

City of Roosevelt Park
Muskegon County, Michigan

REPORT ON FINANCIAL STATEMENTS
(with required supplementary information)

November 30, 2017



City of Roosevelt Park

TABLE OF CONTENTS

Independent Auditor’s Report..... 1

Management’s Discussion and Analysis..... 3

Basic Financial Statements

 Government-wide Financial Statements

 Statement of Net Position..... 13

 Statement of Activities 14

 Fund Financial Statements

 Governmental Funds

 Balance Sheet..... 15

 Reconciliation of the Governmental Funds Balance Sheet
 to the Statement of Net Position 16

 Statement of Revenues, Expenditures and Changes
 in Fund Balances..... 17

 Reconciliation of the Governmental Funds Statement of Revenues,
 Expenditures and Changes in Fund Balances to the Statement of
 Activities 18

 Proprietary Funds

 Statement of Net Position..... 19

 Statement of Revenues, Expenses and Changes in Net Position 20

 Statement of Cash Flows..... 21

 Statement of Fiduciary Assets and Liabilities 22

 Notes to Financial Statements 23

Required Supplementary Information

 Budgetary Comparison Schedule—General Fund..... 47

 Budgetary Comparison Schedule—Major Streets Fund..... 48

 Budgetary Comparison Schedule—Local Streets Fund 49

 Schedule of Changes in Net Pension Liability and Related Ratios 50

 Pension System Schedule of Contributions 51

 Schedule of Funding Progress – Retiree Healthcare Plan 52

Other Supplementary Information

 Other Governmental Funds

 Combining Balance Sheet 54

 Combining Statement of Revenues, Expenditures and Changes in
 Fund Balances 55

INDEPENDENT AUDITOR'S REPORT

May 11, 2018

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, 2017, 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
May 11, 2018
Page 2

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, 2017, 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.

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, schedule of changes in net pension liability and related ratios, pension system schedule of contributions, and schedule of funding progress – retiree healthcare plan on pages 3 through 12 and 47 through 52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Roosevelt Park, Michigan's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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



Muskegon, Michigan

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, 2017. 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 \$16,748,208 and total liabilities/deferred inflows of resources of \$7,668,909 leaving net position of \$9,079,299.
- Of the total \$9,079,299 in net position, the City may use \$376,825 (unrestricted net position) to meet the ongoing obligations to citizens and creditors.
- Total revenues, including all program and general revenues, were \$4,482,756. Of that total, the governmental activities revenues were \$2,985,778 and business-type revenues were \$1,496,978.
- Total expenses for all of the City's programs were \$4,578,833. Of that total, the governmental activities expenses were \$3,302,692 and the business-type expenses were \$1,276,141.
- The City's General Fund reported a total fund balance of \$1,048,023 at year-end, a decrease of \$128,624 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, 2017, the City's net position from governmental activities totaled \$3,612,267 (40%) and \$5,467,032 (60%) from business-type activities, creating a total government-wide net position total of \$9,079,299. This is a decrease of \$96,077 or 1.0% over 2016's totals.

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 (\$971,318). 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 liability.

The business-type activities show a total of \$5,467,032 in net position and \$1,348,143 in unrestricted net position. The Sewer Fund and Water Fund unrestricted net position are \$601,624 and \$746,429, respectively.

City of Roosevelt Park

Management's Discussion and Analysis

The decrease in current assets and other assets for governmental activities occurred as the City undertook some significant street projects using available resources and also utilized funds to reduce its net pension liability and other postemployment benefits obligation. Correspondingly, capital assets increased due to the street projects. Current liabilities decreased as there were some larger payables at the end of the prior year for street projects that were paid off.

Business-type current assets increased due to lower sewer costs as recent improvements have reduced infiltration in the City's sewer system. Capital assets increased due to improvements made to the water mains as part of the aforementioned street improvements.

Net Position

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current assets and other assets	\$ 2,489,523	\$ 3,251,388	\$ 1,757,239	\$ 1,673,557	\$ 4,246,762	\$ 4,924,945
Capital assets	7,710,675	7,434,684	4,383,889	4,261,625	12,094,564	11,696,309
Total assets	10,200,198	10,686,072	6,141,128	5,935,182	16,341,326	16,621,254
Deferred outflows of resources	366,194	497,971	40,688	55,330	406,882	553,301
Total assets and deferred outflows of resources	10,566,392	11,184,043	6,181,816	5,990,512	16,748,208	17,174,555
Current liabilities	651,784	758,301	222,993	189,455	874,777	947,756
Noncurrent liabilities	6,302,341	6,447,569	491,791	549,418	6,794,132	6,996,987
Total liabilities	6,954,125	7,205,870	714,784	738,873	7,668,909	7,944,743
Deferred inflows of resources	-	48,992	-	5,444	-	54,436
Total liabilities and deferred inflows of resources	6,954,125	7,254,862	714,784	744,317	7,668,909	7,999,179
Net position						
Net investment in capital assets	4,122,431	4,331,460	4,118,889	3,936,625	8,241,320	8,268,085
Restricted	461,154	373,234	-	-	461,154	373,234
Unrestricted	(971,318)	(775,513)	1,348,143	1,309,570	376,825	534,057
Total net position	\$ 3,612,267	\$ 3,929,181	\$ 5,467,032	\$ 5,246,195	\$ 9,079,299	\$ 9,175,376

City of Roosevelt Park

Management's Discussion and Analysis

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	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues						
Charges for services	\$ 661,831	\$ 675,056	\$ 1,496,152	\$ 1,577,119	\$ 2,157,983	\$ 2,252,175
Operating grants	334,003	265,235	-	-	334,003	265,235
Capital grants and contributions	16,480	448,680	-	-	16,480	448,680
General revenues						
Property taxes	1,527,169	1,476,048	-	-	1,527,169	1,476,048
Franchise fees	63,097	62,303	-	-	63,097	62,303
Grants and contributions not restricted	344,500	319,509	-	-	344,500	319,509
Unrestricted investment earnings	5,747	7,820	826	1,187	6,573	9,007
Miscellaneous	32,951	15,835	-	-	32,951	15,835
Gain on disposal of capital assets	-	32,460	-	-	-	32,460
Total revenues	2,985,778	3,302,946	1,496,978	1,578,306	4,482,756	4,881,252
Expenses:						
General government	726,055	675,818	-	-	726,055	675,818
Public safety	1,188,148	1,166,332	-	-	1,188,148	1,166,332
Public works	1,198,663	1,031,027	-	-	1,198,663	1,031,027
Culture and recreation	86,657	92,649	-	-	86,657	92,649
Interest on long term debt	103,169	65,882	-	-	103,169	65,882
Sewer	-	-	697,600	939,699	697,600	939,699
Water	-	-	578,541	598,844	578,541	598,844
Total expenses	3,302,692	3,031,708	1,276,141	1,538,543	4,578,833	4,570,251
Change in net position	(316,914)	271,238	220,837	39,763	(96,077)	311,001
Net position - Beginning	3,929,181	3,657,943	5,246,195	5,206,432	9,175,376	8,864,375
Net position - Ending	<u>\$ 3,612,267</u>	<u>\$ 3,929,181</u>	<u>\$ 5,467,032</u>	<u>\$ 5,246,195</u>	<u>\$ 9,079,299</u>	<u>\$ 9,175,376</u>

For the year ended November 30, 2017, net position decreased by \$316,914 in governmental activities and increased by \$220,837 in business-type activities, respectively. This resulted in an overall net decrease of \$96,077 in government-wide net position.

Governmental Activities

For governmental activities overall revenue decreased by \$317,168 from 2016. Most of this decrease occurred as there was \$446,800 in grants for street improvements in the prior year. This was partially offset by an increase in operating grants caused by additional street funding from the State of Michigan.

Expenses for all governmental functions increased by a total of \$270,984 in 2017. The primary reason for the increase was additional depreciation from significant capital improvements that were completed at the end of the previous year and the first full year of interest on debt related to those improvements.

Business-type activities

In 2017, sewer expenses decreased due to recent improvements that have reduced infiltration in the City's sewer system.

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 2017 fiscal year, the City governmental funds reported a combined unassigned fund balance of \$1,032,343, 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; is restricted for streets and highways or Roosevelt Park Day; or is assigned for the subsequent year's budget.

The General Fund is the chief operating fund of the City. The General Fund ended the year with a fund balance of \$1,048,023, a decrease of \$128,624 from fiscal year 2016. 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 37% of the General Fund's expenditures and transfers (47% 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 \$107,875 and \$114,921, respectively. The result was an overall net increase in the proprietary funds of \$222,796.

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:

- City manager expenditures were originally budgeted for \$55,075 and were amended up to \$77,335 to reflect the replacement of a part-time city manager with a full-time city manager.
- Personnel expenditures were originally budgeted for \$193,000 and were amended up to \$395,300 as the City elected to voluntarily contribute additional amounts to its pension and other postemployment benefits trusts.

Budget Variations

The following comments summarize the major variations from the final budget to actual revenues and expenditures:

- Other revenues were over the final budget by \$24,638 due to additional miscellaneous revenues received by the City.
- Transfers out were under the final budget by \$187,000 as the City transferred monies for road improvements in the Local Streets Fund from the Roosevelt Road Construction Fund rather than the General Fund.

Capital Assets

The City investment in capital assets for its governmental and business-type activities as of November 30, 2017 totaled \$12,094,564 (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:

- Street improvements of \$707,624 on Westland and Dawes and other streets. Water main improvements of \$222,130 were also made on these streets.
- Heating and cooling improvements and security system improvements were made to the City hall for \$11,535 and \$15,725, respectively.
- A 2017 Ford Explorer police vehicle was purchased for \$39,797.
- Playground equipment was purchased for \$23,099.

**CAPITAL ASSETS
(Net of Accumulated Depreciation)**

	Governmental		Business-type		Total	
	Activities		Activities			
	2017	2016	2017	2016	2017	2016
Land	\$ 291,547	\$ 291,547	\$ 600	\$ 600	\$ 292,147	\$ 292,147
Land improvements	44,660	48,806	-	-	44,660	48,806
Buildings and improvements	908,341	936,350	-	-	908,341	936,350
Vehicles and equipment	418,807	456,254	-	-	418,807	456,254
Infrastructure	6,047,320	5,701,727	-	-	6,047,320	5,701,727
Sewer system	-	-	1,791,721	1,837,297	1,791,721	1,837,297
Water system	-	-	2,591,568	2,423,728	2,591,568	2,423,728
Total	\$ 7,710,675	\$ 7,434,684	\$ 4,383,889	\$ 4,261,625	\$ 12,094,564	\$ 11,696,309

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 2017 fiscal year, the City had total outstanding debt of \$7,053,332 consisting of capital leases, compensated absences, general obligation bonds, other postemployment benefits, and the net pension liability. The \$265,000 in the business-type activities is backed by the full-faith and credit of the City. The payment of these bonds is through the revenues generated from the Water and Sewer funds.

OUTSTANDING DEBT

	Governmental		Business-type		Total	
	Activities		Activities			
	2017	2016	2017	2016	2017	2016
Capital leases	\$ 50,068	\$ 65,751	\$ -	\$ -	\$ 50,068	\$ 65,751
General obligation bonds	3,824,384	3,966,394	265,000	325,000	4,089,384	4,291,394
Compensated absences	45,968	39,362	-	-	45,968	39,362
Other postemployment benefits	374,439	325,475	41,604	36,164	416,043	361,639
Net pension liability	2,206,682	2,234,287	245,187	248,254	2,451,869	2,482,541
Total	\$ 6,501,541	\$ 6,631,269	\$ 551,791	\$ 609,418	\$ 7,053,332	\$ 7,240,687

The City’s total debt decreased by \$187,355 during the fiscal year. This decrease is a result of normal scheduled debt service payments.

In addition to the City's debt, the City's DDA component unit had outstanding debt of \$220,000 for the Broadway streetscape project. This debt is secured by the limited full faith and credit of the City and is an important consideration in assessing the City's overall fiscal health.

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>
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 (-.3%)
2014	1,050,439 (+ .1%)	317,374 (+2.1%)
2013	1,049,071 (- 4.3%)	310,593 (+1.7%)
2012	1,096,674 (-2.8%)	305,343 (+5.4%)
2011	1,128,474 (-5.0%)	289,666 (+1.9%)
2010	1,187,913 (-3.5%)	284,299 (-4.9%)
2009	1,228,949 (-.05%)	298,156 (-10.3%)
2008	1,235,103 (+3.0%)	332,569 (-4.4%)
2007	1,199,484	347,843

For fiscal year 2018, the City will maintain its millage rate at 16.6 mills. The additional 5 mills that were levied beginning in 2015 will be used primarily to continue to fund the debt service of the Roosevelt Road construction project. The City has also budgeted a slight increase in State Revenue Sharing based on projections from the State. No other significant changes are expected in General Fund revenues.

The City has budgeted funds in 2018 for the replacement of the original flooring in portions of city hall along with upgrading the original lighting throughout the public works garage and city hall to new and significantly more efficient LED's lights.

The City has budgeted \$25,000 in 2018 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.

In the spring of 2018, the City will begin the mill and overlay of West Broadway from Glenside Boulevard through Maple Grove Road. This project is being funded in part by a \$220,000 Transportation and Infrastructure Program grant with the City's share being \$70,000. There will be minimal utility work throughout the West Broadway project, however, the City will replace any remaining galvanized water services. The City will also be undertaking reconstructing a very short section of Davis from Coolidge to Hanley. This is a City funded project aimed at replacing watermain and installing a storm sewer system which is badly needed.

Both budgeted street projects are expected to be completed by the end of summer in 2018. The City will also make minor improvements throughout the City and will micro seal several streets in an attempt to extend their lives.

Projects planned in the Water Fund includes the first phases of a water meter upgrade and installation of a radio read system. The 2018 budget includes \$62,000 from the Water Fund to help cover the antenna installation and initial water meter purchases. There are currently no major projects expected to take place within the Sewer Fund in 2018.

Health insurance is a focus area of the City as it works to limit cost increases. Retiree cost sharing consisting of a 10% 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).

Both the current Collective Bargaining Agreements that the City has with its two unions are set to expire at the end of the 2018 fiscal year, but the City expects to have new agreements in place before then.

The City has adopted a defined contribution plan for both Teamsters union and non-union new hires in an effort to lower the long-term legacy costs for future retirees.

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, (231) 755-3721.

City of Roosevelt Park
STATEMENT OF NET POSITION
November 30, 2017

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Component Unit</u>
ASSETS				
Current assets				
Cash and investments	\$ 2,212,541	\$ 1,320,156	\$ 3,532,697	\$ 456,359
Receivables	6,559	400,340	406,899	-
Due from other governmental units	254,833	-	254,833	-
Internal balances	(90)	90	-	-
Inventories	-	36,653	36,653	-
Prepaid items	15,680	-	15,680	-
Total current assets	2,489,523	1,757,239	4,246,762	456,359
Noncurrent assets				
Capital assets, net				
Nondepreciable	291,547	600	292,147	133,071
Depreciable	7,419,128	4,383,289	11,802,417	-
Total noncurrent assets	7,710,675	4,383,889	12,094,564	133,071
Total assets	10,200,198	6,141,128	16,341,326	589,430
DEFERRED OUTFLOWS OF RESOURCES				
Related to pension	366,194	40,688	406,882	-
Total assets and deferred outflows of resources	10,566,392	6,181,816	16,748,208	589,430
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	277,343	48,726	326,069	12,934
Due to other governmental units	175,241	114,267	289,508	-
Bonds and other obligations, due within one year	199,200	60,000	259,200	220,000
Total current liabilities	651,784	222,993	874,777	232,934
Noncurrent liabilities				
Bonds and other obligations, less amounts due within one year	4,095,659	246,604	4,342,263	-
Net pension liability	2,206,682	245,187	2,451,869	-
Total noncurrent liabilities	6,302,341	491,791	6,794,132	-
Total liabilities	6,954,125	714,784	7,668,909	232,934
NET POSITION				
Net investment in capital assets	4,122,431	4,118,889	8,241,320	133,071
Restricted				
Streets and highways	435,774	-	435,774	-
Roosevelt Park Day	25,380	-	25,380	-
Unrestricted	(971,318)	1,348,143	376,825	223,425
Total net position	\$ 3,612,267	\$ 5,467,032	\$ 9,079,299	\$ 356,496

The accompanying notes are an integral part of this statement.

City of Roosevelt Park
STATEMENT OF ACTIVITIES
For the year ended November 30, 2017

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business-type Activities	Total	
Primary government								
Governmental activities								
General government	\$ 726,055	\$ 37,020	\$ -	\$ -	\$ (689,035)	\$ -	\$ (689,035)	\$ -
Public safety	1,188,148	136,346	3,194	-	(1,048,608)	-	(1,048,608)	-
Public works	1,198,663	486,330	327,449	1,487	(383,397)	-	(383,397)	-
Culture and recreation	86,657	2,135	3,360	14,993	(66,169)	-	(66,169)	-
Interest on long-term debt	103,169	-	-	-	(103,169)	-	(103,169)	-
Total governmental activities	3,302,692	661,831	334,003	16,480	(2,290,378)	-	(2,290,378)	-
Business-type activities								
Sewer	697,600	804,556	-	-	-	106,956	106,956	-
Water	578,541	691,596	-	-	-	113,055	113,055	-
Total business-type activities	1,276,141	1,496,152	-	-	-	220,011	220,011	-
Total primary government	\$ 4,578,833	\$ 2,157,983	\$ 334,003	\$ 16,480	(2,290,378)	220,011	(2,070,367)	-
Component unit								
Downtown Development Authority								
General government	\$ 32,848	\$ -	\$ -	\$ -	-	-	-	(32,848)
Public safety	80,000	-	-	-	-	-	-	(80,000)
Public works	67,631	-	-	-	-	-	-	(67,631)
Interest on long-term debt	10,080	-	-	-	-	-	-	(10,080)
Total component unit	\$ 190,559	\$ -	\$ -	\$ -	-	-	-	(190,559)
General revenues								
Property taxes					1,527,169	-	1,527,169	283,158
Franchise fees					63,097	-	63,097	-
Grants and contributions not restricted to specific programs					344,500	-	344,500	144,722
Unrestricted investment earnings					5,747	826	6,573	657
Miscellaneous					32,951	-	32,951	-
Total general revenues					1,973,464	826	1,974,290	428,537
Change in net position					(316,914)	220,837	(96,077)	237,978
Net position at December 1, 2016					3,929,181	5,246,195	9,175,376	118,518
Net position at November 30, 2017					\$ 3,612,267	\$ 5,467,032	\$ 9,079,299	\$ 356,496

The accompanying notes are an integral part of this statement.

City of Roosevelt Park
BALANCE SHEET
 Governmental Funds
 November 30, 2017

	General Fund	Major Streets Fund	Local Streets Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 1,059,714	\$ 322,165	\$ 265,824	\$ 311,588	\$ 1,959,291
Accounts receivable	6,559	-	-	-	6,559
Due from other governmental units	204,125	36,888	13,820	-	254,833
Prepaid items	15,680	-	-	-	15,680
Total assets	\$ 1,286,078	\$ 359,053	\$ 279,644	\$ 311,588	\$ 2,236,363
LIABILITIES					
Accounts payable	\$ 51,101	\$ 386	\$ 202,537	\$ -	\$ 254,024
Accrued liabilities	14,352	-	-	-	14,352
Due to other governmental units	172,602	-	-	-	172,602
Total liabilities	238,055	386	202,537	-	440,978
FUND BALANCES					
Nonspendable - prepaid items	15,680	-	-	-	15,680
Restricted					
Streets and highways	-	358,667	77,107	286,208	721,982
Roosevelt Park Day	-	-	-	25,380	25,380
Unassigned	1,032,343	-	-	-	1,032,343
Total fund balances	1,048,023	358,667	77,107	311,588	1,795,385
Total liabilities and fund balances	\$ 1,286,078	\$ 359,053	\$ 279,644	\$ 311,588	\$ 2,236,363

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, 2017

Total fund balance—governmental funds \$ 1,795,385

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	\$10,146,480	
Accumulated depreciation	<u>(2,657,228)</u>	7,489,252

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	(8,100)	
Bonds and notes payable	(3,824,384)	
Compensated absences	(45,968)	
Other postemployment benefits	(374,439)	
Net pension liability and related deferred outflows/inflows of resources	<u>(1,840,488)</u>	(6,093,379)

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	421,099	
Internal balances representing the cumulative differences between actual costs and amounts charged to business-type activities	<u>(90)</u>	<u>421,009</u>

Net position of governmental activities	<u><u>\$ 3,612,267</u></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, 2017

	General Fund	Major Streets Fund	Local Streets Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 1,527,169	\$ -	\$ -	\$ -	\$ 1,527,169
Licenses and permits	114,526	-	-	-	114,526
Intergovernmental revenues					
Federal	1,751	-	-	-	1,751
State	360,935	228,825	86,342	-	676,102
Charges for services	587,653	-	-	-	587,653
Fines and forfeitures	9,937	-	-	-	9,937
Investment earnings	2,956	390	70	2,360	5,776
Other	43,338	11,821	-	7,271	62,430
Total revenues	<u>2,648,265</u>	<u>241,036</u>	<u>86,412</u>	<u>9,631</u>	<u>2,985,344</u>
EXPENDITURES					
Current					
General government	826,293	-	-	-	826,293
Public safety	989,443	-	-	-	989,443
Public works	553,052	162,663	698,045	-	1,413,760
Culture and recreation	56,208	-	-	8,486	64,694
Other governmental functions	18,425	-	-	-	18,425
Debt service					
Principal	-	-	-	145,000	145,000
Interest	-	-	-	98,313	98,313
Capital outlay	90,155	-	-	22,678	112,833
Total expenditures	<u>2,533,576</u>	<u>162,663</u>	<u>698,045</u>	<u>274,477</u>	<u>3,668,761</u>
Excess of revenues over (under) expenditures	114,689	78,373	(611,633)	(264,846)	(683,417)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	622,382	243,313	865,695
Transfers out	(243,313)	-	-	(622,382)	(865,695)
Total other financing sources (uses)	<u>(243,313)</u>	<u>-</u>	<u>622,382</u>	<u>(379,069)</u>	<u>-</u>
Net change in fund balances	(128,624)	78,373	10,749	(643,915)	(683,417)
Fund balances at December 1, 2016	1,176,647	280,294	66,358	955,503	2,478,802
Fund balances at November 30, 2017	<u>\$ 1,048,023</u>	<u>\$ 358,667</u>	<u>\$ 77,107</u>	<u>\$ 311,588</u>	<u>\$ 1,795,385</u>

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, 2017

Net change in fund balances—total governmental funds \$ (683,417)

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	\$ (446,446)	
Capital outlay	<u>797,778</u>	351,332

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.

Repayment of principal on long-term debt		145,000
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Change in accrual of interest and amortization of premiums and discounts		
Change in accrued interest payable	200	
Amortization of premiums and discounts	<u>(2,990)</u>	(2,790)

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	(6,606)	
Change in other postemployment benefits	(48,964)	
Change in net pension liability and related deferred outflows/inflows of resources	<u>(55,180)</u>	(110,750)

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	(18,248)	
Change in internal balances representing the current year difference between actual costs and amounts charged to business-type activities	<u>1,959</u>	<u>(16,289)</u>

Change in net position of governmental activities		<u>\$ (316,914)</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, 2017

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Sewer	Water	Total	
ASSETS				
Current assets				
Cash and investments	\$ 584,203	\$ 735,953	\$ 1,320,156	\$ 253,249
Accounts receivable	216,667	183,673	400,340	-
Inventories	2,665	33,988	36,653	-
Total current assets	803,535	953,614	1,757,149	253,249
Noncurrent assets				
Capital assets				
Land	-	600	600	-
Utility systems	3,122,515	3,283,610	6,406,125	-
Buildings and improvements	-	16,029	16,029	-
Vehicles and equipment	-	-	-	755,306
Less accumulated depreciation	(1,330,794)	(708,071)	(2,038,865)	(533,883)
Total noncurrent assets	1,791,721	2,592,168	4,383,889	221,423
Total assets	2,595,256	3,545,782	6,141,038	474,672
DEFERRED OUTFLOWS OF RESOURCES				
Related to pension	20,344	20,344	40,688	-
Total assets and deferred outflows of resources	2,615,600	3,566,126	6,181,726	474,672
LIABILITIES				
Current liabilities				
Accounts payable	7,261	41,465	48,726	866
Due to other governmental units	71,599	42,668	114,267	2,639
Bonds and other obligations, due within one year	24,500	35,500	60,000	16,200
Total current liabilities	103,360	119,633	222,993	19,705
Noncurrent liabilities				
Bonds and other obligations, less amounts due within one year	104,302	142,302	246,604	33,868
Net pension liability	122,593	122,594	245,187	-
Total noncurrent liabilities	226,895	264,896	491,791	33,868
Total liabilities	330,255	384,529	714,784	53,573
NET POSITION				
Net investment in capital assets	1,683,721	2,435,168	4,118,889	171,355
Unrestricted	601,624	746,429	1,348,053	249,744
Total net position	<u>\$ 2,285,345</u>	<u>\$ 3,181,597</u>	5,466,942	<u>\$ 421,099</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			90	
Net position of business-type activities			<u>\$ 5,467,032</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, 2017

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Sewer	Water	Total	
OPERATING REVENUES				
Charges for services	\$ 804,556	\$ 691,596	\$ 1,496,152	\$ 126,302
OPERATING EXPENSES				
Administration	120,736	103,811	224,547	19,010
Operations	525,668	411,776	937,444	48,564
Depreciation	45,576	54,290	99,866	75,341
Total operating expenses	691,980	569,877	1,261,857	142,915
Operating income (loss)	112,576	121,719	234,295	(16,613)
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	352	474	826	431
Interest expense	(5,053)	(7,272)	(12,325)	(2,066)
Total nonoperating revenues (expenses)	(4,701)	(6,798)	(11,499)	(1,635)
Change in net position	107,875	114,921	222,796	(18,248)
Net position at December 1, 2016	2,177,470	3,066,676		439,347
Net position at November 30, 2017	\$ 2,285,345	\$ 3,181,597		\$ 421,099
Adjustment for the net effect of the current year activity between the internal service fund and the enterprise funds			(1,959)	
Change in net position of business-type activities			\$ 220,837	

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, 2017

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Sewer	Water	Total	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 792,743	\$ 679,780	\$ 1,472,523	\$ -
Receipts from interfund services provided	-	-	-	126,302
Payments to suppliers	(613,440)	(458,363)	(1,071,803)	(39,415)
Payments to employees	(22,654)	(47,054)	(69,708)	(25,542)
Payment for interfund services used	(4,310)	(10,586)	(14,896)	-
Net cash provided by operating activities	<u>152,339</u>	<u>163,777</u>	<u>316,116</u>	<u>61,345</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	-	(182,605)	(182,605)	-
Principal paid on capital debt	(24,500)	(35,500)	(60,000)	(15,683)
Interest paid on capital debt	(5,053)	(7,272)	(12,325)	(2,066)
Net cash used for capital and related financing activities	<u>(29,553)</u>	<u>(225,377)</u>	<u>(254,930)</u>	<u>(17,749)</u>
CASH FLOW FROM INVESTING ACTIVITIES				
Investment earnings	352	474	826	431
Net increase (decrease) in cash and investments	<u>123,138</u>	<u>(61,126)</u>	<u>62,012</u>	<u>44,027</u>
Cash and investments at December 1, 2016	461,065	797,079	1,258,144	209,222
Cash and investments at November 30, 2017	<u>\$ 584,203</u>	<u>\$ 735,953</u>	<u>\$ 1,320,156</u>	<u>\$ 253,249</u>
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	\$ 112,576	\$ 121,719	\$ 234,295	\$ (16,613)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation expense	45,576	54,290	99,866	75,341
Change in assets and liabilities				
Accounts receivable	(11,813)	(11,816)	(23,629)	-
Due from other governmental units	-	-	-	2,687
Accounts payable	5,864	296	6,160	(22)
Due to other governmental units	(5,649)	(6,498)	(12,147)	(48)
Accrued liabilities	5,785	5,786	11,571	-
Net cash provided by operating activities	<u>\$ 152,339</u>	<u>\$ 163,777</u>	<u>\$ 316,116</u>	<u>\$ 61,345</u>

The accompanying notes are an integral part of this statement.

City of Roosevelt Park
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
Fiduciary Funds
November 30, 2017

	<u>Agency Fund</u>
ASSETS	
Cash and investments	\$ <u> -</u>
LIABILITIES	
Due to other governmental units	\$ <u> -</u>

The accompanying notes are an integral part of this statement.

City of Roosevelt Park
NOTES TO FINANCIAL STATEMENTS
November 30, 2017

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, 2017

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 fund:

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 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 Agency Fund is custodial in nature and used to account for assets held by the City as an agent for another organization or individual.

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.

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.

City of Roosevelt Park
NOTES TO FINANCIAL STATEMENTS
November 30, 2017

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

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 funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

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).

City of Roosevelt Park
NOTES TO FINANCIAL STATEMENTS
November 30, 2017

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

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

Cash and Investments—Continued

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 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.

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
Infrastructure	10-50
Vehicles and equipment	5-30

City of Roosevelt Park
NOTES TO FINANCIAL STATEMENTS
November 30, 2017

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

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

Defined Benefit Plan

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 fiduciary net position have been determined on the same basis as they are reported by the Municipal Employees Retirement System (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.

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.

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.

City of Roosevelt Park
NOTES TO FINANCIAL STATEMENTS
November 30, 2017

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

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

Fund Balance Policies—Continued

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.

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 lien 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 2016 state taxable value for real/personal property of the City totaled approximately \$98,943,000 of which approximately \$10,636,000 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.

City of Roosevelt Park
NOTES TO FINANCIAL STATEMENTS
 November 30, 2017

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Revenues and Expenditures/Expenses—Continued

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.

Excess of Expenditures over Appropriations

During the year ended November 30, 2017, actual expenditures exceeded appropriation for:

	Amended Budget	Actual
General Fund		
Culture and recreation		
Parks	\$ 41,300	\$ 56,208
Local Streets Fund		
Public works	506,420	698,045

These overexpenditures were funded with savings from other areas and an unbudgeted transfer from another fund.

City of Roosevelt Park
NOTES TO FINANCIAL STATEMENTS
November 30, 2017

NOTE C—DEPOSITS AND INVESTMENTS

As of November 30, 2017, the City had the following investments:

Investment Type	Fair value	Weighted average maturity (Days)	Moody's	Percent
Money market mutual fund	\$ 478,801	20	Aaa	100 %

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, 2017, \$3,036,779 of the City's bank balance of \$3,536,779 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, 2017

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, 2017.

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

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.

	Assets at Fair Value as of November 30, 2017			
	Level 1	Level 2	Level 3	Total
Money market funds	\$ -	\$ 478,801	\$ -	\$ 478,801

City of Roosevelt Park
NOTES TO FINANCIAL STATEMENTS
November 30, 2017

NOTE E—CAPITAL ASSETS

Capital asset activity for the year ended November 30, 2017 was as follows:

	Balance December 1, 2016	Additions	Deductions	Balance November 30, 2017
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	1,564,441	11,535	-	1,575,976
Vehicles and equipment	1,188,355	78,620	-	1,266,975
Infrastructure	6,984,949	707,623	-	7,692,572
Total capital assets, being depreciated	9,812,461	797,778	-	10,610,239
Less accumulated depreciation:				
Land improvements	25,910	4,146	-	30,056
Buildings and improvements	628,091	39,544	-	667,635
Vehicles and equipment	732,101	116,067	-	848,168
Infrastructure	1,283,222	362,030	-	1,645,252
Total accumulated depreciation	2,669,324	521,787	-	3,191,111
Total capital assets, being depreciated, net	7,143,137	275,991	-	7,419,128
Capital assets, net	\$ 7,434,684	\$ 275,991	\$ -	\$ 7,710,675

City of Roosevelt Park
NOTES TO FINANCIAL STATEMENTS
November 30, 2017

NOTE E—CAPITAL ASSETS—Continued

	Balance December 1, 2016	Additions	Deductions	Balance November 30, 2017
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 600	\$ -	\$ -	\$ 600
 Capital assets, being depreciated:				
Sewer system	3,122,515	-	-	3,122,515
Water system	3,061,480	222,130	-	3,283,610
Buildings and improvements	16,029	-	-	16,029
Total capital assets, being depreciated	6,200,024	222,130	-	6,422,154
 Less accumulated depreciation:				
Sewer system	1,285,218	45,576	-	1,330,794
Water system	637,752	54,290	-	692,042
Buildings and improvements	16,029	-	-	16,029
Total accumulated depreciation	1,938,999	99,866	-	2,038,865
Total capital assets, being depreciated, net	4,261,025	122,264	-	4,383,289
Capital assets, net	\$ 4,261,625	\$ 122,264	\$ -	\$ 4,383,889

Depreciation

Depreciation expense was charged to functions as follows:

Governmental activities:

General government	\$ 19,472
Public safety	26,909
Public works	383,389
Culture and recreation	16,676
Internal Service Fund depreciation is charged to the various programs based on their usage of the assets	75,341
	\$ 521,787

Business-type activities:

Sewer	\$ 45,576
Water	54,290
	\$ 99,866

City of Roosevelt Park
NOTES TO FINANCIAL STATEMENTS
November 30, 2017

NOTE E—CAPITAL ASSETS—Continued

	Balance December 1, 2016	Additions	Deductions	Balance November 30, 2017
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, 2017 is as follows:

Interfund Transfers

The General Fund transferred \$243,313 to the Roosevelt Road Debt Service Fund for debt service payments. The Roosevelt Road Construction Fund transferred \$622,382 to the Local Streets Fund for road projects.

Component Unit Transactions

The DDA transferred \$132,000 for services provided by the City for the year ended November 30, 2017.

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, 2017.

	Balance December 1, 2016	Additions	Reductions	Balance November 30, 2017	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 4,000,000	\$ -	\$ 145,000	\$ 3,855,000	\$ 155,000
Discount	(33,606)	-	(2,990)	(30,616)	-
Capital lease	65,751	-	15,683	50,068	16,200
Compensated absences	39,362	58,999	52,393	45,968	28,000
Other postemployment benefits	325,475	181,394	132,430	374,439	-
Governmental activities long-term liabilities	\$ 4,396,982	\$ 240,393	\$ 342,516	\$ 4,294,859	\$ 199,200
Business-type activities:					
General obligation bonds	\$ 325,000	\$ -	\$ 60,000	\$ 265,000	\$ 60,000
Other postemployment benefits	36,164	20,154	14,714	41,604	-
Business-type activities long-term liabilities	\$ 361,164	\$ 20,154	\$ 74,714	\$ 306,604	\$ 60,000
Component unit:					
General obligation bonds	\$ 420,000	\$ -	\$ 200,000	\$ 220,000	\$ 220,000

City of Roosevelt Park
NOTES TO FINANCIAL STATEMENTS
November 30, 2017

NOTE G—LONG-TERM DEBT—Continued

Summary of Changes in Long-Term Liabilities—Continued

	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Balance</u>
Governmental activities:			
2016 General Obligation Capital Improvement Bonds	2-3%	May 2036	\$ 3,855,000
2016 Capital Lease	3.142%	December 2019	50,068
Business-type activities:			
2007 General Obligation Capital Improvement Bonds	4-4.375%	April 2021	265,000
Component unit:			
2012 Refunding General Obligation Limited Tax Bonds	2.4%	October 2018	220,000

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, 2017 was \$700,862. The City is unaware of any circumstances that would cause a shortfall in the near future.

Annual debt service requirements to maturity for debt outstanding as of November 30, 2017 follows:

<u>Year Ending November 30,</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Component Unit</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 171,200	\$ 96,886	\$ 60,000	\$ 9,925	\$ 220,000	\$ 5,280
2019	176,700	93,227	65,000	7,425	-	-
2020	182,200	89,453	70,000	4,594	-	-
2021	170,000	85,563	70,000	1,531	-	-
2022	170,000	82,163	-	-	-	-
2023-2027	925,000	356,106	-	-	-	-
2028-2032	1,085,000	235,475	-	-	-	-
2033-2036	1,024,968	97,500	-	-	-	-
	\$ 3,905,068	\$ 1,136,373	\$ 265,000	\$ 23,475	\$ 220,000	\$ 5,280

City of Roosevelt Park
NOTES TO FINANCIAL STATEMENTS
November 30, 2017

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. 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 participating in the Michigan Municipal Workers' Compensation Fund (MMWCF), a public entity risk pool providing workers' compensation coverage to its participating members. The City pays an annual premium to MMWCF for its workers' compensation coverage. The MMWCF is self-sustaining through member premiums and provides statutory workers' compensation coverage to its members by internally assuring certain risks and reinsuring risks through commercial companies. 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.

Capitalized Leases

Included in vehicles and equipment are the following assets held under capital leases as of November 30, 2017:

Governmental activities:

Vehicles and equipment	\$ 83,500
Less accumulated amortization	<u>(33,400)</u>
	<u><u>\$ 50,100</u></u>

City of Roosevelt Park
NOTES TO FINANCIAL STATEMENTS
November 30, 2017

NOTE H—OTHER INFORMATION—Continued

Capitalized Leases—Continued

Future minimum lease payments for assets under capital leases for 2018 through 2020 are as follows:

Year Ending November 30,	Amount
2018	\$ 17,749
2019	17,749
2020	17,749
Total minimum lease payments	53,247
Less amount representing interest	(3,179)
Present value of net minimum lease payments	50,068
Less current maturities	(16,176)
Long-term obligation	\$ 33,892

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, 2017

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.

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, 2016 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	8
Active employees	6
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, 2017, the City contribution rate was 19.03 percent of annual covered payroll for the police union division which is open. For all other divisions, the City had an annual flat-dollar contribution to the Plan of \$142,956 in lieu of a percentage of covered payroll, as the divisions are closed to new employees. No contribution is required from employees.

Net Pension Liability

The City’s net pension liability was measured as of December 31, 2016, 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, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.75 percent in the long-term
Investment rate of return	7.75 percent, net of administrative and investment expenses including inflation

City of Roosevelt Park
NOTES TO FINANCIAL STATEMENTS
November 30, 2017

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 2.5 percent long-term wage inflation assumption would be consistent with a price inflation of 3-4 percent. Mortality rates used were based on the RP-2014 Group Annuity Mortality Table of a 50 percent Male and 50 percent Female blend.

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global equity	57.5%	5.02%
Global fixed income	20.0%	2.18%
Real assets	12.5%	4.23%
Diversifying strategies	10.0%	6.56%

Discount Rate

The discount rate used to measure the total pension liability was 8 percent for 2016. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. 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, 2017

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 December 31, 2015	\$ 5,449,033	\$ 2,966,492	\$ 2,482,541
Changes for the year			
Service cost	48,638	-	48,638
Interest	424,094	-	424,094
Difference between expected and actual experience	9,314	-	9,314
Contributions - employer	-	187,717	(187,717)
Net investment income	-	331,550	(331,550)
Administrative expenses	-	(6,549)	6,549
Benefit payments including refund of employee contributions	(344,362)	(344,362)	-
Net changes	137,684	168,356	(30,672)
Balance at December 31, 2016	\$ 5,586,717	\$ 3,134,848	\$ 2,451,869

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 8 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 (7 percent) or 1-percentage-point higher (9 percent) than the current rate:

	1% Decrease (7%)	Current Discount Rate (8%)	1% Increase (9%)
City's net pension liability	\$ 3,146,085	\$ 2,451,869	\$ 1,871,764

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

City of Roosevelt Park
NOTES TO FINANCIAL STATEMENTS
November 30, 2017

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, 2017, the City recognized pension expense of \$364,543. At November 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Differences in experience	\$ 4,657
Net difference between projected and actual net investment income	115,205
Contributions subsequent to the measurement date*	287,020
Total	\$ 406,882

*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, 2018.

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
2018	\$ 53,036
2019	48,378
2020	38,598
2021	(20,150)

Payables to the Pension Plan

At November 30, 2017, the City reported a payable of \$36,566 for the outstanding amount of contributions to the pension plan required for the year ended November 30, 2017.

City of Roosevelt Park
NOTES TO FINANCIAL STATEMENTS
November 30, 2017

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, 2017, City and employee contributions were \$8,372 and \$8,022, 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. Nonvested 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, 2017, forfeitures reduced the City's expense by \$8,428.

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 has a retiree healthcare funding vehicle (Retiree Healthcare Plan) administered by the Municipal Employees Retirement System (MERS), an agent multiple-employer postemployment healthcare plan (OPEB). The Retiree Healthcare Plan is established under the authority of section 115 of the IRS code and is exempt from taxation. The Retiree Healthcare Plan provides health insurance to eligible retirees and their spouses. Act No. 149 of the Public Acts of 1999 of the State of Michigan assigns the authority to establish and amend the benefit provisions of the Retiree Healthcare Plan to the respective employer entities; that authority rests with the City. A copy of the complete financial report and required supplemental information can be obtained by writing to:

City of Roosevelt Park
900 Oak Ridge Road
Roosevelt Park, MI 49441

City of Roosevelt Park
NOTES TO FINANCIAL STATEMENTS
November 30, 2017

NOTE J—OTHER POST-EMPLOYMENT BENEFITS—Continued

Funding Policy

The contribution requirements of plan members and the City are established and may be amended by the City Council. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the City. For the year ended November 30, 2017, the City contributed \$147,144 to the Retiree Healthcare Plan, of which \$47,144 were direct payments to retirees and \$100,000 were contributed directly to the trust, which is 73 percent of the annual other postemployment benefit (OPEB) cost.

Annual OPEB Cost and Net OPEB Obligation

The City’s OPEB cost is calculated based on the annual required contribution (ARC), an actuarially-determined amount. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City’s annual OPEB cost for the year, the amount actually contributed to the Retiree Healthcare Plan, and changes in the City’s net OPEB obligation:

Annual required contribution	\$ 214,085
Interest on net OPEB obligation	18,504
Adjustment to annual required contribution	<u>(31,041)</u>
Net OPEB cost	201,548
Payments made to or on behalf of retirees	47,144
Contributions made to OPEB trust	<u>100,000</u>
Increase in net OPEB obligation	54,404
Net OPEB obligation at beginning of year	<u>361,639</u>
Net OPEB obligation at end of year	<u><u>\$ 416,043</u></u>

Trend Information

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
11/30/15	\$ 142,806	45 %	\$ 225,530
11/30/16	177,185	23	361,639
11/30/17	201,548	73	416,043

City of Roosevelt Park
NOTES TO FINANCIAL STATEMENTS
November 30, 2017

NOTE J—OTHER POST-EMPLOYMENT BENEFITS—Continued

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the Retiree Healthcare Plan as understood by the employer and Retiree Healthcare Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of Retiree Healthcare Plan members not contributing to the Retiree Healthcare Plan. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The required contribution was determined as part of the November 2016 actuarial valuation using the entry age normal (level percent of pay) actuarial cost method. The actuarial assumptions (a) 5.15 percent investment rate of return (net of administrative expenses), (b) an annual healthcare trend rate of 8 percent initially, reduced by decrements to an ultimate rate of 5 percent after 6 years. Both rates include a 5 percent inflation assumption. The OPEB Plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at November 2016 is 15 years.

Funded Status and Progress

As of November 2016, the most recent actuarial valuation date, the Retiree Healthcare Plan was 14 percent funded. The actuarial accrued liability for benefits was approximately \$1,550,000, and the actuarial value of assets was \$221,000, resulting in an unfunded actuarial liability (UAAL) of approximately \$1,329,000. Information on the covered payroll (annual payroll of active employees covered by the Retiree Healthcare Plan) and the ratio of the UAAL to the covered payroll was not available.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of the Retiree Healthcare Plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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.

City of Roosevelt Park
NOTES TO FINANCIAL STATEMENTS
November 30, 2017

NOTE K—UPCOMING ACCOUNTING PRONOUNCEMENTS

GASB Statement 75—*Accounting and Financial Reporting for Postemployment Benefits other than Pensions* was issued by the GASB in June 2015 and will be effective for the City’s 2018 fiscal year. The statement requires governments that participate in postemployment benefits other than pensions (OPEB) to report in their Statement of Net Position a net OPEB liability. The net OPEB liability is the difference between the total OPEB liability (the present value of projected benefit payments to employees based on their past service) and the assets (mostly investments reported at fair value) set aside in a trust and restricted to paying benefits to current employees, retirees, and their beneficiaries. The net OPEB liability recorded in the Statement of Net Position on December 1, 2017 will be significant.

GASB Statement 84—*Fiduciary Activities* was issued by the GASB in January 2017 and will be effective for the City’s 2020 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 establishes 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 in the basic financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

City of Roosevelt Park
Required Supplementary Information
BUDGETARY COMPARISON SCHEDULE
General Fund
For the year ended November 30, 2017

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 1,538,000	\$ 1,538,000	\$ 1,527,169	\$ (10,831)
Licenses and permits	102,800	102,800	114,526	11,726
Intergovernmental revenues				
Federal	-	-	1,751	1,751
State	344,800	344,800	360,935	16,135
Charges for services	615,500	615,500	587,653	(27,847)
Fines and forfeitures	14,000	14,000	9,937	(4,063)
Investment earnings	2,300	2,300	2,956	656
Other	18,700	18,700	43,338	24,638
Total revenues	2,636,100	2,636,100	2,648,265	12,165
EXPENDITURES				
Current				
General government				
City Council	11,350	11,400	8,026	3,374
City manager	55,075	77,335	78,155	(820)
Clerk	29,367	29,522	19,509	10,013
Treasurer	72,546	73,473	67,558	5,915
Assessor	29,324	31,874	29,370	2,504
Attorney	41,500	50,400	47,869	2,531
Office operations	101,500	113,900	100,195	13,705
Personnel	193,000	395,300	390,100	5,200
City hall, garage and grounds	84,700	88,760	85,511	3,249
Public safety				
Police department	714,715	738,857	722,872	15,985
Fire department	225,000	225,000	225,000	-
Inspections	38,310	46,518	41,571	4,947
Public works				
Public service	347,600	349,915	337,162	12,753
Sidewalks	5,000	8,075	6,397	1,678
Sanitation	206,600	206,600	209,493	(2,893)
Culture and recreation				
Parks	41,550	41,300	56,208	(14,908)
Other governmental functions	20,321	20,741	18,425	2,316
Capital outlay	72,500	89,975	90,155	(180)
Total expenditures	2,289,958	2,598,945	2,533,576	65,369
Excess of revenues over (under) expenditures	346,142	37,155	114,689	77,534
OTHER FINANCING USES				
Transfers out	(430,313)	(430,313)	(243,313)	187,000
Net change in fund balance	\$ (84,171)	\$ (393,158)	(128,624)	\$ 264,534
Fund balance at December 1, 2016			1,176,647	
Fund balance at November 30, 2017			\$ 1,048,023	

City of Roosevelt Park
 Required Supplementary Information
BUDGETARY COMPARISON SCHEDULE
 Major Streets Fund
 For the year ended November 30, 2017

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues - State	\$ 218,400	\$ 218,400	\$ 228,825	\$ 10,425
Investment earnings	-	-	390	390
Other	9,000	9,000	11,821	2,821
Total revenues	227,400	227,400	241,036	13,636
EXPENDITURES				
Current				
Public works	181,381	189,590	162,663	26,927
Net change in fund balance	<u>\$ 46,019</u>	<u>\$ 37,810</u>	78,373	<u>\$ 40,563</u>
Fund balance at December 1, 2016			<u>280,294</u>	
Fund balance at November 30, 2017			<u>\$ 358,667</u>	

City of Roosevelt Park
 Required Supplementary Information
BUDGETARY COMPARISON SCHEDULE
 Local Streets Fund
 For the year ended November 30, 2017

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget- Positive (Negative)
REVENUES				
Intergovernmental revenues - State	\$ 82,000	\$ 82,000	\$ 86,342	\$ 4,342
Investment earnings	-	-	70	70
Total revenues	82,000	82,000	86,412	4,412
EXPENDITURES				
Current				
Public works	269,700	506,420	698,045	(191,625)
Excess of revenues over (under) expenditures	(187,700)	(424,420)	(611,633)	(187,213)
OTHER FINANCING SOURCES				
Transfers in	187,000	-	622,382	622,382
Net change in fund balance	<u>\$ (700)</u>	<u>\$ (424,420)</u>	10,749	<u>\$ 435,169</u>
Fund balance at December 1, 2016			<u>66,358</u>	
Fund balance at November 30, 2017			<u>\$ 77,107</u>	

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>2016</u>	<u>2015</u>	<u>2014</u>
TOTAL PENSION LIABILITY			
Service cost	\$ 48,638	\$ 57,340	\$ 60,897
Interest	424,094	416,204	404,879
Differences between expected and actual experience	9,314	(108,872)	-
Changes in assumptions	-	234,908	-
Benefit payments, including refunds of employee contributions	(344,362)	(333,547)	(319,896)
Net change in total pension liability	137,684	266,033	145,880
Total pension liability at beginning of year	5,449,033	5,183,000	5,037,120
Total pension liability at end of year (a)	<u><u>\$ 5,586,717</u></u>	<u><u>\$ 5,449,033</u></u>	<u><u>\$ 5,183,000</u></u>
PLAN FIDUCIARY NET POSITION			
Contributions-employer	\$ 187,717	\$ 175,793	\$ 174,147
Net investment income	331,550	(46,155)	195,733
Benefit payments, including refunds of employee contributions	(344,362)	(333,547)	(319,896)
Administrative expenses	(6,549)	(6,835)	(7,162)
Net change in plan fiduciary net position	168,356	(210,744)	42,822
Plan fiduciary net position at beginning of year	2,966,492	3,177,236	3,134,414
Plan fiduciary net position at end of year (b)	<u><u>\$ 3,134,848</u></u>	<u><u>\$ 2,966,492</u></u>	<u><u>\$ 3,177,236</u></u>
City's net pension liability at end of year (a)-(b)	<u><u>\$ 2,451,869</u></u>	<u><u>\$ 2,482,541</u></u>	<u><u>\$ 2,005,764</u></u>
Plan fiduciary net position as a percentage of the total pension liability	56.11%	54.44%	61.30%
Covered employee payroll	\$ 407,977	\$ 458,203	\$ 498,792
City's net pension liability as a percentage of covered employee payroll	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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Actuarially determined contribution	\$ 203,232	\$ 186,690	\$ 174,529	\$ 178,444	\$ 148,018	\$ 152,718	\$ 135,328	\$ 119,061	\$ 99,637	\$ 112,151
Contributions in relation to the actuarially determined contribution	303,232	186,690	174,529	178,444	148,018	152,718	135,328	119,061	99,637	112,151
Contribution deficiency (excess)	<u>\$ (100,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 407,977	\$ 458,203	\$ 498,792	\$ 483,433	\$ 478,580	\$ 506,249	\$ 629,711	\$ 590,239	\$ 608,648	\$ 687,600
Contributions as percentage of covered employee payroll	74.3%	40.7%	35.0%	36.9%	30.9%	30.2%	21.5%	20.2%	16.4%	16.3%

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	22 years
Asset valuation method	5-year smoothed market
Inflation	2.5 percent
Salary increases	3.75 percent
Investment rate of return	7.75 percent, net of investment and administrative expenses
Retirement age	Varies depending on plan adoption
Mortality	50 percent Female/50 percent Male RP-2014 Group Annuity Mortality Table

City of Roosevelt Park
 Required Supplementary Information
SCHEDULE OF FUNDING PROGRESS – RETIREE HEALTHCARE PLAN
 For the year ended November 30, 2017

(Dollar amounts in thousands)

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Entry Age</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
11/30/10	\$ 150	\$ 847	\$ 697	18 %	not available	not available
11/30/13	169	1,057	888	16	not available	not available
11/30/16	221	1,550	1,329	14	not available	not available

OTHER SUPPLEMENTARY INFORMATION

City of Roosevelt Park
COMBINING BALANCE SHEET
 Other Governmental Funds
 November 30, 2017

	Total Other Governmental Funds	Special Revenue Fund Roosevelt Park Day	Capital Projects Fund Roosevelt Road Construction	Debt Service Fund Roosevelt Road Debt Service
ASSETS				
Cash and investments	\$ 311,588	\$ 25,380	\$ 286,208	\$ -
FUND BALANCES				
Restricted				
Streets and highways	\$ 286,208	\$ -	\$ 286,208	\$ -
Roosevelt Park Day	25,380	25,380	-	-
Total fund balances	\$ 311,588	\$ 25,380	\$ 286,208	\$ -

City of Roosevelt Park
**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**
Other Governmental Funds
For the year ended November 30, 2017

	Total Other Governmental Funds	Special Revenue Fund Roosevelt Park Day	Capital Projects Fund Roosevelt Road Construction	Debt Service Fund Roosevelt Road Debt Service
REVENUES				
Investment earnings	\$ 2,360	\$ 13	\$ 2,347	\$ -
Other	7,271	7,271	-	-
Total revenues	9,631	7,284	2,347	-
EXPENDITURES				
Current				
Culture and recreation	8,486	8,486	-	-
Debt service				
Principal	145,000	-	-	145,000
Interest and fees	98,313	-	-	98,313
Capital outlay	22,678	-	22,678	-
Total expenditures	274,477	8,486	22,678	243,313
Excess of revenues over (under) expenditures	(264,846)	(1,202)	(20,331)	(243,313)
OTHER FINANCING SOURCES (USES)				
Transfers in	243,313	-	-	243,313
Transfers out	(622,382)	-	(622,382)	-
Total other financing sources (uses)	(379,069)	-	(622,382)	243,313
Net change in fund balances	(643,915)	(1,202)	(642,713)	-
Fund balances at December 1, 2016	955,503	26,582	928,921	-
Fund balances at November 30, 2017	\$ 311,588	\$ 25,380	\$ 286,208	\$ -