1,896)	-
Culture and recreation	93,063	7,126	9,450	(76,487)	-	(76,487)	-
Interest on long-term debt	201,725	-	-	(201,725)	-	(201,725)	-
Total governmental activities	4,084,240	742,236	474,990	(2,867,014)	-	(2,867,014)	-
Business-type activities							
Sewer	494,268	785,484	-	-	291,216	291,216	-
Water	665,895	810,522	-	-	144,627	144,627	-
Total business-type activities	1,160,163	1,596,006	-	-	435,843	435,843	-
Total primary government	\$ 5,244,403	\$ 2,338,242	\$ 474,990	(2,867,014)	435,843	(2,431,171)	-
Component unit							
Downtown Development Authority							
General government	\$ 52,014	\$ -	\$ -	-	-	-	(52,014)
Public safety	118,912	-	-	-	-	-	(118,912)
Public works	121,764	-	-	-	-	-	(121,764)
Total component unit	\$ 292,690	\$ -	\$ -	-	-	-	(292,690)
General revenues							
Property taxes				1,681,586	-	1,681,586	237,513
Franchise fees				58,772	-	58,772	-
Grants and contributions not restricted to specific programs				429,206	-	429,206	216,058
Unrestricted investment earnings				243	145	388	128
Miscellaneous				14,672	-	14,672	-
Gain on disposal of capital assets				13,322	-	13,322	-
Total general revenues				2,197,801	145	2,197,946	453,699
Change in net position				(669,213)	435,988	(233,225)	161,009
Net position at beginning of year				1,295,813	4,955,267	6,251,080	1,200,187
Net position at end of year				\$ 626,600	\$ 5,391,255	\$ 6,017,855	\$ 1,361,196

The accompanying notes are an integral part of this statement.

City of Roosevelt Park
BALANCE SHEET
 Governmental Funds
 November 30, 2021

	General Fund	Major Streets Fund	Local Streets Fund	Other Governmental Fund	Total Governmental Funds
ASSETS					
Cash and investments	\$ 1,412,040	\$ 462,798	\$ 95,829	\$ 25,137	\$ 1,995,804
Accounts receivable	8,872	-	-	-	8,872
Due from other governmental units	73,736	25,598	9,459	-	108,793
Prepaid items	23,493	-	-	-	23,493
Total assets	\$ 1,518,141	\$ 488,396	\$ 105,288	\$ 25,137	\$ 2,136,962
LIABILITIES					
Accounts payable	\$ 54,104	\$ 1,630	\$ 2,183	\$ -	\$ 57,917
Accrued liabilities	34,896	488	119	-	35,503
Due to other governmental units	44,174	-	-	-	44,174
Unearned revenues - expenditure-driven grants	198,661	-	-	-	198,661
Total liabilities	331,835	2,118	2,302	-	336,255
FUND BALANCES					
Nonspendable - prepaid items	23,493	-	-	-	23,493
Restricted					
Streets and highways	-	486,278	102,986	-	589,264
Roosevelt Park Day	-	-	-	25,137	25,137
Unassigned	1,162,813	-	-	-	1,162,813
Total fund balances	1,186,306	486,278	102,986	25,137	1,800,707
Total liabilities and fund balances	\$ 1,518,141	\$ 488,396	\$ 105,288	\$ 25,137	\$ 2,136,962

The accompanying notes are an integral part of this statement.

City of Roosevelt Park
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION**
 November 30, 2021

Total fund balance—governmental funds \$ 1,800,707

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.

Cost of capital assets	\$ 10,956,488	
Accumulated depreciation	<u>(4,525,180)</u>	6,431,308

Long-term liabilities in governmental activities are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Accrued interest payable	(13,000)	
Bonds and notes payable	(6,395,154)	
Compensated absences	(66,826)	
Net pension liability and related deferred outflows/inflows of resources	112,512	
Other postemployment benefits and related deferred outflows/inflows of resources	<u>(1,724,705)</u>	(8,087,173)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the Statement of Net Position.

Net position of the internal service funds	497,782	
Internal balances representing the cumulative differences between actual costs and amounts charged to business-type activities	<u>(16,024)</u>	<u>481,758</u>

Net position of governmental activities	<u>\$ 626,600</u>
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The accompanying notes are an integral part of this statement.

City of Roosevelt Park
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

Governmental Funds

For the year ended November 30, 2021

	General Fund	Major Streets Fund	Local Streets Fund	Other Governmental Fund	Total Governmental Funds
REVENUES					
Property taxes	\$ 1,681,586	\$ -	\$ -	\$ -	\$ 1,681,586
Licenses and permits	137,138	-	-	-	137,138
Intergovernmental revenues					
Federal	41,279	-	-	-	41,279
State	417,447	310,306	115,332	-	843,085
Charges for services	646,894	-	-	-	646,894
Fines and forfeitures	5,909	-	-	-	5,909
Investment earnings	196	73	7	3	279
Other	14,672	13,991	250	16,576	45,489
Total revenues	2,945,121	324,370	115,589	16,579	3,401,659
EXPENDITURES					
Current					
General government	3,869,049	-	-	-	3,869,049
Public safety	1,195,501	-	-	-	1,195,501
Public works	504,621	174,844	244,891	-	924,356
Community and economic development	1,896	-	-	-	1,896
Culture and recreation	78,721	-	-	19,166	97,887
Other governmental functions	11,958	-	-	-	11,958
Debt service					
Principal	170,000	-	-	-	170,000
Interest	86,063	-	-	-	86,063
Bond issuance costs	107,463	-	-	-	107,463
Capital outlay	44,871	-	-	-	44,871
Total expenditures	6,070,143	174,844	244,891	19,166	6,509,044
Excess of revenues over (under) expenditures	(3,125,022)	149,526	(129,302)	(2,587)	(3,107,385)
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	5,417	-	-	-	5,417
Long-term debt issued	3,210,000	-	-	-	3,210,000
Transfers in	-	-	150,000	-	150,000
Transfers out	-	(150,000)	-	-	(150,000)
Total other financing sources (uses)	3,215,417	(150,000)	150,000	-	3,215,417
Net change in fund balances	90,395	(474)	20,698	(2,587)	108,032
Fund balances at beginning of year	1,095,911	486,752	82,288	27,724	1,692,675
Fund balances at end of year	\$1,186,306	\$ 486,278	\$ 102,986	\$ 25,137	\$ 1,800,707

The accompanying notes are an integral part of this statement.

City of Roosevelt Park
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**
 For the year ended November 30, 2021

Net change in fund balances—total governmental funds \$ 108,032

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.

Depreciation expense	\$ (518,671)	
Capital outlay	<u>44,871</u>	(473,800)

The issuance of long-term debt provides current financial resources to governmental funds, but increases liabilities in the Statement of Net Position. Repayment of debt is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Position.

Issuance of long-term debt	(3,210,000)	
Repayment of principal on long-term debt	<u>170,000</u>	(3,040,000)

Change in accrual of interest and amortization of premiums and discounts

Change in accrued interest payable	(5,700)	
Amortization of premiums and discounts	<u>(2,500)</u>	(8,200)

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 governmental funds.

Change in compensated absences	(4,696)	
Change in net pension liability and related deferred outflows/inflows of resources	2,751,395	
Change in other postemployment benefits and related deferred outflows/inflows of resources	<u>(91,710)</u>	2,654,989

The internal service fund is used by management to charge the costs of equipment used to individual funds. The net revenue of certain activities of the internal service fund is reported with governmental activities.

Change in net position of the internal service fund	106,297	
Change in internal balances representing the current year difference between actual costs and amounts charged to business-type activities	<u>(16,531)</u>	<u>89,766</u>

Change in net position of governmental activities		<u>\$ (669,213)</u>
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The accompanying notes are an integral part of this statement.

City of Roosevelt Park
STATEMENT OF NET POSITION
Proprietary Funds
November 30, 2021

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Sewer	Water	Total	
ASSETS				
Current assets				
Cash and investments	\$ 622,768	\$ 378,550	\$ 1,001,318	\$ 330,831
Accounts receivable	212,793	215,404	428,197	110
Inventories	-	22,827	22,827	-
Total current assets	835,561	616,781	1,452,342	330,941
Noncurrent assets				
Capital assets				
Land	-	600	600	-
Utility systems	3,133,178	3,474,976	6,608,154	-
Vehicles and equipment	-	-	-	860,981
Less accumulated depreciation	(1,513,777)	(943,413)	(2,457,190)	(692,625)
Total noncurrent assets	1,619,401	2,532,163	4,151,564	168,356
Total assets	2,454,962	3,148,944	5,603,906	499,297
DEFERRED OUTFLOWS OF RESOURCES				
Related to pension	170,231	170,231	340,462	-
Related to other postemployment benefits	36,716	36,715	73,431	-
Total deferred outflows of resources	206,947	206,946	413,893	-
Total assets and deferred outflows of resources	2,661,909	3,355,890	6,017,799	499,297
LIABILITIES				
Current liabilities				
Accounts payable	26	1	27	1,390
Accrued liabilities	380	723	1,103	125
Due to other governmental units	32,050	16,361	48,411	-
Total current liabilities	32,456	17,085	49,541	1,515
Noncurrent liabilities				
Net pension liability	157,544	157,544	315,088	-
Net other postemployment benefits liability	86,978	86,977	173,955	-
Total noncurrent liabilities	244,522	244,521	489,043	-
Total liabilities	276,978	261,606	538,584	1,515
DEFERRED INFLOWS OF RESOURCES				
Related to pensions	6,437	6,437	12,874	-
Related to other postemployment benefits	45,555	45,555	91,110	-
Total deferred inflows of resources	51,992	51,992	103,984	-
Total liabilities and deferred inflows of resources	328,970	313,598	642,568	1,515
NET POSITION				
Net investment in capital assets	1,619,401	2,532,163	4,151,564	168,356
Unrestricted	713,538	510,129	1,223,667	329,426
Total net position	<u>\$ 2,332,939</u>	<u>\$ 3,042,292</u>	5,375,231	<u>\$ 497,782</u>
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service fund and the enterprise funds over time			16,024	
Net position of business-type activities			<u>\$ 5,391,255</u>	

The accompanying notes are an integral part of this statement.

City of Roosevelt Park
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 Proprietary Funds
 For the year ended November 30, 2021

	Business-type Activities - Enterprise Funds			Governmental
	Activities -			Internal
	Sewer	Water	Total	Service
OPERATING REVENUES				Fund
Charges for services	\$ 785,484	\$ 808,028	\$ 1,593,512	\$ 194,550
OPERATING EXPENSES				
Administration	116,589	119,838	236,427	29,224
Operations	335,554	493,454	829,008	34,714
Depreciation	45,790	63,938	109,728	32,264
Total operating expenses	497,933	677,230	1,175,163	96,202
Operating income (loss)	287,551	130,798	418,349	98,348
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	82	63	145	44
Connection fees	-	2,494	2,494	-
Gain on sale of capital assets	-	-	-	7,905
Interest expense	(628)	(903)	(1,531)	-
Total nonoperating revenues (expenses)	(546)	1,654	1,108	7,949
Change in net position	287,005	132,452	419,457	106,297
Net position at beginning of year	2,045,934	2,909,840		391,485
Net position at end of year	\$ 2,332,939	\$ 3,042,292		\$ 497,782
Adjustment for the net effect of the current year activity between the internal service fund and the enterprise funds			16,531	
Change in net position of business-type activities			\$ 435,988	

The accompanying notes are an integral part of this statement.

City of Roosevelt Park
STATEMENT OF CASH FLOWS
Proprietary Funds
For the year ended November 30, 2021

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Sewer	Water	Total	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 762,913	\$ 772,086	\$ 1,534,999	\$ -
Receipts from interfund services provided	-	-	-	194,550
Payments to suppliers	(621,100)	(775,714)	(1,396,814)	(62,703)
Payment for interfund services used	(8,489)	(24,198)	(32,687)	-
Net cash provided by (used for) operating activities	133,324	(27,826)	105,498	131,847
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Connection fees	-	2,494	2,494	-
Purchases of capital assets	-	-	-	(36,691)
Principal paid on capital debt	(28,500)	(41,500)	(70,000)	-
Interest paid on capital debt	(628)	(903)	(1,531)	-
Proceeds from sale of capital assets	-	-	-	7,905
Net cash provided by (used for) capital and related financing activities	(29,128)	(39,909)	(69,037)	(28,786)
CASH FLOW FROM INVESTING ACTIVITIES				
Investment earnings	82	63	145	44
Net increase (decrease) in cash and investments	104,278	(67,672)	36,606	103,105
Cash and investments at beginning of year	518,490	446,222	964,712	227,726
Cash and investments at end of year	\$ 622,768	\$ 378,550	\$ 1,001,318	\$ 330,831
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating income (loss)	\$ 287,551	\$ 130,798	\$ 418,349	\$ 98,348
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities				
Depreciation expense	45,790	63,938	109,728	32,264
Change in assets and liabilities				
Accounts receivable	(22,571)	(35,942)	(58,513)	-
Inventories	-	1,472	1,472	-
Prepaid items	11	-	11	-
Accounts payable	(40)	(119)	(159)	1,110
Due to other governmental units	(30,037)	(40,936)	(70,973)	-
Accrued liabilities	(147,380)	(147,037)	(294,417)	125
Net cash provided by (used for) operating activities	\$ 133,324	\$ (27,826)	\$ 105,498	\$ 131,847

The accompanying notes are an integral part of this statement.

City of Roosevelt Park
STATEMENTS OF NET POSITION
 Fiduciary Funds
 November 30, 2021

	Other Post- Employment Benefits Trust Fund	Custodial Fund Escrow Tax Trust
ASSETS		
Cash and investments	\$ 511,290	\$ 693
LIABILITIES		
Due to other governmental units	-	693
NET POSITION		
Restricted for other post-employment benefits	\$ 511,290	\$ -

The accompanying notes are an integral part of this statement.

City of Roosevelt Park
STATEMENTS OF CHANGES IN NET POSITION
 Fiduciary Funds
 For the year ended November 30, 2021

	Other Post- Employment Benefits Trust Fund	Custodial Fund Escrow Tax Trust
ADDITIONS		
Property taxes collections for other governments	\$ -	\$ 5,229,138
Employer contributions	25,691	-
Investment earnings	93,058	-
Total additions	118,749	5,229,138
DEDUCTIONS		
Payments of property taxes to other governments	-	5,229,138
Benefit payments	25,691	-
Administrative expenses	866	-
Total deductions	26,557	5,229,138
Change in net position	92,192	-
Net position at beginning of year, as restated	419,098	-
Net position at end of year	\$ 511,290	\$ -

The accompanying notes are an integral part of this statement.

City of Roosevelt Park
NOTES TO FINANCIAL STATEMENTS
November 30, 2021

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Roosevelt Park (City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

Reporting Entity

The City is a municipal corporation governed by an elected seven member City Council with an appointed mayor and is administered by a city manager appointed by the City Council. The accompanying financial statements present the City and its component units, entities for which the government is considered to be financially accountable. The discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the City.

Discretely Presented Component Unit

Downtown Development Authority (DDA). The DDA's purpose is the collection of tax increment revenues, the issuance and repayment of debt and the construction of public facilities to promote and facilitate economic growth in the City's downtown district. Board members of the DDA are appointed by the City and the Authority is fiscally dependent on the City since the council approves the DDA budget and must approve any debt issuance. The DDA is presented as a governmental fund type.

Basis of Presentation—Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component unit. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the City's enterprise funds. 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.

As discussed earlier, the City's discretely presented component unit is reported in a separate column in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City's water and sewer functions 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.

City of Roosevelt Park
NOTES TO FINANCIAL STATEMENTS
November 30, 2021

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Basis of Presentation—Government-Wide and Fund Financial Statements—Continued

The fund financial statements provide information about the City's funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

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

The Major Streets Fund accounts for money distributed by the State of Michigan for construction and maintenance of the City's major streets.

The Local Streets Fund accounts for money distributed by the State of Michigan for construction and maintenance of the City's local streets.

The City has only one other governmental fund, the Roosevelt Park Day Fund.

The City reports the following major enterprise funds:

The Sewer Fund operates the City's sewage pumping station, collection systems and pays for access to the County's sewage treatment plant.

The Water Fund operates the City's water distribution system.

Additionally, the City reports the following fund types:

The Internal Service Fund accounts for equipment management services provided to other funds of the government on a cost reimbursement basis.

The Other Post-Employment Benefits Trust Fund is used to report resources that are administered through irrevocable trusts for the benefit of City employees and retirees.

The Custodial Fund is used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose funds.

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

City of Roosevelt Park
NOTES TO FINANCIAL STATEMENTS
November 30, 2021

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Basis of Presentation—Government-Wide and Fund Financial Statements—Continued

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

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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.

The 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 collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current 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 judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met. Only the portion of special assessments receivable due within 60 days of the end of the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

City of Roosevelt Park
NOTES TO FINANCIAL STATEMENTS
November 30, 2021

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Cash and Investments

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

Investments for the City are reported at fair value (generally based on quoted market prices).

The City has adopted an investment policy in compliance with State of Michigan statutes. Those statutes authorize the City to invest in obligations of the United States, certificates of deposit, prime commercial paper, securities guaranteed by United States agencies or instrumentalities, United States government or federal agency obligation repurchase agreements, bankers' acceptances, state-approved investment pools and certain mutual funds.

The Other Post-Employment Benefits Trust Fund is held in trust by the Municipal Employees' Retirement System (MERS) and is subject to the investment policies of MERS and State of Michigan statutes allowing diverse investments in stocks, corporate and government bonds, mortgages, real estate, and other investments.

The component unit's cash and investments are maintained within the City's investment pool.

Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. The cost of such inventories is recorded as expenses when consumed rather than when purchased in the business-type activities.

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. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

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

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the City chose to include only items acquired since December 1, 2003 as allowed by generally accepted accounting principles.

As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated fair value at the date of donation.

Interest incurred during the construction phase of capital assets of enterprise funds is included as part of the capitalized value of the assets constructed. The amount of interest capitalized depends on the specific circumstances.

City of Roosevelt Park
NOTES TO FINANCIAL STATEMENTS
November 30, 2021

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance—Continued

Capital Assets—Continued

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the City are depreciated using the straight-line method over the following estimated useful lives:

<u>Capital Asset Classes</u>	<u>Years</u>
Land improvements	10-20
Buildings and improvements	10-40
Vehicles and equipment	5-30
Infrastructure	10-50

Defined Benefit Plan

The City offers a defined benefit pension plan to its employees through Municipal Employees Retirement System (MERS). The City records a net pension liability for the difference between the total pension liability calculated by the actuary and the Plan’s fiduciary net position. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by MERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefit Costs

The City offers a defined benefit retiree healthcare benefits to retirees. The City records a net other postemployment benefit (OPEB) liability for the difference between the total OPEB liability calculated by the actuary and the OPEB Plan’s fiduciary net position. For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Plan and additions to/deductions from the OPEB Plan’s fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows/Inflows of Resources

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

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

Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts of net position to report as restricted and unrestricted in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City’s policy to consider restricted net position to have been depleted before unrestricted net position is applied.

City of Roosevelt Park
NOTES TO FINANCIAL STATEMENTS
November 30, 2021

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance—Continued

Fund Balance Flow Assumptions

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

Fund Balance Policies

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

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

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

Revenues and Expenditures/Expenses

Program Revenues

Amounts reported as 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 (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

City of Roosevelt Park
NOTES TO FINANCIAL STATEMENTS
November 30, 2021

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Revenues and Expenditures/Expenses—Continued

Property Taxes

All trade and property tax receivables are shown net of allowance for uncollectibles.

The City bills and collects its own property taxes and also collects taxes for the county, school and State of Michigan. Taxes are levied and liened on December 1 on the taxable valuation of property (as defined by state statutes) located in the Local Governmental Unit as of the preceding December 31. Uncollected real property taxes as of the following March 1 are turned over by the City to the County for collection. The County advances the City all of these delinquent real property taxes. The delinquent personal property taxes remain the responsibility of the City. The City recognizes all available revenue from the current tax levy. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period (60 days).

The 2020 state taxable value for real/personal property of the City totaled approximately \$106,418,000, of which approximately \$8,611,000 was captured by the component unit. The ad valorem taxes levied consisted of 16.6 mills for operations. These amounts are recognized in the General Fund with captured amounts shown in the DDA component unit.

Compensated Absences

City employees are granted vacation and sick leave in varying amounts based on length of service and employee group. Unused vacation and sick leave days are paid to employees upon termination under limits that vary by employee group. The liability for these compensated absences is accrued when incurred in the government-wide financial statements. The current portion of this liability is estimated based on historical trends. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Proprietary Funds Operating and Nonoperating Revenues and Expenses

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

NOTE B—STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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

The appropriated budget is prepared by fund, function and department. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the City Commission. The legal level of budgetary control is the department level.

Appropriations in all budgeted funds lapse at the end of the fiscal year.

City of Roosevelt Park
NOTES TO FINANCIAL STATEMENTS
November 30, 2021

NOTE C—DEPOSITS AND INVESTMENTS

As of November 30, 2021, the City had the following investments:

Investment Type	Fair value	Weighted Average Maturity (Days)	S&P	Percent
Money market mutual fund	\$ 1,658,926	41	AAAm	100 %
MERS investment funds	<u>511,290</u>	<u>N/A</u>	not rated	<u>N/A</u>
Total fair value	<u>\$ 2,170,216</u>			<u>100.0 %</u>
Portfolio weighted average maturity		<u>41</u>		

Deposit and Investment Risks

Interest Rate Risk

The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

State law limits investments in commercial paper and corporate bonds to the two highest classifications issued by nationally recognized statistical rating organizations. The City has no investment policy that would further limit its investment choices.

Concentration of Credit Risk

The City does not have a concentration of credit risk policy. Concentration of credit risk is the risk of loss attributed to the magnitude of the City investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. As of November 30, 2021, \$2,740,282 of the City's bank balance of \$2,990,282 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial Credit Risk – Investments

The City does not have a custodial credit risk policy for investments. This is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Foreign Currency Risk

The City is not authorized to invest in investments which have this type of risk.

City of Roosevelt Park
NOTES TO FINANCIAL STATEMENTS
November 30, 2021

NOTE D—FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City the ability to access.

Level 2 Inputs to the valuation methodology include the following:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at November 30, 2021.

Money market funds: Valued at amortized cost, which approximates fair value.

MERS investment funds: The assets are valued based upon the City's allocable share of the MERS pooled investment portfolio (Pool). The allocable shares are based on the value of the underlying assets owned by the Pool, minus their liabilities.

The assets managed by others are valued monthly by the Pool and are allocated based upon each organization's calculated share of the Pool's pooled investment portfolio. Each entity with an interest within the pooled investments received statements from the Pool indicating the additions to the investments (via contributions), withdrawals from the investments (via grants), and the investment returns allocated via a unitization process. The City calculates the fair value of its share of the pooled investment assets held by the Pool based on the estimated fair value of the underlying assets. The Pool controls the investments and makes all management and investment decisions.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the City believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

City of Roosevelt Park
NOTES TO FINANCIAL STATEMENTS
November 30, 2021

NOTE D—FAIR VALUE MEASUREMENTS—Continued

The following table sets forth by level, within the fair value hierarchy, the City’s assets at fair value on a recurring basis as of November 30, 2021:

	Assets at Fair Value as of November 30, 2021			
	Level 1	Level 2	Level 3	Total
Money market funds	\$ -	\$ 1,658,926	\$ -	\$ 1,658,926
MERS investment funds	-	511,290	-	511,290
Total assets at fair value	\$ -	\$ 2,170,216	\$ -	\$ 2,170,216

NOTE E—CAPITAL ASSETS

Capital asset activity for the year ended November 30, 2021 was as follows:

	Balance December 1, 2020	Additions	Deductions	Balance November 30, 2021
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 291,547	\$ -	\$ -	\$ 291,547
Capital assets, being depreciated:				
Land improvements	74,716	-	-	74,716
Buildings and improvements	1,626,453	-	-	1,626,453
Vehicles and equipment	1,321,594	81,562	49,944	1,353,212
Infrastructure	8,471,541	-	-	8,471,541
Total capital assets, being depreciated	11,494,304	81,562	49,944	11,525,922
Less accumulated depreciation:				
Land improvements	42,494	4,146	-	46,640
Buildings and improvements	779,985	39,104	-	819,089
Vehicles and equipment	989,336	71,450	49,944	1,010,842
Infrastructure	2,904,999	436,235	-	3,341,234
Total accumulated depreciation	4,716,814	550,935	49,944	5,217,805
Total capital assets, being depreciated, net	6,777,490	(469,373)	-	6,308,117
Capital assets, net	\$ 7,069,037	\$ (469,373)	\$ -	\$ 6,599,664

City of Roosevelt Park
NOTES TO FINANCIAL STATEMENTS
November 30, 2021

NOTE E—CAPITAL ASSETS—Continued

	Balance December 1, 2020	Additions	De du ctions	Balance November 30, 2021
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 600	\$ -	\$ -	\$ 600
 Capital assets, being depreciated:				
Sewer system	3,133,178	-	-	3,133,178
Water system	3,474,976	-	-	3,474,976
Total capital assets, being depreciated	6,608,154	-	-	6,608,154
 Less accumulated depreciation:				
Sewer system	1,467,987	45,790	-	1,513,777
Water system	879,475	63,938	-	943,413
Total accumulated depreciation	2,347,462	109,728	-	2,457,190
Total capital assets, being depreciated, net	4,260,692	(109,728)	-	4,150,964
Capital assets, net	\$ 4,261,292	\$ (109,728)	\$ -	\$ 4,151,564

Depreciation

Depreciation expense was charged to functions as follows:

Governmental activities:

General government	\$ 21,093
Public safety	26,006
Public works	457,594
Culture and recreation	13,978
Internal Service Fund depreciation is charged to the various programs based on their usage of the assets	32,264
	\$ 550,935

Business-type activities:

Sewer	\$ 45,790
Water	63,938
	\$ 109,728

City of Roosevelt Park
NOTES TO FINANCIAL STATEMENTS
November 30, 2021

NOTE E—CAPITAL ASSETS—Continued

	Balance December 1, 2020	Additions	Deductions	Balance November 30, 2021
Component unit activities:				
Capital assets, not being depreciated:				
Land	\$ 133,071	\$ -	\$ -	\$ 133,071

NOTE F—INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of November 30, 2021 is as follows:

Interfund Transfers

The Major Streets Fund transferred \$150,000 to the Local Streets Fund for street improvements.

NOTE G—LONG-TERM DEBT

Summary of Changes in Long-Term Liabilities

The following is a summary of long-term liabilities activity for the City for the year ended November 30, 2021:

	Balance December 1, 2020	Additions	Reductions	Balance November 30, 2021	Due Within One Year
Governmental activities:					
Public placement debt					
General obligation bonds	\$ 3,375,000	\$ 3,210,000	\$ 170,000	\$ 6,415,000	\$ 370,000
Discount	(22,346)	-	(2,500)	(19,846)	-
Compensated absences	62,130	90,217	85,521	66,826	36,000
Governmental activities long-term liabilities	\$3,414,784	\$3,300,217	\$ 253,021	\$6,461,980	\$ 406,000
Business-type activities:					
Public placement debt					
General obligation bonds	\$ 70,000	\$ -	\$ 70,000	\$ -	\$ -

General obligation bonds are a direct obligation and pledge the full faith and credit of the City. If the City defaults, the bonds are callable.

City of Roosevelt Park
NOTES TO FINANCIAL STATEMENTS
November 30, 2021

NOTE G—LONG-TERM DEBT—Continued

Summary of Changes in Long-Term Liabilities—Continued

Public placement debt and debt from direct borrowings and direct placements consist of the following:

	Interest Rate	Date of Maturity	Balance
Governmental activities:			
Public placement debt			
General obligation bonds			
2016 General Obligation Capital Improvement Bonds	2-3%	May 2036	\$ 3,205,000
2021 General Obligation Pension Bonds	0.53-2.95%	October 2040	3,210,000
			\$6,415,000

For governmental activities, claims and judgments and compensated absences are generally liquidated by the General Fund.

In 2005, the County of Muskegon began making improvements to the regional sewer treatment facilities. The project was funded with \$17,500,000 bonds issued through the State of Michigan Clean Water Revolving Fund Loan Program. The County operates the system and makes payments on the bonds with user charges to the local units. The City has pledged its limited tax full faith and credit for the payment of its portion of the debt should user charges collected by the County be insufficient to make the debt payments. The City's portion of the debt on November 30, 2021 was approximately \$388,000. The City is unaware of any circumstances that would cause a shortfall in the near future.

Annual debt service requirements to maturity for public placement debt outstanding as of November 30, 2021 follow:

Year Ending November 30,	Governmental Activities	
	Public Placement Debt	
	Principal	Interest
2022	\$ 370,000	\$ 127,280
2023	415,000	131,614
2024	420,000	126,672
2025	430,000	120,886
2026	435,000	113,983
2027-2031	2,345,000	435,491
2032-2036	1,755,000	160,354
2037-2040	245,000	18,290
	\$6,415,000	\$1,234,570

City of Roosevelt Park
NOTES TO FINANCIAL STATEMENTS
November 30, 2021

NOTE H—OTHER INFORMATION

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters for which the government carries commercial insurance. The City manages its liability and property risk by participating in the Michigan Municipal League (MML), a public entity risk pool providing property and liability coverage to its participating members. The City pays an annual premium to MML for its insurance coverage. The MML is self-sustaining through member premiums and provides, subject to certain deductibles, occurrence-based casualty coverage for each incident and occurrence-based property coverage to its members by internally assuring certain risks and reinsuring risks through commercial companies. Various deductibles are maintained to place the responsibility for small charges with the insured. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The City manages its workers' compensation risk by carrying commercial workers' compensation insurance. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

The City carries commercial insurance for employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability to the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the City.

NOTE I—EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

Defined Benefit Pension Plan

Plan Description

The City participates in the Municipal Employees Retirement System (MERS) of Michigan. MERS is an agent multiple-employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine-member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the MERS website at www.mersofmich.com.

City of Roosevelt Park
NOTES TO FINANCIAL STATEMENTS
November 30, 2021

NOTE I—EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS—Continued

Defined Benefit Pension Plan—Continued

Benefits Provided

The City’s defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. Public Act 427 of 1984, as amended, established and amends the benefit provisions of the participants in MERS. The Plan covers all full-time employees hired prior to February 2013. Beginning in February 2013, the various employee divisions began to be closed. By November 2015, all employee divisions were closed except for the police union division, which was closed to new entrants in December 2018.

Benefits provided by the Plan have a multiplier of 2.5 percent. Vesting period is 10 years. Normal retirement age is 60 with early retirement at 55 with 15 years of service or reduced early retirement at 50 with 25 years of service. Final average compensation is calculated based on 5 years.

Employees Covered by Benefit Terms

At the December 31, 2020 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	20
Inactive employees entitled to but not yet receiving benefits	9
Active employees	5
Total employees covered by MERS	34

Contributions

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

For the year ended November 30, 2021, the City had a flat-dollar employer contribution to the Plan of \$331,548 annually in lieu of a percentage of covered employee payroll, as the Plan is closed to new employees. No contribution is required from employees. In addition, the City also issued General Obligation bonds for the year ended November 30, 2021 in the amount of \$3,210,000 and contributed the proceeds, net of issuance costs, to the Plan with the intention of reducing the Plan’s unfunded pension liability. The payment to the Plan occurred after the Plan’s fiscal year-end and is not reflected in the data for the year ended December 31, 2020.

Net Pension Liability

The City’s net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of that date.

Actuarial Assumptions

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.0 percent in the long-term
Investment rate of return	7.35 percent, net of administrative and investment expenses

City of Roosevelt Park
NOTES TO FINANCIAL STATEMENTS
November 30, 2021

NOTE I—EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS—Continued

Defined Benefit Pension Plan—Continued

Actuarial Assumptions—Continued

Although no specific price inflation assumptions are needed for the valuation, the 3.0 percent long-term wage inflation assumption would be consistent with a price inflation of 3-4 percent. Mortality rates used were based on a version of Pub-210 and fully generational MP-2019.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study of 2014 through 2018.

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

Asset Class	Target Allocation	Target Allocation Gross Rate of Return	Long-Term Expected Gross Rate of Return	Inflation Assumption	Long-Term Expected Real Rate of Return
Global equity	60.0%	7.45%	4.47%	2.50%	2.97%
Global fixed income	20.0%	4.90%	0.98%	2.50%	0.48%
Private assets	<u>20.0%</u>	9.50%	<u>1.90%</u>	2.50%	<u>1.40%</u>
Total	<u>100.0%</u>		<u>7.35%</u>		<u>4.85%</u>

Discount Rate

The discount rate used to measure the total pension liability was 7.6 percent for 2020. The current discount rate shown for GASB 68 purposes is higher than the MERS assumed rate of return. This is because for GASB 68 purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes, it is net of administrative expense. The projection of cash flows used to determine the discount rate assumed that employer and employee contributions will be made at rates agreed upon for employees and the actuarially determined rate for employers. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of Roosevelt Park
NOTES TO FINANCIAL STATEMENTS
November 30, 2021

NOTE I—EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS—Continued

Defined Benefit Pension Plan—Continued

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Position (b)	Net Pension Liability (a)-(b)
Balance at January 1, 2020	\$ 6,787,082	\$ 3,596,111	\$ 3,190,971
Changes for the year			
Service cost	52,056	-	52,056
Interest	503,905	-	503,905
Difference between expected and actual experience	(90,847)	-	(90,847)
Changes in assumptions	218,348	-	218,348
Contributions - employer	-	275,030	(275,030)
Net investment income	-	455,736	(455,736)
Administrative expenses	-	(7,207)	7,207
Benefit payments including refund of employee contributions	(365,550)	(365,550)	-
Net changes	317,912	358,009	(40,097)
Balance at December 31, 2020	\$ 7,104,994	\$ 3,954,120	\$ 3,150,874

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

The following presents the net pension liability of the City, calculated using the discount rate of 7.6 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.6 percent) or 1-percentage-point higher (8.6 percent) than the current rate:

	1% Decrease (6.6%)	Current Discount Rate (7.6%)	1% Increase (8.6%)
City's net pension liability	\$ 4,035,923	\$ 3,150,874	\$ 2,413,293

City of Roosevelt Park
NOTES TO FINANCIAL STATEMENTS
November 30, 2021

NOTE I—EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS—Continued

Defined Benefit Pension Plan—Continued

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

For the year ended November 30, 2021, the City recognized pension expense of \$375,144. At November 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual net investment income	\$ -	\$ 128,734
Contributions subsequent to the measurement date*	3,404,620	-
Total	\$ 3,404,620	\$ 128,734

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending November 30, 2022. These contributions include the proceeds from the pension bonds.

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

Year Ending November 30,	Amount
2022	\$ (25,782)
2023	8,120
2024	(73,843)
2025	(37,229)

Payables to the Pension Plan

At November 30, 2021, the City reported a payable of \$27,629 for the outstanding amount of contributions to the pension plan payable required for the year ended November 30, 2021.

City of Roosevelt Park
NOTES TO FINANCIAL STATEMENTS
November 30, 2021

NOTE I—EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS—Continued

Defined Contribution Pension Plan

The City also maintains a defined contribution plan offered by MERS for its full-time employees hired after the defined benefit plan was closed to new participants.

Benefit terms, including contribution requirements, for the MERS defined contribution plan are established and may be amended by the City Council as determined by negotiated labor contracts. The City is required to contribute 6 percent of a qualified employees' annual compensation each year. Qualified employees are required to contribute 3 percent to 10 percent of annual compensation depending on employee group. For the year ended November 30, 2021, City and employee contributions were \$19,080 and \$14,267, respectively.

Employees are immediately vested in their own contributions and earnings on those contributions and become vested in City contributions and earnings on City contributions by 20 percent for each full year of service, leaving employees fully vested after five years of service. Non-vested City contributions are forfeited upon termination of employment. Such forfeitures are used to cover a portion of the pension plan's administrative expenses. For the year ended November 30, 2021, there were no forfeitures.

Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all full-time City employees at their option, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

The Plan has created a trust for the exclusive benefit of the Plan's participants and beneficiaries under rules provided in Internal Revenue Code Section 401(f).

NOTE J—OTHER POST-EMPLOYMENT BENEFITS

Retiree Healthcare Plan

Plan Description

The City's defined benefit OPEB Plan, the City of Roosevelt Park Retiree Health Plan (OPEB Plan), provides healthcare benefits to certain employees and their spouses upon retirement. The Plan is a single-employer defined benefit plan administered by the City Council. The benefits are provided under collective bargaining agreements and at the discretion of the City Council. The OPEB Plan does not issue a publicly available report.

Benefits Provided

The OPEB Plan provides medical insurance for retirees and their spouses who retire on or after age 55 with 20 years of service for public works employees or 10 years of service for police and non-union employees. The portion of medical insurance covered by the City varies depending on the retiree's length of service. Benefits are provided through a third party insurer. Effective December 1, 2018, the OPEB Plan is closed to new entrants.

City of Roosevelt Park
NOTES TO FINANCIAL STATEMENTS
November 30, 2021

NOTE J—OTHER POSTEMPLOYMENT BENEFITS—Continued

Retiree Healthcare Plan—Continued

Employees Covered by Benefit Terms

At the November 30, 2020 valuation, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	7
Inactive employees entitled to but not yet receiving benefits	-
Active employees	8
Total employees covered by OPEB Plan	15

Contributions

The OPEB Plan was established and is being funded under the authority of the City and under agreements with unions representing various classes of employees. The OPEB Plan’s funding policy is that the City will continue to pay benefit payments from general operating funds with no additional contributions to the OPEB Plan. There are no long-term contracts for contributions to the OPEB Plan. The OPEB Plan has no legally required reserves. The City participates in the MERS Retiree Health Funding Vehicle, a legally established trust under section 401(a) of the Internal Revenue Code. For the year ended November 30, 2021, the City made payments for postemployment healthcare benefits for current retirees of \$25,691. The City did not make contributions to the OPEB Plan trust.

Net OPEB Liability

The City’s net OPEB liability was measured as of November 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of November 30, 2020, which was rolled forward to November 30, 2021.

Actuarial Assumptions

The total OPEB liability in the November 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement rolled forward to November 30, 2021:

Inflation	2.5 percent
Salary increases	3.5 percent
Investment rate of return	7.35 percent (including inflation), net of administrative and investment expenses
Healthcare cost trend rates	Pre-Medicare - 8.25 percent graded down to 7.5 percent after one year and then by .25 percent per year to an ultimate rate of 4.5 percent Post-Medicare - 6.5 percent graded down to 5.75 percent after one year and then by .25 percent per year to an ultimate rate of 4.5 percent

Mortality

Mortality rates were as set forth in Public General and Public Safety 2010 Employee and Healthy Retiree, headcount weighted, MP-2020 improvement scale.

City of Roosevelt Park
NOTES TO FINANCIAL STATEMENTS
November 30, 2021

NOTE J—OTHER POSTEMPLOYMENT BENEFITS—Continued

Retiree Healthcare Plan—Continued

Actuarial Assumptions—Continued

Investment Rate of Return

The long-term rate of return on retirement 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 expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting 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 for each major asset class included in the OPEB Plan’s target asset allocation as of November 30, 2021 are summarized in the following table:

Asset Class	Target Allocation	Target Allocation Gross Rate of Return	Long-Term Expected Gross Rate of Return	Inflation Assumption	Long-Term Expected Real Rate of Return
Global equity	60.0%	7.45%	4.47%	2.50%	2.97%
Global fixed income	20.0%	4.90%	0.98%	2.50%	0.48%
Private assets	<u>20.0%</u>	9.50%	<u>1.90%</u>	2.50%	<u>1.40%</u>
Total	<u>100.0%</u>		<u>7.35%</u>		<u>4.85%</u>

Discount Rate

The discount rate used to measure the total OPEB liability was 2.42 percent. The projection of cash flows used to determine the discount rate assumed that the City will first use assets to pay benefits and then pay benefits on a pay-as-you-go basis. Based on this assumption, the OPEB Plan trust’s fiduciary net position was projected to be sufficient to make projected future benefit payments of current plan members through 2032, the crossover point. For projected benefits that are covered by projected assets, the long-term expected rate was used to discount the projected benefits. From the year that benefit payments were not projected to be covered by the projected assets (the “depletion date”), projected benefits were discounted at a discount rate reflecting a 20-year AA/Aa tax-exempt municipal bond yield. A single equivalent discount rate that yields the same present value of benefits is calculated. This discount rate is used to determine the total OPEB liability. The discount rate used to calculate the liability at the beginning of the year was 2.79 percent.

City of Roosevelt Park
NOTES TO FINANCIAL STATEMENTS
November 30, 2021

NOTE J—OTHER POSTEMPLOYMENT BENEFITS—Continued

Retiree Healthcare Plan—Continued

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Position (b)	Net OPEB Liability (a)-(b)
Balance at December 1, 2020	\$ 2,053,817	\$ 419,098	\$ 1,634,719
Changes for the year			
Service cost	130,453	-	130,453
Interest	60,583	-	60,583
Difference between expected and actual experience	88	-	88
Changes of assumptions	31,590	-	31,590
Contributions - employer	-	25,691	(25,691)
Net investment income	-	93,058	(93,058)
Administrative expenses	-	(866)	866
Benefit payments including refund of employee contributions	(25,691)	(25,691)	-
Net changes	197,023	92,192	104,831
Balance at November 30, 2021	\$ 2,250,840	\$ 511,290	\$ 1,739,550

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 2.42 percent, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.42 percent) or 1-percentage-point higher (3.42 percent) than the current rate:

	1% Decrease (1.42%)	Current Discount Rate (2.42%)	1% Increase (3.42%)
City's net OPEB liability	\$ 2,110,800	\$ 1,739,550	\$ 1,441,819

City of Roosevelt Park
NOTES TO FINANCIAL STATEMENTS
November 30, 2021

NOTE J—OTHER POSTEMPLOYMENT BENEFITS—Continued

Retiree Healthcare Plan—Continued

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

The following presents the net OPEB liability of the City, calculated using the healthcare cost trend rate of 8.25 percent for pre-Medicare or 6.5 percent for post-Medicare, decreasing to 4.5 percent, as well as what the City’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1%	Current Healthcare Cost Trend Rates	1%
	Decrease		Increase
City's net OPEB liability	\$ 1,355,592	\$ 1,739,550	\$ 2,238,633

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB Plan’s fiduciary net position is not available in a separately issued financial report. For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expenses, information about the fiduciary net position of the OPEB Plan and additions to/deductions from the City’s fiduciary net position have been determined on the same basis as they are reported by the City. For these purposes, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

For the year ended November 30, 2021, the City recognized OPEB expense of \$127,591. At November 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ 74	\$ 601,523
Differences in assumptions	734,240	268,568
Net difference between projected and actual net investment income	-	41,012
Total	\$ 734,314	\$ 911,103

City of Roosevelt Park
NOTES TO FINANCIAL STATEMENTS
November 30, 2021

NOTE J—OTHER POSTEMPLOYMENT BENEFITS—Continued

Retiree Healthcare Plan—Continued

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB—Continued

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

Year Ending November 30,	Amount
2022	\$ (33,539)
2023	(33,425)
2024	(37,346)
2025	(37,710)
2026	(12,431)
Thereafter	(22,338)

Payables to the OPEB Plan

At November 30, 2021, the City did not have a payable to the OPEB Plan.

Healthcare Savings Plan

The City also maintains a defined contribution Health Care Savings Plan (HCSP) offered by MERS. In this plan, post-employment healthcare benefits depend solely on amounts contributed to the plan plus investment earnings. The Plan covers all employee divisions except for the police union division. The authority for establishing or amending the Plan’s provisions and for establishing or amending contribution requirements rests with the City Council as determined by negotiated labor contracts. The City is not required to contribute to the HCSP. Qualified employees are also required to contribute 1 percent of annual compensation.

NOTE K—RISKS AND UNCERTANTIES

The COVID-19 pandemic that the world is experiencing is unprecedented. It is nearly impossible to fully understand the impact that it will have on the economy and on the City’s operations. As of November 30, 2021, the City is continuing implementation of risk mitigation tactics including all aspects of the City’s business transactions with customers, vendors, and human interaction within and outside of the City.

City of Roosevelt Park
NOTES TO FINANCIAL STATEMENTS
November 30, 2021

NOTE L—CHANGE IN ACCOUNTING PRINCIPLE

The net position of the fiduciary activities and Other Post-Employment Benefit Trust were restated effective December 1, 2020 to reflect the implementation of GASB Statement No. 84, *Fiduciary Activities*.

GASB Statement 84 was issued by the GASB in January 2017 and is effective for the City’s 2021 fiscal year. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities for all state and local governments. The focus on the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. An activity meeting the criteria should be reported in a fiduciary fund on the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position.

	Fiduciary Activities
	Other Post- Employment Benefits Trust Fund
Net position at December 1, 2020	\$ -
Other post-employment benefit trust funds	419,098
Net position at December 1, 2020, as restated	\$ 419,098

NOTE M—UPCOMING ACCOUNTING PRONOUNCEMENTS

GASB Statement 87—*Leases* was issued by the GASB in June 2017 and will be effective for the City’s 2022 fiscal year. The objective of this Statement is to better meet the information needs of financial statements users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities.

GASB Statement 96—*Subscription-Based Information Technology Arrangements* was issued by the GASB in May 2020 and will be effective for the Organization’s 2023 fiscal year. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

REQUIRED SUPPLEMENTARY INFORMATION

City of Roosevelt Park
Required Supplementary Information
BUDGETARY COMPARISON SCHEDULE
General Fund
For the year ended November 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 1,685,485	\$ 1,681,586	\$ 1,681,586	\$ -
Licenses and permits	119,700	135,860	137,138	1,278
Intergovernmental revenues				
Federal	-	41,279	41,279	-
State	345,000	413,711	417,447	3,736
Charges for services	692,952	643,520	646,894	3,374
Fines and forfeitures	7,500	5,890	5,909	19
Investment earnings	4,500	233	196	(37)
Other	10,000	19,536	14,672	(4,864)
	<hr/>			
Total revenues	2,865,137	2,941,615	2,945,121	3,506
EXPENDITURES				
Current				
General government				
City Council	10,710	31,932	30,645	1,287
City manager	98,697	98,102	97,398	704
Clerk	83,150	71,598	71,766	(168)
Treasurer	84,862	85,836	85,279	557
Assessor	33,084	32,895	32,894	1
Attorney	35,500	19,799	20,257	(458)
Office operations	77,100	81,032	81,038	(6)
Personnel	261,836	3,358,184	3,358,185	(1)
City hall, garage and grounds	100,000	91,336	91,587	(251)
Public safety				
Police department	846,191	919,624	909,147	10,477
Fire department	225,000	225,000	225,000	-
Inspections	41,771	55,919	61,354	(5,435)
Public works				
Public service	355,006	245,132	278,516	(33,384)
Sidewalks	-	8,496	8,496	-
Sanitation	225,941	218,987	217,609	1,378
Community and economic development				
Planning	4,000	1,918	1,896	22
Culture and recreation				
Parks	68,405	81,422	78,721	2,701
Other governmental functions	12,860	11,958	11,958	-
Debt service				
Principal	165,000	170,000	170,000	-
Interest	88,913	86,063	86,063	-
Bond issuance costs	-	107,941	107,463	478
Capital outlay	52,000	44,871	44,871	-
	<hr/>			
Total expenditures	2,870,026	6,048,045	6,070,143	(22,098)
Excess of revenues over (under) expenditures	(4,889)	(3,106,430)	(3,125,022)	(18,592)
OTHER FINANCING SOURCES				
Proceeds from sale of capital assets	-	5,417	5,417	-
Long-term debt issued	-	3,210,000	3,210,000	-
	<hr/>			
Total other financing sources	-	3,215,417	3,215,417	-
Net change in fund balance	<u>\$ (4,889)</u>	<u>\$ 108,987</u>	90,395	<u>\$ (18,592)</u>
Fund balance at beginning of year			1,095,911	
Fund balance at end of year			<u>\$ 1,186,306</u>	

City of Roosevelt Park
 Required Supplementary Information
BUDGETARY COMPARISON SCHEDULE
 Major Streets Fund
 For the year ended November 30, 2021

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenues - State	\$ 306,467	\$ 306,467	\$ 310,306	\$ 3,839
Investment earnings	3,500	88	73	(15)
Other	12,500	13,991	13,991	-
Total revenues	322,467	320,546	324,370	3,824
EXPENDITURES				
Current				
Public works	188,568	190,280	174,844	15,436
Excess of revenues over (under) expenditures	133,899	130,266	149,526	19,260
OTHER FINANCING USES				
Transfers out	(133,850)	(150,000)	(150,000)	-
Net change in fund balance	\$ 49	\$ (19,734)	(474)	\$ 19,260
Fund balance at beginning of year			486,752	
Fund balance at end of year			\$ 486,278	

City of Roosevelt Park
 Required Supplementary Information
BUDGETARY COMPARISON SCHEDULE
 Local Streets Fund
 For the year ended November 30, 2021

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenues - State	\$ 102,156	\$ 106,156	\$ 115,332	\$ 9,176
Investment earnings	600	8	7	(1)
Other	500	250	250	-
Total revenues	103,256	106,414	115,589	9,175
EXPENDITURES				
Current				
Public works	236,316	294,991	244,891	50,100
Excess of revenues over (under) expenditures	(133,060)	(188,577)	(129,302)	59,275
OTHER FINANCING SOURCES				
Transfers in	133,850	150,000	150,000	-
Net change in fund balance	\$ 790	\$ (38,577)	20,698	\$ 59,275
Fund balance at beginning of year			82,288	
Fund balance at end of year			\$ 102,986	

City of Roosevelt Park
Required Supplementary Information
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last Ten Fiscal Years (Amounts were determined as of December 31 of each fiscal year)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
TOTAL PENSION LIABILITY							
Service cost	\$ 52,056	\$ 52,455	\$ 54,223	\$ 49,381	\$ 48,638	\$ 57,340	\$ 60,897
Interest	503,905	485,987	458,340	434,958	424,094	416,204	404,879
Differences between expected and actual experience	(90,847)	132,603	191,017	157,090	9,314	(108,872)	-
Changes in assumptions	218,348	247,386	-	-	-	234,908	-
Benefit payments, including refunds of employee contributions	(365,550)	(359,918)	(354,285)	(348,872)	(344,362)	(333,547)	(319,896)
Net change in total pension liability	317,912	558,513	349,295	292,557	137,684	266,033	145,880
Total pension liability at beginning of year	6,787,082	6,228,569	5,879,274	5,586,717	5,449,033	5,183,000	5,037,120
Total pension liability at end of year (a)	\$ 7,104,994	\$ 6,787,082	\$ 6,228,569	\$ 5,879,274	\$ 5,586,717	\$ 5,449,033	\$ 5,183,000
PLAN FIDUCIARY NET POSITION							
Contributions-employer	\$ 275,030	\$ 276,391	\$ 238,511	\$ 307,065	\$ 187,717	\$ 175,793	\$ 174,147
Net investment income	455,736	439,254	(134,326)	418,373	331,550	(46,155)	195,733
Benefit payments, including refunds of employee contributions	(365,550)	(359,918)	(354,285)	(348,872)	(344,362)	(333,547)	(319,896)
Administrative expenses	(7,207)	(7,569)	(6,732)	(6,629)	(6,549)	(6,835)	(7,162)
Net change in plan fiduciary net position	358,009	348,158	(256,832)	369,937	168,356	(210,744)	42,822
Plan fiduciary net position at beginning of year	3,596,111	3,247,953	3,504,785	3,134,848	2,966,492	3,177,236	3,134,414
Plan fiduciary net position at end of year (b)	\$ 3,954,120	\$ 3,596,111	\$ 3,247,953	\$ 3,504,785	\$ 3,134,848	\$ 2,966,492	\$ 3,177,236
City's net pension liability at end of year (a)-(b)	\$ 3,150,874	\$ 3,190,971	\$ 2,980,616	\$ 2,374,489	\$ 2,451,869	\$ 2,482,541	\$ 2,005,764
Plan fiduciary net position as a percentage of the total pension liability	55.65%	52.98%	52.15%	59.61%	56.11%	54.44%	61.30%
Covered employee payroll	\$ 440,530	\$ 452,164	\$ 462,347	\$ 421,031	\$ 407,977	\$ 458,203	\$ 498,792
City's net pension liability as a percentage of covered employee payroll	715.25%	705.71%	644.67%	563.97%	600.98%	541.80%	402.12%

Notes to Schedule

Additional actuarial data is not available and will be provided in subsequent years.

City of Roosevelt Park
Required Supplementary Information
PENSION SYSTEM SCHEDULE OF CONTRIBUTIONS
Last Ten Fiscal Years (Amounts were determined as of November 30 of each fiscal year)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Actuarially determined contribution	\$ 331,548	\$ 269,892	\$ 239,888	\$ 237,568	\$ 203,232	\$ 186,690	\$ 174,529	\$ 178,444	\$ 148,018	\$ 152,718
Contributions in relation to the actuarially determined contribution	3,432,249	269,892	274,888	237,568	303,232	186,690	174,529	178,444	148,018	152,718
Contribution deficiency (excess)	<u>\$ (3,100,701)</u>	<u>\$ -</u>	<u>\$ (35,000)</u>	<u>\$ -</u>	<u>\$ (100,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 440,530	\$ 452,164	\$ 462,347	\$ 421,031	\$ 407,977	\$ 458,203	\$ 498,792	\$ 483,433	\$ 478,580	\$ 506,249
Contributions as percentage of covered employee payroll	779.1%	59.7%	59.5%	56.4%	74.3%	40.7%	35.0%	36.9%	30.9%	30.2%

Notes to Schedule

Valuation Date:

Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, Closed
Remaining amortization period	18 years
Asset valuation method	5-year smoothed market
Inflation	2.5 percent
Salary increases	3.0 percent in the long-term
Investment rate of return	7.35 percent, net of investment and administrative expenses
Retirement age	50-60 years of age depending on years of service
Mortality	Based on a version of Pub-2010 and fully generational MP-2019

City of Roosevelt Park
Required Supplementary Information
RETIREE HEALTHCARE SYSTEM SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
Last Ten Fiscal Years (Amounts were determined as of November 30 of each fiscal year)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
TOTAL OPEB LIABILITY				
Service cost	\$ 130,453	\$ 144,659	\$ 172,672	\$ 76,801
Interest	60,583	87,194	78,403	87,243
Differences between expected and actual experience	88	(549,707)	(196)	(384,585)
Changes of assumptions	31,590	253,058	(411,677)	945,730
Benefit payments, including refunds of employee contributions	(25,691)	(26,682)	(36,340)	(46,018)
Net change in total OPEB liability	197,023	(91,478)	(197,138)	679,171
Total OPEB liability at beginning of year	2,053,817	2,145,295	2,342,433	1,663,262
Total OPEB liability at end of year (a)	<u>\$ 2,250,840</u>	<u>\$ 2,053,817</u>	<u>\$ 2,145,295</u>	<u>\$ 2,342,433</u>
PLAN FIDUCIARY NET POSITION				
Contributions-employer	\$ 25,691	\$ 26,682	\$ 48,340	\$ 46,018
Net investment income	93,058	28,478	9,557	18,710
Benefit payments, including refunds or employee contributions	(25,691)	(26,682)	(36,340)	(46,018)
Administrative expense	(866)	(720)	(725)	(878)
Net change in plan fiduciary net position	92,192	27,758	20,832	17,832
Plan fiduciary net position at beginning of year	419,098	391,340	370,508	352,677
Plan fiduciary net position at end of year (b)	<u>\$ 511,290</u>	<u>\$ 419,098</u>	<u>\$ 391,340</u>	<u>\$ 370,509</u>
City's net OPEB liability at end of year (a)-(b)	<u>\$ 1,739,550</u>	<u>\$ 1,634,719</u>	<u>\$ 1,753,955</u>	<u>\$ 1,971,924</u>
Plan fiduciary net position as a percentage of the total OPEB liability	22.72%	20.41%	18.24%	15.82%
Covered employee payroll	\$ 730,393	\$ 630,309	\$ 573,247	\$ 580,548
City's net OPEB liability as a percentage of covered employee payroll	238.17%	259.35%	305.97%	339.67%

Notes to Schedule

Additional actuarial data is not available and will be provided in subsequent years.

City of Roosevelt Park
Required Supplementary Information
RETIREE HEALTHCARE SYSTEM SCHEDULE OF CONTRIBUTIONS
Last Ten Fiscal Years (Amounts were determined as of November 30 of each fiscal year)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Actuarially determined contribution	\$ 285,748	\$ 314,386	\$ 344,953	\$ 202,978	\$ 214,085	\$ 184,012	\$ 148,428	\$ 137,982	\$ 117,085	\$ 101,326
Contributions in relation to the actuarially determined contribution	25,691	26,682	48,340	46,018	147,144	41,076	63,784	49,506	45,793	49,815
Contribution deficiency (excess)	\$ 260,057	\$ 287,704	\$ 296,613	\$ 156,960	\$ 66,941	\$ 142,936	\$ 84,644	\$ 88,476	\$ 71,292	\$ 51,511
Covered employee payroll	\$ 730,393	\$ 630,309	\$ 573,247	\$ 580,584	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
Contributions as percentage of covered employee payroll	3.5%	4.2%	8.4%	7.9%	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available

Notes to Schedule

Valuation Date:

Actuarially determined contribution rates are calculated as of November 30, 2021.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal (level percentage of compensation)
Amortization method	Level percentage of payroll. Closed
Remaining amortization period	13 years
Asset valuation method	Equal to market value of assets
Inflation	2.5 percent
Salary increases	3.5 percent
Investment rate of return	7.35 percent (including inflation), net of administrative and investment expenses
Retirement age	55 years of age
Mortality	Mortality rates were as set forth in 2010 Public General and Public Safety Employee and Healthy Retiree, headcount weighted, MP-2020 improvement scale.

City of Roosevelt Park
 Required Supplementary Information
RETIREE HEALTHCARE SYSTEM SCHEDULE OF CONTRIBUTIONS
 Last Ten Fiscal Years (Amounts were determined as of November 30 of each fiscal year)

	2021	2020	2019	2018
Annual money-weighted rate of return, net of investment expense	22.23%	7.28%	2.54%	5.31%

Notes to Schedule

Additional actuarial data is not available and will be provided in subsequent years.