

CITY OF MT. PLEASANT

Michigan



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended December 31, 2015

Issued by:

Mary Ann Kornexl, CPA, MiCPT
Finance Director/City Treasurer

City of Mt. Pleasant

Comprehensive Annual Financial Report

Introductory Section

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THE CITY OF MT. PLEASANT, MICHIGAN

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PUBLIC SAFETY

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PUBLIC WORKS

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May 13, 2016

Honorable Mayor
Members of the City Commission
Citizens and Friends of Mt. Pleasant, Michigan

Article VII, Section 15 of the City Charter and State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Mt. Pleasant (the City) for the fiscal year ended December 31, 2015.

This report consists of management's representations concerning the finances of the City of Mt. Pleasant. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Mt. Pleasant has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Mt. Pleasant financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Mt. Pleasant comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Mt. Pleasant financial statements have been audited by Vredevelde, Haefner LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Mt. Pleasant for the fiscal year ended December 31, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statements presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Mt. Pleasant financial statements for the fiscal year ended December 31, 2015 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Management's discussion and analysis (MD&A) is presented immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The City of Mt. Pleasant, incorporated in 1889, is located in the central part of the State of Michigan at the intersection of US127 and M20. The City currently occupies 7.8 square miles and serves a population of 26,016. The City is governed by a charter that was last amended in 2015. A City's charter is like a local constitution, which spells out the basic form of government and lists the authority and responsibilities of all the players. The City of Mt. Pleasant is empowered to levy a property tax on both real and personal property located within the City.

Mt. Pleasant has a "commission/manager" form of government. Policy-making and legislative authority are vested in the commission consisting of the mayor, vice-mayor and five other members. The commission is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the City's manager, clerk, assessor, treasurer and attorney. The commission is elected at large on a non-partisan basis. Commission members serve three-year overlapping terms.

The manager is responsible for carrying out the policies and ordinances of the commission, for overseeing the day-to-day operations of the city, and for appointing the heads of the various departments.

The commission adopts an annual budget. The annual budget serves as a foundation for the City of Mt. Pleasant's financial planning and control. For a narrative on the budget process see Note 2 in the Notes to Financial Statements section of this report.

Reporting Entity and Services - As required by generally accepted accounting principles, these financial statements present the City of Mt. Pleasant and related component units. The individual component units are included in the City's reporting entity because of their operational or financial relationships with the City.

The City provides a full range of municipal services. These services include parks; police and fire protection; water, sewer, and sanitation services; the construction and maintenance of highways, streets, and infrastructure; and recreational activities and cultural events. In addition to general government activities, because of the significance of their operational and financial relationship, Tax Increment Finance Authority (TIFA), Economic Development Corporation (EDC), Mission Street Downtown Development Authority (DDA), Local Development Finance Authority (LDFA) and Brownfield Redevelopment Authority (BRDA) are included in the City's reporting entity.

Factors Affecting Economic Condition

Local Economy - The geographical location of the City of Mt. Pleasant allows easy access to major highways, which provides several advantages to the community and being the home to Central Michigan University leads to stability for the local economy. The tourism industry continues to prosper in and around Mt. Pleasant. It has become a leading tourist destination in the state for both its' park system and also the attractions in the surrounding areas such a regional shopping opportunities, premier golf and the Soaring Eagle Casino.

Factors Affecting Economic Condition (Continued)

Central Michigan University is the fourth largest University in the State of Michigan. They have been able to maintain stable enrollment despite less high school graduates in the state. CMU is committed to achieving operational efficiencies to keep tuition increases inline. They have also increased the available financial aid from \$31.2m in 2008 to \$62.3m in 2015. In 2012 CMU opened the nation's 137th medical school. The third year class includes 104 students with over 20% from central and northern Michigan. CMU is the City's largest utility customer and keeping enrollment stable is vital to the City's utility funds.

The City of Mt. Pleasant weathered the downturn in Michigan's economy quite well. City leaders ensured that an adequate "rainy day" fund was set aside for the General Fund and also created additional funds in the unassigned fund balance by saving funds from position vacancies, cutting costs, taking advantage of grant opportunities, and streamlining processes as a part of normal business practice. Between 2006 and the end of 2015, the staffing across all City departments decreased by a headcount of almost 12% of the workforce.

In 2008, the City Commission created an Economic Development Fund targeted to incent redevelopment of our tax base. The City Commission assigned \$1.8 million of General Fund Fund Balance to assist with these economic initiatives in an effort to maintain and grow the tax base and job development within the City. As of the end of 2015 funds in the General Fund Assigned for Economic Development totaled \$669,675. Economic development efforts have resulted in a growth in taxable value of over \$7.8 million over the last six years in specific projects that were a result of the Economic Development Action Plan.

The City will continue to invest in our own economic turnaround by aggressively supporting the re-development of the Mission Street corridor and encouraging start-up businesses that are willing to add to the quality, livability and vitality of our community. The City is positioned to provide financing assistance for demolition and site clearance, low interest façade improvement loans, incentives for start-up businesses; small working capital loans and assistance with working through other state loan and grant programs. In 2016 funds were allocated to provide no interest facade improvement loans in the Central Business District.

To balance the operating budget, the City continues to invest in growth and regularly evaluates the expenditure side of the budget. In 2014 the City Commission approved a .5 mill increase in the millage rate to invest in keeping the public infrastructure well maintained. This continued in 2015.

State of Michigan Budget - The State's 2015-16 budget changed the nature of the revenue stream of a portion of the State Shared Revenue (sales tax) distribution to local units of government for City, Village and Township Revenue Sharing (CVTRS). The portion of the sales tax that was distributed to local units of government as part of the statutory process and driven by a formula was drastically changed from the change in 2011. In order to receive CVTRS, the City must demonstrate compliance with the State's requirements for accountability and transparency. These requirements consist of five categories of reporting. The City has met all five categories.

Factors Affecting Economic Condition (Continued)

In addition to the changes in the formula for distribution the State has allocated less funds to the State Shared Revenue program since 2002. According to SaveMICity.org the City's revenue sharing has decreased \$11,549,822 since 2002. During 2016 an information campaign was initiated by Michigan Municipal League to increase awareness of the impact of these losses on municipalities in Michigan.

In addition, in December 2012 the Legislature approved laws to eliminate portions of the personal property tax in 2014 and identified mechanisms for partial revenue replacement. In early 2014 the legislature passed revised laws in regards to this change which result in complete replacement of the lost personal small parcel personal property taxes. In 2014 the Legislature passed bills to replace local property tax revenue lost with the elimination of personal property taxes. In 2016 the phase in of exemption of eligible manufacturing personal property will begin. The Legislature has created a State-wide essential services tax on this property that will be paid to local unit of government to replace the tax lost that would have been used for police, fire and ambulance service.

During 2015 the Legislature approved supplemental funding for the State's failing roads. According to projections provided by the State, it is anticipated the City will receive an additional \$2.7 million over the 5 years beginning in State fiscal year 2017. The additional State funding is expected to be \$390,000 in 2017 increasing to \$1.1 million in 2021. These funds will be used to repair major and local streets in the city.

Capital Improvement Planning - The City Charter requires the preparation of a five-year Capital Improvement Plan. This plan is approved by the City Commission in the June preceding the upcoming five years so that adequate time exists for the Planning Commission and the public to have input into the plan prior to the operational budgeting process being started. Such strategic thinking allows infrastructure needs to be properly integrated and adequately financed.

In 1996 the City took a proactive approach in levying a separate capital improvement millage. The revenues generated from this millage are used for ongoing repairs and maintenance to roads, parks, sidewalks, and non-enterprise fund capital infrastructure. The City Commission approved increasing the millage to 2.0 mills in 2014 and it generates approximately \$800,000 annually. In addition to this dedicated millage, other funds support annual capital projects including the Water and Sewer Enterprise Funds, tax capture districts, Act 51 street funds, and grants and donations throughout the entire organization.

In March of 2014 the City received notice of award of a \$2 million Michigan Department of Environmental Quality Stormwater Asset Management and Wastewater (SAW) grant. The grant provides for full evaluations of the condition of the City's wastewater and storm water systems, including such assets as sewer lines, manholes, and lift stations that are underground and out of site.

The five-year capital improvement plan estimates funding availability compared to needs over the next five years and ensures that projects are coordinated and planned to maximize the use of the resources and minimize any disruptive impact within areas of the City. In recent years the focus of the use of funds has been more on maintaining existing infrastructure and less on expanding or creating new infrastructure.

Factors Affecting Economic Condition (Continued)

Mt. Pleasant Center Land - In April, 2011 the City took ownership of the 300 acres from the State of Michigan which was previously used as a center for the developmentally disabled. The City purchase was based on a primary focus on the re-development to be used for increased tax base and/or jobs within the City as the market is ready. The City hired a project management team comprised of Spicer Engineering, AKT Peerless and CBRE to oversee the planning and redevelopment of this land and thus far has been awarded almost \$2.3 million in grants and loans to assist with the demolition and environmental abatement of the existing infrastructure on the site.

The redevelopment of this 300 acres will be a multi-decade process as it was always anticipated to be. During 2013 the demolition and abatement of some buildings on the property began and was completed in 2014. All the remaining buildings and infrastructure will be demolished in 2016.

Awards and Acknowledgements

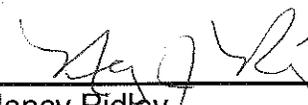
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Mt. Pleasant for its comprehensive annual financial reporting for the fiscal year ended December 31, 2014. This Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. This marks the 28th consecutive year the City has received the award.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report (CAFR), whose contents conform to program standards. Such CAFR must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City believes this current report continues to conform to the Certificate of Achievement program requirements, and will be submitting it to GFOA.

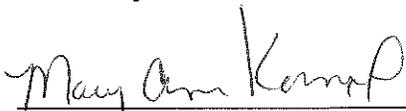
The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the Department has our sincere appreciation for the contributions made in the preparation of this report. Thank you to Sue Jones for editing the report. In addition, we would like to recognize the City Commission in general and the Audit Committee more specifically for its leadership and support.

Sincerely,



Nancy Ridley
City Manager

Sincerely,



Mary Ann Kornexl, CPA, MiCPT
Finance Director/City Treasurer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Mount Pleasant
Michigan**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

Executive Director/CEO

CITY OF MT. PLEASANT
PRINCIPAL OFFICIALS
DECEMBER 31, 2015

Mayor

James Holton

Vice-Mayor

Rick Rautanen

City Commission

Jon Joslin
Anthony Kulick
Kathleen Ling
Matthew Sous
Mike Verleger

City Manager

Nancy J. Ridley

Finance Director /Treasurer

Mary Ann Kornexl

CITY RESIDENTS

Appointees:
 Airport Advisory Board
 Audit Committee
 Board of Review
 Building Authority
 Building, Fire and Sanitary Sewer Board of Appeals
 City Attorney
 Center for Applied Research Technology/ Local Development Finance Authority
 Central Dispatch 9-1-1 Governing Board
 Chippewa River District Library Board
 Cultural and Recreational Commission
 Economic Development Corporation/ Brownfield Redevelopment Authority

MT. PLEASANT CITY COMMISSION

Jim Holton, Mayor
 Rick Rautanen, Vice Mayor
 Jon Joslin, Commissioner
 Tony Kulick, Commissioner
 Kathleen Ling, Commissioner
 Matt Sous, Commissioner
 Mike Verleger, Commissioner

Appointees:
 Fire and Police Retirement Board
 Historic District Commission
 Housing Commission
 Isabella County Transportation Commission
 Isabella County Material Recovery Facility Governing Board
 Local Officers Compensation Commission
 Parks and Recreation Commission
 Planning Commission
 Principal Shopping District Board
 Tax Increment Finance Authority/Downtown Development Authority
 Zoning Board of Appeals
 Ad Hoc Advisory Committees

CITY MANAGER
 Nancy Ridley

PUBLIC WORKS
 John Zang,
 Director

FINANCIAL SERVICES
 Mary Ann Kornexl,
 Director/Treasurer

HUMAN RESOURCES
 Susanne Gandy,
 Director

CITY CLERK
 Jeremy Howard,
 City Clerk

PUBLIC SAFETY
 Glenn Feldhauser
 Director/Police Chief

COMMUNITY SERVICES and ECONOMIC DEVELOPMENT
 Bill Mrdeza,
 Director

WASTEWATER
 Steven Hein, Assistant Public Works Director/Supervisor

INFORMATION TECHNOLOGY
 Chris Saladine,
 Assistant Finance Director

PUBLIC RELATIONS
 Mollie Ferency,
 Coordinator

FIRE/CODE ENFORCEMENT
 Rick Beltinck, Chief

BUILDING SAFETY
 Brian Kench, Building Official

AIRPORT
 John Benzinger, Manager

ASSESSING
 David Rowley, Assessor

POLICE
 Paul Lauria, Captain

DOWNTOWN DEVELOPMENT
 Michelle Sponseller, Director

ENGINEERING
 Stacie Tewari, City Engineer

UTILITY BILLING
 Sue Jones, Supervisor

PUBLIC SAFETY RECORDS
 Christy Dush, Supervisor

PARKS and PUBLIC SPACES
 Chris Bundy, Director

STREETS & MOTOR POOL
 Bob Murphy, Superintendent

PLANNING and COMMUNITY DEVELOPMENT
 Jacob Kain, Planner

WATER
 Malcolm Fox, Supervisor

RECREATION and SPORTS
 Ryan Longoria, Director

**Organization Chart
 2015**



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INDEPENDENT AUDITORS' REPORT

May 13, 2016

Honorable Mayor and Members of the City Commission
City of Mt. Pleasant
Mt. Pleasant, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Mt. Pleasant (the City), as of and for the year ended December 31, 2015, 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Mt. Pleasant, Michigan, as of December 31, 2015, 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 on pages 11–26 and the information on pages 110–126 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's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Uredaxold Haefner LLC

City of Mt. Pleasant

Management's Discussion and Analysis

This section of the City of Mt. Pleasant's financial report presents our discussion and analysis of the City's financial performance during the fiscal year ended December 31, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-5 of this report.

Financial Highlights

- ❖ The assets of the City of Mt. Pleasant exceeded its liabilities at December 31, 2015 by \$43.9 million. Of this amount \$6.3 million is unrestricted and available for ongoing operations for citizens and obligations to creditors. This is significantly less than the prior year due to recording the Net Pension Obligation of \$13.9 million for the first time in 2015.
- ❖ The City's total net position decreased by \$2.2 million.
- ❖ As of December 31, 2015, the City of Mt. Pleasant's governmental funds reported combined ending fund balances of \$11.1 million, an increase of \$.4 million in comparison with prior year. The increase was primarily due to ACT 51 Major Street Funds and Capital Improvement Funds
- ❖ As of December 31, 2015, unassigned fund balance for the General Fund was \$1,334,427 or 10% of the 2016 operating budget. Assigned fund balance for the General Fund was \$5,614,842 or 43.9% of the 2016 operating budget.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Mt. Pleasant's basic financial statements. The City of Mt. Pleasant's basic financial statements comprise 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.

City of Mt. Pleasant

Management's Discussion and Analysis

Overview of the Financial Statements (Continued)

Government-wide Financial Statements - The government-wide financial statements are designed to provide readers with a broad overview of the City of Mt. Pleasant's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City of Mt. Pleasant's assets and liabilities, 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 of Mt. Pleasant is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenue and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Mt. Pleasant that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Mt. Pleasant include general government, public safety, public works, highways, streets and bridges and community development. The business-type activities of the City of Mt. Pleasant include Water, Sewer, Solid Waste, Land Development and Airport operations.

The government-wide financial statements include not only the City of Mt. Pleasant itself (known as the primary government), but also legally separate entities for which the City of Mt. Pleasant is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself. They are the Tax Increment Financing Authorities (TIFA), Downtown Development Authority (DDA), Local Development Finance Authority (LDFA), Economic Development Corporation (EDC) and Brownfield Redevelopment Authority (BRDA). The Building Authority, although also legally separate, functions for all practical purposes as a department of the City of Mt. Pleasant, and therefore has been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 28-31 of this report.

City of Mt. Pleasant

Management's Discussion and Analysis

Overview of the Financial Statements (Continued)

Fund Financial Statements - A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The City of Mt. Pleasant, 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 of Mt. Pleasant 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 near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial 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 near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenue, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Mt. Pleasant maintains twelve individual governmental funds for budgetary purposes. Three of these funds don't meet the GASB #54 criteria for separate financial reporting as a fund and are combined with the General Fund for financial reporting. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures, and changes in fund balances for the General fund, Major and Local Street funds. The General fund is considered to be a major fund and the Major and Local Street funds have significant reporting value to the City and have been displayed as major funds. Data from the other six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Mt. Pleasant adopts annual appropriated budgets for its general fund and special revenue funds. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 28-108 of this report.

City of Mt. Pleasant

Management's Discussion and Analysis

Overview of the Financial Statements (Continued)

Proprietary Funds - The City of Mt. Pleasant maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Mt. Pleasant uses enterprise funds to account for its Water, Sewer, Solid Waste, Land Development and Airport operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City of Mt. Pleasant's various functions. The City of Mt. Pleasant uses internal service funds to account for its self-insurance, central stores and for its motor pool operations. All of these services predominantly benefit governmental rather than business-type functions; they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Sewer and Water funds, both of which are considered to be major funds of the City of Mt. Pleasant. Data from the other three proprietary funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor proprietary funds is provided in the form of combining statements elsewhere in this report. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The proprietary fund financial statements can be found on pages 44-55.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Mt. Pleasant's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 56-57 of this report.

Notes to the 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 notes to the financial statements can be found on pages 63-108 of this report.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Mt. Pleasant's progress in funding its obligation to provide pension benefits to its employees and budget to actual presentation for the general fund and major special revenue funds. Required supplementary information can be found on pages 110-126 of this report.

City of Mt. Pleasant

Management's Discussion and Analysis

Overview of the Financial Statements (Continued)

The combining statements referred to earlier in connection with nonmajor governmental, proprietary and internal service funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 134-171 of this report.

Government-wide Financial Analysis

The City's combined net position decreased 4.9 percent from a year ago, decreasing from \$46.1 million to \$43.9 million. A review of the governmental activities, separate from the business-type activities, shows an decrease of \$1,989,922 in net position or 8.1 percent during fiscal 2015. The business-type activities experienced a \$244,958 decrease in net position. In a condensed format, the table below shows the net position (in millions of dollars) as of December 31, 2015 as compared to December 31, 2014.

	Government		Business		Total	
	2015	2014	2015	2014	2015	2014
Assets						
Current Assets	\$14.9	\$15.0	\$8.2	\$8.1	\$23.1	\$23.1
Non-Current Assets						
Nonrestricted	0.4	0.5	2.0	2.1	2.4	2.6
Capital Assets	22.1	23.5	19.5	20.5	41.6	44.0
Deferred Outflows	2.6	-	0.5	0.1	3.1	0.1
Total Assets and Deferred Outflows	40.0	39.0	30.2	30.8	70.2	69.8
Liabilities						
Current Liabilities	2.4	2.4	1.3	1.4	3.7	3.8
Non-current Liabilities	15.0	3.8	7.6	5.9	22.6	9.7
Total Liabilities	17.4	6.2	8.9	7.3	26.3	13.5
Net Position						
Net Invested in						
Capital Assets	19.6	20.5	14.0	14.2	33.6	36.6
Restricted	2.3	2.3	1.7	1.8	4.0	4.1
Unrestricted	.7	10.0	5.6	7.5	6.3	15.6
Total Net Position	\$22.6	\$32.8	\$21.3	\$23.5	\$43.9	\$56.3

City of Mt. Pleasant

Management's Discussion and Analysis

Government-wide Financial Analysis (Continued)

The following table shows the changes in net position:

	Government		Business		Total	
	2015	2014	2015	2014	2015	2014
Program Revenue						
Charges for Services	\$3.2	\$2.9	\$5.8	\$5.6	\$9.0	\$8.5
Operating Grants	2.7	2.8	0.4	0.4	3.1	3.2
Capital Grants	-	-	-	0.3	-	0.3
General Revenue						
Property Taxes	6.7	6.6	0.1	0.1	6.8	6.7
Revenue Sharing	2.7	2.7	-	-	2.7	2.7
Interest Earnings	-	-	-	-	-	-
Miscellaneous	0.4	0.1	-	-	0.4	0.1
Total Revenue	15.7	15.1	6.3	6.4	22.0	21.5
Expenses						
General Government	6.0	5.5	-	-	6.0	5.5
Public Safety	7.8	6.8	-	-	7.8	6.8
Public Works	1.4	1.1	-	-	1.4	1.1
Highways, Streets & Bridges	2.4	2.5	-	-	2.4	2.5
Community Development	-	0.5	-	-	-	0.5
Interest on Long-Term Debt	0.2	0.1	-	-	0.2	0.1
Sewer	-	-	2.7	2.7	2.7	2.7
Water	-	-	2.9	2.7	2.9	2.7
Solid Waste	-	-	0.4	0.4	0.4	0.4
Land Development	-	-	-	-	-	-
Airport	-	-	0.4	0.5	0.4	0.5
Total Expenses	17.8	16.5	6.4	6.3	24.2	22.8
Excess (Deficiency) Before Transfers	(2.1)	(1.4)	(0.1)	0.1	(2.2)	(1.3)
Transfers	0.1	0.1	(0.1)	(0.1)	-	-
Increase (Decrease) in Net Position	(2.0)	(1.3)	(0.2)	(0.0)	(2.2)	(1.3)
Net Position - Beginning of Year	24.6	34.1	21.5	23.5	46.1	57.6
Net Position - End of Year	\$22.6	\$32.8	\$21.3	\$23.5	\$43.9	\$56.3

Beginning net position 2015 of the City was decreased to record the net pension liability in accordance with the implementation of Government Accounting Standards Board Statement No. 68.

City of Mt. Pleasant

Management's Discussion and Analysis

Government-wide Financial Analysis (Continued)

Governmental Activities - The City's total governmental revenue increased by approximately \$0.6 million. Expenses increased by about \$1.3 million.

During the year, the City continued meeting the actuarial required contributions for both of the defined benefit pension systems and the retiree health care benefits trust.

Business-type Activities - The City's business-type activities consist of the Water, Sewer, Solid Waste, Airport and Land Development. The City provides water, sewer and solid waste disposal to all residents of the City. The number of customers remained steady. The usage for water and sewer increased slightly due to a longer summer and an increase in summer irrigation. There were no changes to the sewer, water or solid waste rates in 2015.

The Airport saw decrease in fuel sales revenue due to the decrease in the volume of fuel sold. The land development fund includes the Project 2000 and Center property acreage. All the remaining lots in Project 2000 are sold on land contract. Land formerly known as the Mt. Pleasant Center was purchased during 2011. Demolition of some of the buildings on the Center property began in 2013 and was completed in 2014. \$350,000 in grant funding was awarded and all the remaining buildings and infrastructure will be demolished in 2016.

Business-type activities decrease in net position of \$.2 million includes depreciation expense of \$1.6 million.

Financial Analysis of the Government's Funds

The City's major fund's presentations begin on page 32, following the government-wide financial statements. The fund financial statements provide detailed information about the most significant funds, not the City as a whole. The City Commission creates funds to help manage money for specific purposes as well as to show accountability for certain activities, such as State of Michigan Act 51 major and local street revenue sharing and the debt retirement.

City of Mt. Pleasant

Management's Discussion and Analysis

Financial Analysis of the Government's Funds (Continued)

General Fund - The General Fund receives all City revenue not designated for specific use by statutes or the City Charter and accounts for most of the services provided to residents. A comparison to the budget is on pages 110-111. Information relative to the General Fund's revenue, expenditures and fund balance is shown below:

	2015 Amount	2015 Percent of Total	Increase (Decrease) 2014
REVENUE			
Taxes	\$5,687,520	44.8%	\$63,793
Licenses and Permits	437,970	3.4%	28,286
Intergovernmental	2,846,053	22.4%	152,662
Charges for Services and Sales	2,105,544	16.5%	180,567
Fines	171,660	1.3%	(23,900)
Interest	27,316	0.2%	(3,301)
Miscellaneous	591,709	4.7%	31,994
Subtotal	11,867,772	93.3%	430,101
Transfers from Other Funds	856,733	6.7%	(164,202)
Total	<u>\$12,724,505</u>	<u>100.0%</u>	<u>\$265,899</u>

The increase in Intergovernmental is due to a grant received for parks flood damage in 2015. The increase in Charges for Services is due to the payment from Tax Increment Finance Authority Component Unit for the excess capture from the University Park district that expired in 2015 and contribution from the Mission Street DDA for Mast Arms for which the contract with Michigan Department of Transportation was with the City.

City of Mt. Pleasant

Management's Discussion and Analysis

Financial Analysis of the Government's Funds (Continued)

EXPENDITURES	2015 Amount	2015 Percent of Total	Increase (Decrease) 2014
Current Operations			
General Government	\$5,185,867	41.1%	\$ 185,769
Public Safety	6,213,858	49.4%	(111,366)
Public Works	748,671	5.9%	(159,882)
Community Development	17,870	0.1%	5,619
Subtotal	12,166,266	96.5%	(79,860)
Transfers to Other Funds	438,889	3.5%	29,657
Total	<u>\$12,605,155</u>	<u>100.0%</u>	<u>\$ (50,203)</u>

The increase in General Government is due to recording the Net Pension Obligation expense in 2015. The decrease in Public Safety is due to the purchase of new portable radio system, in car video cameras and vehicles in 2014. The decrease in Public Works is due to new sidewalk construction in 2014.

FUND BALANCE	2015 Amount	2015 Percent of Total	Increase (Decrease) 2014
Nonspendable			
Prepaid Expenditures	\$ 177,390	2.22%	\$ 86,160
Long-term Advance	272,380	3.41%	(3,470)
Restricted for Donations	213,102	2.67%	(174,912)
Committed for Special Assessments	369,089	4.62%	6,255
Assigned for			
Fire Truck Replacement	651,507	8.16%	30,000
Fund Balance Policy	1,700,000	21.30%	-
Economic Development	669,675	8.39%	(7,355)
Subsequent Year's Expenditures	788,705	9.88%	(4,440)
Borden Building Capital	127,810	1.60%	-
Appropriated Next Year's Budget	558,900	7.00%	164,430
Parks & Recreation	653,686	8.19%	(178,958)
CDBG Eligible Expenditures	464,559	5.82%	(28,652)
Unassigned	1,334,427	16.74%	230,292
Total	<u>\$ 7,981,230</u>	<u>100.0%</u>	<u>\$ 119,350</u>

City of Mt. Pleasant

Management's Discussion and Analysis

Financial Analysis of the Government's Funds (Continued)

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources or to finance specified activities as required by law or administrative regulation. A comparison to the budget for nonmajor special revenue funds begins on page 140. The Special Revenue Funds of the City include:

Major and Local Street Funds - These are used to account for the receipt and expenditure of state shared gas and weight taxes under Act 51, P.A. 1951, as amended. Gas and weight taxes are distributed to cities and villages in Michigan on the basis of population and the number of miles of streets. Revenue and Expenditures in the Major Street and Local Street Funds were more due to supplemental ACT 51 awarded in 2015.

Downtown Parking & Improvement Fund - This fund is used to record the revenue from parking fines for parking violations that is used to fund some maintenance and promotions in the central business district. In late 1977, the City Commission approved the removal of parking meters from streets and lots in the central business district. In 2003 a special assessment paid by property owners in the benefited area was established. This special assessment and a transfer from the General Fund, fund the activities of the fund. Revenue and expenditures increased due to additional appropriation from the General Fund.

Economic Development Fund - This fund is used to account for monies received from the State of Michigan and subsequently loaned to private enterprises for development purposes. During 2004 several loans were made to downtown business to provide working capital to improve their businesses. The State of Michigan required these funds be sent to the Regional Economic Development Fund in 2014. They are available for loans in the City from the Regional Fund. In 2015 the outstanding loan balance was collected and remitted to the Regional and the fund closed out.

Cemetery Perpetual Care Fund - This fund is used to account for a portion of the burial fees charged that is held in trust to provide for perpetual care of the cemetery. Revenue increased in 2015 due to additional spaces for sale created in the cemetery.

Building Authority - This component unit is used to account for the Mt. Pleasant Building Authority established to sell bonds and construct improvements and an addition to the Department of Public Safety Building. Construction was essentially complete in 2002. During 2015 the general fund paid rent to the Building Authority equal to the amount of debt service required on the bonds.

City of Mt. Pleasant

Management's Discussion and Analysis

Financial Analysis of the Government's Funds (Continued)

Borden Building Debt Service Fund - This fund is used to account for the accumulation of resources and the repayment of the \$3,685,000 bond issue dated December 13, 2007. The bond proceeds were used to construct the Borden Building Project. Revenue is received in an amount sufficient to pay debt service from a property tax levy and captures of property tax from the Brownfield District.

Capital Projects Fund - The Capital Projects Fund is used to account for the receipts and disbursements of monies used for the acquisition of capital facilities other than those financed by proprietary funds. The City has a Capital Project fund that is used to account for the 2.0 mill property tax levy. During 2015 the Capital Projects fund transferred to the General Fund \$562,960, Major Street \$17,750, Local Street \$150,000 and Parks & Recreation Fund \$5,000.

Enterprise Funds - Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the City is that providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the intent of the City is that periodic determination of net income is appropriate for accountability purposes. The City has the following Enterprise Funds. The Sewer Fund is used to account for the costs of collecting and treating wastewaters. The Water Fund is used to account for the costs of providing water services to City residents. The Solid Waste Management Fund is used to account for the costs of collecting and disposing of solid waste. The Airport Fund is used to account for operating and maintenance costs of the municipal airport. Revenue is received from rentals of hanger space, fuel sales and a contribution from the General Fund. The Land Development Fund is used to account for the sale and development of residential and light industrial property on property purchased by the City and the newly purchased Center property once it is ready for resale.

City of Mt. Pleasant

Management's Discussion and Analysis

Financial Analysis of the Government's Funds (Continued)

The results of these funds for the year ended December 31, 2015 are as follows:

	Sewer		Water		Solid Waste	
	2015	Increase (Decrease)	2015	Increase (Decrease)	2015	Increase (Decrease)
Operating Revenue	\$2,447,280	\$150,601	\$2,773,607	\$124,399	\$355,037	(\$3,429)
Operating Expenses	2,648,223	19,969	2,644,967	166,470	443,400	20,996
Net Income (Loss)	(200,943)	130,632	128,640	(42,071)	(88,363)	(24,425)
Nonoperating Revenue – Net	415,824	209,809	(257,210)	(6,449)	126,565	2,514
Change in Net Position	<u>\$214,881</u>	<u>\$340,441</u>	<u>(\$128,570)</u>	<u>(\$48,520)</u>	<u>\$38,202</u>	<u>(\$21,911)</u>
Net Position	<u>\$8,799,319</u>		<u>\$7,845,713</u>		<u>\$1,134,296</u>	

	Land Development		Airport	
	2015	Increase (Decrease)	2015	Increase (Decrease)
Operating Revenue	\$15,739	\$ -	\$240,158	(\$59,648)
Operating Expenses	91,808	43,749	479,642	(49,635)
Net Income (Loss)	(76,069)	(43,749)	(239,484)	(10,013)
Nonoperating Revenue – Net	-	(276,000)	83,859	(95,623)
Change in Net Position	<u>(\$76,069)</u>	<u>(\$319,749)</u>	<u>(\$155,625)</u>	<u>(\$105,636)</u>
Net Position	<u>\$1,789,141</u>		<u>\$1,315,417</u>	

City of Mt. Pleasant

Management's Discussion and Analysis

Financial Analysis of the Government's Funds (Continued)

Internal Service Funds - Internal Service Funds are used to account for the financing of special activities or services performed by a designated unit within the City for other units of the City. These funds are supported entirely by the sale of goods or services to other funds. The City operates the following Internal Service Funds. The Central Stores Purchasing Fund is used to account for the purchase and subsequent resale of operating, and repair and maintenance supplies to the various City departments. The Motor Vehicle and Equipment Fund is used to account for the purchase, maintenance, and operation of all motor vehicles except those of the Police and Fire Departments. The equipment is rented to the other operating funds at hourly rental rates to cover costs of the fund. The Self-Insurance Fund is used to account for the claims paid for employee health benefits and general liability claims deductibles and expenses. The individual funds and departments are charged monthly premiums to cover these costs. See Note 9 for more details.

Fiduciary Funds - Fiduciary Funds are established to account for assets held by the governmental unit in a trustee capacity or as an agent for individuals, private organizations, and other governmental units and/or funds. The Fiduciary Funds of the City include:

Pension Trust – Fire and Police Retirement System - A five member Board of Trustees manages this system under the provisions of P.A. 345 to provide pension benefits to police and fire retirees. See Note 11 for more details.

Police Retiree Health Medical Benefits Fund - This fund was established in 2003 to account for medical benefits provided to police retirees that were hired before January 1, 2010 and retired in 2002 or later.

Agency Funds - The City has two Agency Funds. These include funds for tax collections and payroll.

General Fund Budgetary Highlights

Over the course of the year, the City administration and City Commission monitor and amend the budget to take into account unanticipated events that occur during the year. There were no significant adjustments during 2015. A comparison of the budgeted data begins on page 110. The original budget anticipated decreasing the fund balance by \$568,140, the final budget projected decreasing the fund balance by \$161,380 and fund balance actually increased \$406,076 due to cost savings by divisions and some projects being delayed until 2016. Expenditures were \$255,379 less than budgeted due to overall savings by divisions.

City of Mt. Pleasant

Management's Discussion and Analysis

Capital Assets

At the end of fiscal 2015 the City had \$41.6 million invested in a wide range of capital assets, including land, building, police and fire equipment, computer equipment, and infrastructure. The City is reporting infrastructure assets, which include roads, bridges, sidewalks, and storm drains in which it has invested in since 1980. The value of the capital assets, net of depreciation contained in this report, is \$41.6 and \$44.0 million for fiscal 2015 and 2014, respectively (see Note 6 of the notes to the basic financial statements for additional information).

Long-term Debt

At the end of fiscal 2015, the City had total long-term debt outstanding of \$9,098,589. Of this amount \$2,455,931 is debt backed by the full faith and credit of the City and \$307,000 is backed by the Building Authority for which the City is liable in the event of default by the Building Authority. The remainder of the City's long-term debt is revenue bonds and compensated absences (see Note 7 of the notes to the basic financial statements for additional information).

Long-term Debt

	Governmental		Business		Total	
	2015	2014	2015	2014	2015	2014
General Obligation Bonds	\$2,155,931	\$2,387,752	\$ -	\$ -	\$2,155,931	\$2,387,752
Building Authority Bonds	307,000	605,000	-	-	307,000	605,000
Compensated Absences	700,658	661,744	-	-	700,658	661,744
MDEQ Loan	-	-	300,000	300,000	300,000	300,000
Revenue Bonds	-	-	5,635,000	6,390,000	5,635,000	6,390,000
Total Long- Term Debt	\$3,163,589	\$3,654,496	\$5,935,000	\$6,690,000	\$9,098,589	\$10,344,496

The City's total long-term debt decreased by \$1,245,907 due to payments on long-term debt offset by an increase in the amount of governmental activities compensated absences payable.

City of Mt. Pleasant

Management's Discussion and Analysis

Long-term Debt (Continued)

The City maintains an "A+" rating from Standard & Poors for revenue bonds and an "AA-" for general obligation bonds.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of the state equalized value. The current debt limitation of the City is \$49,105,277 which is significantly in excess of the City's outstanding general obligation debt.

Additional information on the City's long-term debt can be found in Note 7 on pages 86-88 of this report.

Economic Factors and Next Year's Budgets and Rates

The total City property tax millage currently is 16.25 mills, which is approximately 5 mills below the maximum allowed by Charter. Property tax revenues represent about 50% of the General Fund Revenue budget. The millage rate has ranged from 15.45 to 16.25 over the last 10 years with very little volatility in spite of the changes in funding from State Shared Revenue. During 2016, we expect that property tax values will experience a decrease over 2015 values due to the state exemption of eligible manufacturing personal property and small personal property parcels. The City has been fortunate that real property taxable values have decreased only once (in 2010) over the last twelve (12) years. It is expected that the State will reimburse the equivalent of taxes on the personal property tax exempted.

Based on State budget proposals, the City expects its 2016 fiscal year State Shared Revenue, which represents about 25% of the General Fund Revenue, to increase slightly. The distribution of the statutory portion of State Shared Revenue was drastically changed in the State's 2011-1 approved budget. The new program entitled Economic Vitality Incentive Program (EVIP) requires cities to meet certain performance standards in order to receive it. The City has met all of the performance standards expected for 2013-16. The State Legislature passed legislation to eliminate a portion of personal property tax revenue in 2014 as well as revenue replacement options for the loss. The decrease in State Shared revenue over the past few years, the reduction of personal property tax, and the failure of property tax increases to outpace inflationary budget increases is projected to cause gaps between future revenues and expenditures. The staff and City Commission continue to pay close attention to the changes and adjust as needed.

City of Mt. Pleasant

Management's Discussion and Analysis

Economic Factors and Next Year's Budgets and Rates (Continued)

During 2012 the City Commission contracted for an analysis of a potential City Income Tax. The analysis provided information on the revenue that could likely be generated, the potential impact on property tax rates, and the resulting impact on varying classes of taxpayers. In 2013, the City Commission determined that pursuing an Income Tax at this time was not viable.

The City will continue to focus on investing into our local economy by incenting the development and redevelopment of private business and commercial markets. The City is doing this by offering start-up incentives, interest rate subsidies for commercial loans, and greater partnerships with our regional economic development organization (Middle Michigan Development Corporation) and the Central Michigan University Research Corporation to spin-off entrepreneurial businesses. Funding for these incentives will come from both of the local Tax Increment Districts and the \$669,675 remaining in the General Fund Balance assigned for Economic Development that the City Commission created in 2008. An analysis of our economic development focus reflects an increase of over \$7.8 million in our taxable value between 2010 and 2015.

As we look forward to the next decade we will not be satisfied with merely surviving the change to the State economy. We expect to emerge providing excellent service and creating a future for our community where our citizens are safe, enriched and confident in their choice to live in mid-Michigan based on the investments we make to incent local business development and redevelopment.

Contacting the City's Management

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

City of Mt. Pleasant

City of Mt. Pleasant

	Primary Government	
	Governmental Activities	Business-type Activities
ASSETS		
Current Assets		
Cash and Investments	\$ 12,831,344	\$ 6,856,736
Receivables	2,180,280	767,472
Internal Balances	(417,854)	417,854
Other	337,301	221,433
Total Current Assets	14,931,071	8,263,495
Non-Current Assets		
Receivables	392,912	-
Development Costs	-	1,928,902
Non Depreciable Capital Assets	5,280,452	543,926
Capital Assets - Net of Accumulated Depreciation	16,783,350	18,999,945
Total Non-Current Assets	22,456,714	21,472,773
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows Related to Pension	2,632,760	380,739
Deferred Charge on Refunding	-	95,079
Total Assets and Deferred Outflows of Resources	40,020,545	30,212,086
LIABILITIES		
Current Liabilities		
Accounts Payable and Other Liabilities	1,790,831	477,948
Unearned Revenue	116,549	23,385
Long-Term Debt Due within One Year	552,000	785,000
Total Current Liabilities	2,459,380	1,286,333
Non-Current Liabilities		
Other Liabilities	1,580,763	-
Net Pension Liability	11,483,989	2,459,973
Long-Term Debt Due in more than One Year	1,910,931	5,150,000
Total Non-Current Liabilities	14,975,683	7,609,973
DEFERRED INFLOWS OF RESOURCES		
Deferred Charge on Refunding	-	12,040
Total Liabilities and Deferred Inflows of Resources	17,435,063	8,908,346
NET POSITION		
Net Invested in Capital Assets	19,600,871	13,991,910
Restricted		
Donations	278,501	76,999
Grants/Bond/Other Requirements	1,969,551	994,479
Debt Service	4,646	596,700
Unrestricted	731,913	5,643,652
Total Net Position	\$ 22,585,482	\$ 21,303,740

**Statement of Net Position
December 31, 2015**

Primary Government	Component Units
Total	Units
\$ 19,688,080	\$ 1,770,420
2,947,752	290,997
-	-
558,734	-
23,194,566	2,061,417
392,912	248,076
1,928,902	-
5,824,378	638,635
35,783,295	624,866
43,929,487	1,511,577
3,013,499	25,942
95,079	-
70,232,631	3,598,936
2,268,779	100,301
139,934	-
1,337,000	-
3,745,713	100,301
1,580,763	272,380
13,943,962	167,617
7,060,931	-
22,585,656	439,997
12,040	-
26,343,409	540,298
33,592,781	1,263,501
355,500	42,437
2,964,030	-
601,346	-
6,375,565	1,752,700
<u>\$ 43,889,222</u>	<u>\$ 3,058,638</u>

City of Mt. Pleasant

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General Government	\$ 6,016,821	\$ 1,750,647	\$ 3,862	\$ -
Public Safety	7,774,488	1,213,408	378,163	-
Public Works	1,413,147	2,200	411,685	-
Highways, Streets & Bridges	2,437,925	100,801	1,940,703	-
Community Development	21,468	21,102	-	-
Interest on Long-Term Debt	102,550	57,300	-	-
Total Governmental Activities	17,766,399	3,145,458	2,734,413	-
Business-type Activities				
Sewer	2,745,299	2,447,280	380,631	80,000
Water	2,918,188	2,773,607	-	-
Solid Waste	443,957	355,037	-	-
Land Development	91,808	15,739	-	-
Airport	482,247	240,158	57,587	-
Total Business-type Activities	6,681,499	5,831,821	438,218	80,000
Total Primary Government	\$ 24,447,898	\$ 8,977,279	\$ 3,172,631	\$ 80,000
Component Units				
EDC	\$ 9,380	\$ -	\$ -	\$ -
TIFA	488,641	-	-	-
DDA	104,605	-	-	-
LDFA	237,669	-	-	-
Brownfield	132,102	-	-	-
Total Component Units	\$ 972,397	\$ -	\$ -	\$ -
General Revenue				
Property Taxes				
Captured Tax Increments				
Economic Development				
Revenue Sharing, Unrestricted				
Interest Earnings				
Miscellaneous				
Total General Revenue				
Transfers				
Total General Revenue and Transfers				
Change in Net Position				
Net Position - January 1 (Restated)				
Net Position - December 31				

Statement of Activities
Year ended December 31, 2015

Changes in Net Assets			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (4,262,312)	\$ -	\$ (4,262,312)	
(6,182,917)	-	(6,182,917)	
(999,262)	-	(999,262)	
(396,421)	-	(396,421)	
(366)	-	(366)	
(45,250)	-	(45,250)	
(11,886,528)	-	(11,886,528)	
-	162,612	162,612	
-	(144,581)	(144,581)	
-	(88,920)	(88,920)	
-	(76,069)	(76,069)	
-	(184,502)	(184,502)	
-	(331,460)	(331,460)	
(11,886,528)	(331,460)	(12,217,988)	
			\$ (9,380)
			(488,641)
			(104,605)
			(237,669)
			(132,102)
			(972,397)
6,724,512	117,663	6,842,175	-
-	-	-	935,965
-	-	-	10,838
2,650,616	1,168	2,651,784	-
69,559	35,507	105,066	9,853
337,154	46,929	384,083	47,128
9,781,841	201,267	9,983,108	1,003,784
114,765	(114,765)	-	-
9,896,606	86,502	9,983,108	1,003,784
(1,989,922)	(244,958)	(2,234,880)	31,387
24,575,404	21,548,698	46,124,102	3,027,251
<u>\$ 22,585,482</u>	<u>\$ 21,303,740</u>	<u>\$ 43,889,222</u>	<u>\$ 3,058,638</u>

City of Mt. Pleasant

	<u>General</u>	<u>Major Street</u>
ASSETS		
Common Cash and Investments	\$ 6,472,172	\$ 1,062,480
Other Cash and Investments	395,700	-
Receivables		
Taxes	320,552	-
Special Assessments	61,628	-
Accounts	72,059	1,250
Accrued Interest	14,473	-
Contracts	-	-
Due From Other Funds	20,272	-
Due From Other Governmental Units	980,247	424,633
Long-term Advance to Component Unit	272,380	-
Prepaid Items	177,389	-
	<u> </u>	<u> </u>
Total Assets	<u>\$ 8,786,872</u>	<u>\$ 1,488,363</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE		
LIABILITIES		
Payables		
Accounts	\$ 453,451	\$ 6,995
Contractor Retainage	9,479	-
Accrued Liabilities	92,385	2,771
Unearned Revenue	196,548	128,849
	<u> </u>	<u> </u>
Total Liabilities	751,863	138,615
DEFERRED INFLOWS OF RESOURCES		
Non-Current Receivable	53,779	-
	<u> </u>	<u> </u>
Total Liabilities and Deferred Inflows of Resources	805,642	138,615

**Governmental Funds
Balance Sheet
December 31, 2015
(Continued)**

<u>Local Street</u>	<u>Other Nonmajor Governmental</u>	<u>Total Governmental</u>
\$ 461,861	\$ 1,118,825	\$ 9,115,338
-	-	395,700
-	81,972	402,524
-	-	61,628
1,250	80,100	154,659
-	-	14,473
-	1,091	1,091
-	-	20,272
76,388	-	1,481,268
-	-	272,380
-	-	177,389
<u>\$ 539,499</u>	<u>\$ 1,281,988</u>	<u>\$ 12,096,722</u>
\$ 32,105	\$ 6,882	\$ 499,433
-	-	9,479
2,293	359	97,808
-	-	325,397
34,398	7,241	932,117
-	-	53,779
34,398	7,241	985,896

City of Mt. Pleasant

	<u>General</u>	<u>Major Street</u>
FUND BALANCE		
Nonspendable		
Prepaid Expenditures	\$ 177,390	\$ -
Long-Term Advance	272,380	-
Restricted		
General Fund - Donations	213,102	-
Special Revenue Funds - Donations/Grants/Bond	-	1,349,748
Committed		
General Fund	369,089	-
Special Revenue Funds	-	-
Capital Projects Fund	-	-
Assigned		
General Fund	5,614,842	-
Special Revenue Funds	-	-
Debt Service Fund	-	-
Unassigned		
General Fund	<u>1,334,427</u>	<u>-</u>
 Total Fund Balance	 <u>7,981,230</u>	 <u>1,349,748</u>
 Total Liabilities, Deferred Inflows and Fund Balance	 <u><u>\$ 8,786,872</u></u>	 <u><u>\$ 1,488,363</u></u>

**Governmental Funds
Balance Sheet
December 31, 2015
(Continued)**

<u>Local Street</u>	<u>Other Nonmajor Governmental</u>	<u>Total Governmental</u>
\$ -	\$ -	\$ 177,390
-	-	272,380
-	-	213,102
505,101	72,560	1,927,409
-	-	369,089
-	180,101	180,101
-	914,271	914,271
-	-	5,614,842
-	1,227	1,227
-	106,588	106,588
-	-	<u>1,334,427</u>
<u>505,101</u>	<u>1,274,747</u>	<u>11,110,826</u>
<u>\$ 539,499</u>	<u>\$ 1,281,988</u>	<u>\$ 12,096,722</u>

City of Mt. Pleasant

City of Mt. Pleasant

Governmental Funds Reconciliation Balance Sheet - Governmental Funds to the Government-wide Statement of Net Position December 31, 2015

Total fund balance for governmental funds	\$ 11,110,826
Amount reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources, and are not reported in the funds	20,821,555
Certain receivables are expected to be collected over several years in governmental funds and are not available to pay for current year expenditures	262,628
Long-term liabilities, deferred bond issue cost and accrued interest not due and payable in the current period are not reported in the funds	
Long-term Liabilities	(2,462,931)
Accrued Economic Incentives	(493)
Accrued Compensated Absences	(700,657)
Other Post Employment Benefits Asset	66,753
Other Post Employment Benefits Liability	(1,319,096)
Net Pension Liability	(11,483,989)
Deferred Inflows Related to Pension	2,632,760
Accrued Interest	(33,878)
Capital assets used in Internal Service Funds are included as part of governmental activities	1,242,247
Internal Service Funds are included as part of governmental activities	<u>2,449,757</u>
Net Position of governmental activities	<u>\$ 22,585,482</u>

City of Mt. Pleasant

	General	Major Street
REVENUE		
Taxes	\$ 5,683,630	\$ -
Special Assessments	3,890	-
Licenses and Permits	437,970	-
Intergovernmental		
Grants	118,163	36,368
Revenue Sharing	2,650,616	1,436,031
Other	77,274	29,636
Charges for Service and Sales	2,105,544	330
Fines	171,660	-
Interest	27,316	5,919
Miscellaneous	591,709	3,519
	<hr/>	<hr/>
Total Revenue	11,867,772	1,511,803
EXPENDITURES		
Current Operations		
General Government	5,185,867	-
Public Safety	6,213,858	-
Public Works	748,671	-
Highways, Streets and Bridges	-	1,045,798
Community Development	17,870	-
Debt Service		
Principal	-	-
Interest	-	-
Other	-	-
	<hr/>	<hr/>
Total Expenditures	12,166,266	1,045,798
Excess of Revenue Over (Under) Expenditures	(298,494)	466,005

**Governmental Funds
Statement of Revenue, Expenditures, and
Changes in Fund Balance
Year ended December 31, 2015
(Continued)**

Local Street	Other Nonmajor Governmental	Total Governmental
\$ -	\$ 1,043,960	\$ 6,727,590
-	85,011	88,901
-	5,506	443,476
325,317		479,848
447,305	-	4,533,952
-	10,241	117,151
67,316	83,252	2,256,442
-	30,465	202,125
2,230	6,981	42,446
51,350	82,350	728,928
893,518	1,347,766	15,620,859
-	143,471	5,329,338
-	-	6,213,858
-	46,332	795,003
1,297,920	-	2,343,718
-	2,775	20,645
-	523,000	523,000
-	114,990	114,990
-	1,500	1,500
1,297,920	832,068	15,342,052
(404,402)	515,698	278,807

City of Mt. Pleasant

	<u>General</u>	<u>Major Street</u>
OTHER FINANCING SOURCES (USES)		
Transfers In	\$ 856,733	\$ 17,750
Transfers Out	<u>(438,889)</u>	<u>(325,780)</u>
Total Other Financing Sources (Uses)	<u>417,844</u>	<u>(308,030)</u>
Net Change in Fund Balances	119,350	157,975
Fund Balance - January 1	<u>7,861,880</u>	<u>1,191,773</u>
Fund Balance - December 31	<u><u>\$ 7,981,230</u></u>	<u><u>\$ 1,349,748</u></u>

**Governmental Funds
Statement of Revenue, Expenditures, and
Changes in Fund Balance
Year ended December 31, 2015
(Continued)**

<u>Local Street</u>	<u>Other Nonmajor Governmental</u>	<u>Total Governmental</u>
\$ 432,400 (54,202)	\$ 397,289 (739,720)	\$ 1,704,172 (1,558,591)
<u>378,198</u>	<u>(342,431)</u>	<u>145,581</u>
(26,204)	173,267	424,388
<u>531,305</u>	<u>1,101,480</u>	<u>10,686,438</u>
<u>\$ 505,101</u>	<u>\$ 1,274,747</u>	<u>\$ 11,110,826</u>

City of Mt. Pleasant

Governmental Funds Reconciliation of Statement of Revenue, Expenditures, and Changes in Fund Balance - Governmental Funds to the Government-wide Statement of Activities Year ended December 31, 2015

Net change in fund balance - Total Governmental Funds \$ 424,388

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

Governmental funds report capital outlay as expenditures; in the Statement of Activities, these costs are allocated over their estimated useful lives as depreciation.

Capital Outlay	710,120
Depreciation	(1,932,555)

In the General fund delinquent personal property taxes receivable is recorded as revenue when collected rather than when the tax was levied. In the current year, more was collected than earned. (3,078)

Special assessment revenue is recorded in the Statement of Activities when the assessment is earned (i.e. work is substantially complete); they are recorded in the governmental funds when received. In the current year, more was received than earned. (19,640)

In the General fund revenue from contracts receivable is recorded when collected rather than when the contract was entered into. In the current year, more was collected than new contracts entered into (20,909)

In the General fund payments on long-term contracts is recorded in the funds statements when paid and the government-wide when the contract is entered into. 1,524

City of Mt. Pleasant

Governmental Funds Reconciliation of Statement of Revenue, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities Year ended December 31, 2015

In the Special Revenue Fund, payments of Supplemental State Road Funds was not received within 60 days to be considered current year revenue.	\$ 57,367
Repayment of bond principal is an expenditure in the governmental funds, but not in the Statement of Activities (where it reduces long-term debt).	523,000
Amortize bond premium.	6,821
Accumulated employee sick & vacation pay, is recorded when earned in the Statement of Activities.	(38,913)
GASB #45 increase in net OPEB obligation liability is not recorded as an expenditure in the governmental funds.	(239,763)
GASB #45 increase in net OPEB obligation asset is not recorded as an expenditure in the governmental funds.	(292)
GASB #68 increase in Net Pension Liability is not recorded as an expenditure in the governmental funds.	(645,037)
Interest payable on long-term debt is recorded when due in the Statement of Activities and when paid in governmental funds.	5,619
Internal Service Funds are included as part of governmental activities.	<u>(818,574)</u>
Change in Net Assets of Governmental Activities	<u>\$ (1,989,922)</u>

City of Mt. Pleasant

	Enterprise Funds	
	Sewer	Water
ASSETS		
Current Assets		
Cash and Cash Equivalents		
Common Cash and Investments	\$ 1,755,343	\$ 2,318,487
Other Cash	200	44,311
Restricted Common Cash and Investments	696,963	136,637
Restricted Cash	-	460,063
Total Cash and Cash Equivalents	2,452,506	2,959,498
Taxes Receivable	-	-
Accounts Receivable	303,698	319,723
Contracts Receivable	-	-
Due from Other Governmental Units	2,935	-
Accrued Interest Receivable	-	-
Prepaid Items	19,216	31,289
Inventory	-	109,910
Total Current Assets	2,778,355	3,420,420
Noncurrent Assets		
Other Investments	-	-
Development Cost	-	-
Capital Assets	37,891,052	25,979,757
Less: Accumulated Depreciation	(29,256,872)	(16,269,977)
Total Noncurrent Assets	8,634,180	9,709,780
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows on Pensions	151,824	203,414
Deferred Charge on Refunding	-	95,079
Total Assets and Deferred Outflows of Resources	11,564,359	13,428,693

**Proprietary Funds
Statement of Net Position
December 31, 2015
(Continued)**

Enterprise Funds		Internal Service Funds
Nonmajor	Total	
\$ 1,367,633	\$ 5,441,463	\$ 966,545
100	44,611	1,343,863
76,999	910,599	-
-	460,063	-
1,444,732	6,856,736	2,310,408
4,663	4,663	-
68,403	691,824	114,328
68,050	68,050	-
-	2,935	-
-	-	5,179
1,988	52,493	15,263
59,030	168,940	143,558
1,646,866	7,845,641	2,588,736
-	-	1,009,898
1,928,902	1,928,902	-
3,754,249	67,625,058	4,271,436
(2,554,338)	(48,081,187)	(3,029,189)
3,128,813	21,472,773	2,252,145
25,501	380,739	-
-	95,079	-
4,801,180	29,794,232	4,840,881

City of Mt. Pleasant

	Enterprise Funds	
	Sewer	Water
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 192,369	\$ 56,486
Accrued Expenses	34,688	122,094
Due to Other Funds	-	-
Unearned Revenue	-	130
Bonds and Loans Payable	430,000	355,000
Total Current Liabilities	657,057	533,710
Noncurrent Liabilities		
Net Pension Obligation	980,943	1,314,270
Bonds and Loans Payable	1,115,000	3,735,000
Total Noncurrent Liabilities	2,095,943	5,049,270
DEFERRED INFLOWS OF RESOURCES		
Deferred Charge on Refunding	12,040	-
Total Liabilities and Deferred Inflows of Resources	2,765,040	5,582,980
NET POSITION		
Net Invested in Capital Assets	7,077,140	5,714,859
Restricted for:		
Future Projects	-	-
Replacement	696,963	-
Debt Service	-	596,700
Unrestricted	1,025,216	1,534,154
Total Net Position	\$ 8,799,319	\$ 7,845,713

Some amounts reported for business-type activities in the Statement of Net Assets are different because of the allocation of Internal Service Fund excess to business-type activities

Changes in net assets of business-type activities on the Statement of Activity

**Proprietary Funds
Statement of Net Position
December 31, 2015
(Continued)**

Enterprise Funds		Internal Service Funds
Nonmajor	Total	
\$ 70,659	\$ 319,514	\$ 15,432
1,652	158,434	695,319
-	-	20,272
23,255	23,385	-
-	785,000	-
95,566	1,286,333	731,023
164,760	2,459,973	-
300,000	5,150,000	-
464,760	7,609,973	-
-	12,040	-
560,326	8,908,346	731,023
1,199,911	13,991,910	1,242,247
297,516	297,516	-
76,999	773,962	-
-	596,700	-
2,666,428	5,225,798	2,867,611
\$ 4,240,854	20,885,886	\$ 4,109,858
	417,854	
	\$ 21,303,740	

City of Mt. Pleasant

	Enterprise Funds	
	Sewer	Water
OPERATING REVENUE		
Charges for Service and Sales	\$ 2,447,280	\$ 2,695,482
Miscellaneous	-	78,125
	<hr/>	<hr/>
Total Operating Revenue	2,447,280	2,773,607
OPERATING EXPENSES		
Compensation	794,996	994,902
Supplies	249,440	387,902
Professional Services	467,664	146,311
Training	12,114	9,097
Utilities	216,779	214,751
Insurance Claims	-	-
Other Expenses	93,268	179,558
Depreciation/Cost of Land Sold	813,962	712,446
	<hr/>	<hr/>
Total Operating Expenses	2,648,223	2,644,967
Operating Income (Loss)	(200,943)	128,640

**Proprietary Funds
Statement of Revenue, Expenses, and
Changes in Net Position
Year ended December 31, 2015
(Continued)**

Enterprise Funds		Internal Service Funds
Nonmajor	Total	
\$ 610,934	\$ 5,753,696	\$ 2,985,654
-	78,125	-
610,934	5,831,821	2,985,654
178,502	1,968,400	90,044
222,826	860,168	210,841
431,840	1,045,815	392,902
-	21,211	18
31,478	463,008	27,239
-	-	2,973,065
1,632	274,458	28,344
148,572	1,674,980	283,846
1,014,850	6,308,040	4,006,299
(403,916)	(476,219)	(1,020,645)

City of Mt. Pleasant

	Enterprise Funds	
	Sewer	Water
NON-OPERATING REVENUE (EXPENSES)		
Property Taxes	\$ -	\$ -
Intergovernmental	-	-
Interest Income	13,967	14,148
Miscellaneous Revenue	126,929	-
Interest Expense	(44,644)	(178,965)
Federal/State Operating Grant	380,631	-
Other	3,010	(15,083)
	<u>479,893</u>	<u>(179,900)</u>
Income (Loss) Before Contributions and Transfers	278,950	(51,260)
Transfers In	-	-
Transfers Out	<u>(64,069)</u>	<u>(77,310)</u>
Change in Net Position	214,881	(128,570)
Net Position - January 1 (Restated)	<u>8,584,438</u>	<u>7,974,283</u>
Net Position - December 31	<u><u>\$ 8,799,319</u></u>	<u><u>\$ 7,845,713</u></u>

Some amounts reported in the business-type activities in the Statement of Activities are different because of the allocation of Internal Service Fund excess to business-type activities

Changes in net assets of business-type activities on the Statement of Activities

**Proprietary Funds
Statement of Revenue, Expenses, and
Changes in Net Position
Year ended December 31, 2015
(Continued)**

<u>Enterprise Funds</u>		<u>Internal Service Funds</u>
<u>Nonmajor</u>	<u>Total</u>	
\$ 117,663	\$ 117,663	\$ -
1,168	1,168	-
7,392	35,507	27,113
57,000	183,929	67,997
-	(223,609)	-
587	381,218	-
-	(12,073)	-
<u>183,810</u>	<u>483,803</u>	<u>95,110</u>
(220,106)	7,584	(925,535)
64,640	64,640	-
<u>(38,026)</u>	<u>(179,405)</u>	<u>(30,816)</u>
(193,492)	(107,181)	(956,351)
<u>4,434,346</u>		<u>5,066,209</u>
<u>\$ 4,240,854</u>		<u>\$ 4,109,858</u>
	<u>(137,777)</u>	
	<u>\$ (244,958)</u>	

City of Mt. Pleasant

	Enterprise Funds
	<u>Sewer</u>
Cash Flows from Operating Activities	
Receipts from Customers	\$ 2,424,657
Miscellaneous Revenue	126,929
Payments to Employees	(772,411)
Payments to Suppliers and Contractors	(1,007,895)
Claims Paid	-
Other Payments	<u>(93,268)</u>
Net Cash Provided (Used) by Operating Activities	678,012
Cash Flows from Non-Capital Financing Activities	
Property Taxes	-
State Grant	439,572
Intergovernmental	-
Due to Other Funds	-
Transfers from Other Funds	-
Transfers to Other Funds	<u>(64,069)</u>
Net Cash Provided (Used) by Non-Capital Financing Activities	375,503
Cash Flows from Capital and Related Financing Activities	
Sale of Capital Asset	-
Purchase of Capital Assets	(425,828)
Loan Proceeds	-
State Grant	-
Principal and Amortization of Loans and Costs	(418,011)
Interest Paid on Loans & Paying Agent Fees	<u>(42,334)</u>
Net Cash Provided (Used) by Capital Financing Activities	(886,173)

**Proprietary Funds
Statement of Cash Flows
Year ended December 31, 2015
(Continued)**

Enterprise Funds			Internal Service Funds
Water	Nonmajor	Total	
\$ 2,745,751	\$ 668,790	\$ 5,839,198	\$ 2,985,654
-	57,000	183,929	-
(954,688)	(174,235)	(1,901,334)	(91,694)
(817,019)	(622,506)	(2,447,420)	(781,506)
-	-	-	(2,781,560)
(179,558)	-	(272,826)	(28,344)
794,486	(70,951)	1,401,547	(697,450)
-	118,192	118,192	-
-	-	439,572	-
-	1,168	1,168	-
-	-	-	(3,187)
-	64,640	64,640	-
(77,310)	(38,026)	(179,405)	(30,816)
(77,310)	145,974	444,167	(34,003)
-	-	-	89,382
(277,282)	-	(703,110)	(71,863)
-	-	-	-
-	-	-	-
(326,417)	-	(744,428)	-
(199,748)	-	(242,082)	-
(803,447)	-	(1,689,620)	17,519

City of Mt. Pleasant

	Enterprise Funds
	Sewer
Cash Flow from Investing Activities	
Interest Income	\$ 13,967
Net Increase (Decrease) in Cash and Cash Equivalents	181,309
Cash and Cash Equivalents - January 1	<u>2,271,197</u>
Cash and Cash Equivalents - December 31	<u><u>\$ 2,452,506</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities	
Operating Income (Loss)	\$ (200,943)
Miscellaneous Income	126,929
Adjustments to Reconcile Operating Income to Net Cash Provided by Operations	
Depreciation/Cost of Development Property Sold	813,962
Maintenance Costs Related to Federal/State Grant	-
Changes in Assets and Liabilities	
Accounts Receivable	(22,623)
Due from Other Governmental Unit	-
Prepaid Expense	(9,135)
Inventory	-
Accounts Payable	(52,763)
Contractor Retainage Payable	-
Accrued Expenses	(23,425)
Unearned Revenue	-
Net Pension Obligation	<u>46,010</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 678,012</u></u>
Schedule of non-cash Operating Grant	
Federal/State Operating Grant	<u><u>\$ -</u></u>

**Proprietary Funds
Statement of Cash Flows
Year ended December 31, 2015
(Continued)**

Enterprise Funds			Internal Service Funds
Water	Nonmajor	Total	
\$ 14,148	\$ 7,392	\$ 35,507	\$ 22,026
(72,123)	82,415	191,601	(691,908)
3,031,621	1,362,317	6,665,135	3,012,214
<u>\$ 2,959,498</u>	<u>\$ 1,444,732</u>	<u>\$ 6,856,736</u>	<u>\$ 2,320,306</u>
\$ 128,640	\$ (403,916)	\$ (476,219)	\$ (1,020,645)
-	57,000	183,929	-
712,446	148,572	1,674,980	283,846
-	587	587	-
(27,375)	60,316	10,318	(102,918)
-	10,211	10,211	-
(24,465)	(952)	(34,552)	(8,663)
3,270	6,744	10,014	25,125
(37,763)	48,680	(41,846)	(166,968)
-	-	-	-
(21,428)	(3,460)	(48,313)	292,773
(481)	(2,460)	(2,941)	-
61,642	7,727	115,379	-
<u>\$ 794,486</u>	<u>\$ (70,951)</u>	<u>\$ 1,401,547</u>	<u>\$ (697,450)</u>
<u>\$ -</u>	<u>\$ 587</u>	<u>\$ 587</u>	<u>\$ -</u>

City of Mt. Pleasant

Fiduciary Funds Statement of Fiduciary Net Position December 31, 2015

	Pension and Other Employee Benefit Trust Funds	Agency Funds
ASSETS		
Cash	\$ 162,343	\$ 2,449,011
Accounts Receivable	35,731	-
Investments, at fair value:		
Mutual Funds	20,813,278	-
Money Market Funds	1,719,650	-
Taxes Receivable	-	2,494,858
Total Assets	22,731,002	<u>\$ 4,943,869</u>
LIABILITIES		
Accounts Payable	12,726	-
Taxes Payable	-	\$ 4,732,608
Withholding Payable	-	211,261
Total Liabilities	12,726	<u>\$ 4,943,869</u>
NET POSITION		
Held in trust for pensions and other benefits and other purposes	<u>\$ 22,718,276</u>	

City of Mt. Pleasant

Fiduciary Funds Statement of Changes in Fiduciary Net Position Year ended December 31, 2015

	Pension and Other Employee Benefit Trust Funds
ADDITIONS	
Contributions	
Employer	\$ 772,565
Employee	163,514
Total Contributions	936,079
Investment Income	
Net decrease in fair value of investments	(466,601)
Interest	2,905
Dividends	408,652
Total Investment Income	(55,044)
Total Additions	881,035
DEDUCTIONS	
Benefit payments	1,427,803
Administration expense	29,538
Total Deductions	1,457,341
CHANGE IN NET POSITION	(576,306)
NET POSITION- JANUARY 1	23,294,582
NET POSITION - DECEMBER 31	\$ 22,718,276

City of Mt. Pleasant

	Economic Development Corporation	Tax Increment Finance Authority
ASSETS		
Common Cash and Investments	\$ 418,257	\$ 599,098
Accounts Receivable		
Due within one year	1,500	-
Taxes Receivable	-	50,892
Contracts Receivable		
Due within one year	3,356	3,258
Due in more than one year	124,038	124,038
Due from Other Governmental Units	-	24,470
Land and other non-depreciable assets	264,666	367,869
Other Capital Assets, Net of Depreciation	91,350	479,936
	<hr/>	<hr/>
Total Assets	903,167	1,649,561
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows Related to Pension	-	25,942
	<hr/>	<hr/>
Total Assets and Deferred Outflows of Resources	903,167	1,675,503
LIABILITIES		
Accounts Payable	190	8
Accrued Liabilities	252	1,917
Due to Other Governmental Unit	-	65,754
Net Pension Liability	-	167,617
Advance from Primary Government	137,190	135,190
	<hr/>	<hr/>
Total Liabilities	137,632	370,486
Net Position		
Net Invested in Capital Assets	356,016	847,805
Restricted for Donations	-	42,437
Unrestricted	409,519	414,775
	<hr/>	<hr/>
Total Net Position	<u>\$ 765,535</u>	<u>\$ 1,305,017</u>

**Component Units
Statement of Net Position
December 31, 2015**

Downtown Development Authority	Local Development Finance Authority	Brownfield Redevelopment Authority	Total
\$ 495,283	\$ 115,327	\$ 142,455	\$ 1,770,420
-	40,492	-	41,992
27,051	61,140	57,278	196,361
-	-	-	6,614
-	-	-	248,076
12,360	7,297	1,903	46,030
6,100	-	-	638,635
53,580	-	-	624,866
594,374	224,256	201,636	3,572,994
-	-	-	25,942
594,374	224,256	201,636	3,598,936
-	-	21,160	21,358
-	-	-	2,169
7,860	3,160	-	76,774
-	-	-	167,617
-	-	-	272,380
7,860	3,160	21,160	540,298
59,680	-	-	1,263,501
-	-	-	42,437
526,834	221,096	180,476	1,752,700
<u>\$ 586,514</u>	<u>\$ 221,096</u>	<u>\$ 180,476</u>	<u>\$ 3,058,638</u>

City of Mt. Pleasant

	Expenses	Program Revenue
		Capital Grants and Contributions
Economic Development Corporation		
EDC Operations	\$ 680	\$ -
Depreciation	8,700	-
Total EDC	9,380	-
TIFA		
TIFA Operations	182,645	-
Administration/Marketing	120,607	-
Capture Returned	120,682	-
Depreciation	64,707	-
Total TIFA	488,641	-
DDA		
DDA Operations	61,030	-
Administration/Marketing	32,062	-
Capture Returned	3,731	-
Depreciation	7,782	-
Total DDA	104,605	-
LDFA		
LDFA Operations	162,878	-
Administration/Marketing	73,289	-
Capture Returned	1,502	-
Total LDFA	237,669	-
Brownfield Redevelopment Authority		
BRDA Operations	124,202	-
Administration	7,900	-
Total BRDA	132,102	-
Total Component Units	<u>\$ 972,397</u>	<u>\$ -</u>

General Revenue:
 Captured Tax Increments
 State Reimbursement
 Economic Development
 Investment Earnings
 Miscellaneous

Total General Revenue

Transfers

Change in Net Position

Net Position - January 1 (Restated)

Net Position - December 31

Component Units
Statement of Activities
Year ended December 31, 2015

Net (Expense) Revenue and Changes in Net Assets

Economic Development Corporation	Tax Increment Finance Authority	Downtown Development Authority	Local Development Finance Authority	Brownfield Redevelopment Authority	Total
\$ (680)	\$ -	\$ -	\$ -	\$ -	\$ (680)
(8,700)	-	-	-	-	(8,700)
(9,380)	-	-	-	-	(9,380)
-	(182,645)	-	-	-	(182,645)
-	(120,607)	-	-	-	(120,607)
-	(120,682)	-	-	-	(120,682)
-	(64,707)	-	-	-	(64,707)
-	(488,641)	-	-	-	(488,641)
-	-	(61,030)	-	-	(61,030)
-	-	(32,062)	-	-	(32,062)
-	-	(3,731)	-	-	(3,731)
-	-	(7,782)	-	-	(7,782)
-	-	(104,605)	-	-	(104,605)
-	-	-	(162,878)	-	(162,878)
-	-	-	(73,289)	-	(73,289)
-	-	-	(1,502)	-	(1,502)
-	-	-	(237,669)	-	(237,669)
-	-	-	-	(124,202)	(124,202)
-	-	-	-	(7,900)	(7,900)
-	-	-	-	(132,102)	(132,102)
(9,380)	(488,641)	(104,605)	(237,669)	(132,102)	(972,397)
-	333,762	263,286	167,772	171,145	935,965
-	24,255	12,264	7,268	1,841	45,628
10,838	-	-	-	-	10,838
2,276	3,924	2,442	352	859	9,853
1,500	-	-	-	-	1,500
14,614	361,941	277,992	175,392	173,845	1,003,784
-	(113,526)	-	113,526	-	-
5,234	(240,226)	173,387	51,249	41,743	31,387
760,301	1,545,243	413,127	169,847	138,733	3,027,251
<u>\$ 765,535</u>	<u>\$ 1,305,017</u>	<u>\$ 586,514</u>	<u>\$ 221,096</u>	<u>\$ 180,476</u>	<u>\$ 3,058,638</u>

City of Mt. Pleasant

City of Mt. Pleasant

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City of Mt. Pleasant

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City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Mt. Pleasant have been prepared in conformity with generally accepted accounting principles (GAAP) in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity

The City is organized under Michigan's Comprehensive Home Rule City Act. A seven member City Commission is the governing body elected by the community at large. The City Commission selects a Mayor from its members and appoints a City Manager.

Discretely Presented Component Units - The following component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the City. They are the Tax Increment Financing Authority (TIFA), Downtown Development Authority (DDA), Local Development Finance Authority (LDFA), Economic Development Corporation (EDC) and Brownfield Redevelopment Authority (BRDA).

The members of the LDFA are all appointed by the City Commission. The LDFA is responsible for the creation and promotion of the Center for Applied Research and Technology. The budget and expenditures of the LDFA must be approved by the City Commission.

The members of the TIFA and DDA boards are the same and are all appointed by the City Commission. The members of the EDC and BRDA boards are the same and are all appointed by the City Commission. The City is responsible for compliance with federal grants, if any, received in conjunction with the TIFA/DDA projects. The City Commission must approve the budget and expenditures of the TIFA/DDA/BRDA. The EDC was established to hold title to land purchased in the City for economic development. The Project Plan for the EDC requires that all proceeds from the sale of these lands be returned to the City. All of the component units have separately issued financial statements that are available at the City Treasurer's office in City Hall.

City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Blended Component Unit - The Building Authority is blended with the Special Revenue funds in the governmental financial statements, because it provides service to the City only. The members of the Building Authority are all appointed by the City Commission. The Building Authority is responsible for the debt associated with the Department of Public Safety building renovation and expansion. The budget of the Building Authority must be approved by the City Commission. The general fund of the City of Mt. Pleasant pays the Building Authority annual rent equal to the amount of debt service for the year. At the end of the lease, the building is to be deeded to the City of Mt. Pleasant.

B. Government-wide and Fund Financial Statements

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue include: (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items properly excluded from program revenue are reported as general revenue.

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

City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements, except for agency funds, which do not have a measurement focus. Revenue is 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 revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if it is collected within 60 days of the end of the current fiscal period except for reimbursement based grants and interest which use a one-year collection period. The period used for property taxes is through the settlement process in March since all delinquent real property taxes are purchased and collected by the county at that time. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, claims and judgments and net pension liability are recorded only when payment is due.

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

City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

City property taxes are levied and become an enforceable lien on property as of July 1. Taxes are due without penalty until July 31. After July 31, delinquent taxes are collected including a penalty of 1% per month. These summer tax bills include the City's own property taxes and taxes billed on behalf of the school district, District Library and the County. Real property taxes not collected as of March 1 are turned over to Isabella County for collection. The County advances the City 100% of the balance outstanding for the delinquent real taxes and special assessments. Collection of delinquent personal property taxes remains the responsibility of the City Treasurer.

Property taxes levied in July of each year are recognized as revenue in that year. Delinquent taxes due from taxpayers at year end to be advanced by the County at the March settlement are recorded as receivables and current year revenue.

The City reports the following major governmental funds:

- The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- Major and Local Streets are used to account for the receipt and expenditures of state shared gas and weight taxes under P.A. 1951, as amended.

The City reports the following major enterprise funds:

- The Sewer Fund accounts for the cost of collecting and treating waste water.
- The Water Fund accounts for the costs of providing water services to City residents and businesses.

City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Additionally, the government reports the following fund types:

- Special revenue funds account for specific revenues that are legally restricted to expenditure for particular purposes.
- Debt service funds account for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.
- Capital project funds are used to account for the resources and expenditures for major capital acquisition and construction.
- Enterprise funds are used to account for business type activities where the cost of providing the services is covered through fees and charges.
- Internal service funds account for major machinery and equipment purchases and maintenance, as well as the City's Self Insurance activities for medical and liability coverage.
- The pension and other retiree benefits trust fund accounts for the activities of the police and fire employees retirement system which accumulates resources for pension benefit payments to qualified police and fire employees and for medical benefits provided to qualified police employees during retirement.
- Agency funds account for monies collected on behalf of other agencies that are later disbursed to them, including property tax collections and imprest payroll.

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

City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Amounts reported as program revenue include: (1) charges to customers or applicants for goods, services or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes.

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of our proprietary funds relate to charges to customers for sales and services. The water and sewer fund also recognizes the portion of tap fees intended to recover current costs (e.g., labor and materials to hook up new customers) as operating revenue. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

D. Assets, Liabilities, and Net Position or Equity

Cash and Investments – Cash and investments include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Additionally, each fund's equity in the City's common cash and investment pool is treated as a cash equivalent because the funds can deposit or effectively withdraw cash at any time without prior notice or penalty. Shared pooled investment income is allocated to each fund based on its percentage of the balance in the pool.

Investments, including pension funds, are stated at fair value (quoted market price or the best available estimate).

Receivables and Payables – In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Position or Equity (Continued)

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

Restricted Assets – The revenue bonds of the enterprise funds require amounts to be set aside for construction, debt service principal and interest, operations and maintenance, and a bond reserve. These amounts have been classified as restricted assets.

Capital Assets – Capital assets, which include property, plant, equipment, art 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. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded as estimated fair market value at the date of donation.

Property, plant and equipment is depreciated using the straight-line method over the following useful lives:

Buildings	30 years
Building Improvements	30 years
Water and Sewer Lines	30 years
Roads	40 years
Other Infrastructure	15 to 50 years
Vehicles	2 to 30 years
Office Equipment	5 to 10 years
Computer Software	3 to 5 years
Land Improvements	15 years

City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Position or Equity (Continued)

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of financial position has a separate section for deferred outflows of resources. This section represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. The City only has two items that qualifies for reporting in this category. One is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its requisition price. This amount is deferred and amortized over the life of the bonds. The second item reported in this category is related to the net pension liability which is discussed in Note 11.

In addition to liabilities, the statement of financial position and governmental fund balance sheet have a separate section for deferred inflows of resources. On the statement of net position, this section represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. In addition to the deferred inflow from refunding bonds as explained above, the City has one item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: long-term contracts and special assessments. These amounts are recognized as inflow of resources in the period that they become available.

Compensated Absences (Vacation and Sick Leave) – The City's policy allows employees to accumulate earned but unused sick and vacation pay benefits. The government-wide and proprietary statements accrue all vacation benefits as they are earned and sick pay as it is used or vested whichever is earlier. The vacation pay for all employees and sick pay due to employees eligible for retirement for governmental funds represents a reconciling item between fund and government-wide presentations. Since the benefit has not matured, for example, as a result of employee resignations or retirements, it is not considered a liability in the governmental funds.

Long-Term Obligations – In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. For new bond issuances after the implementation of GASB #34, bond premiums and deferred charges on refundings are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method.

City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Position or Equity (Continued)

Net Position and Fund Balance Reporting – Governmental funds report fund balance in the following five categories:

1. Non-spendable - the related asset's form does not allow expenditure of the balance. The assets are either (a) not in a spendable form or (b) legally or contractually required to be maintained intact. Nonspendable fund balance would be equal to inventory, prepaid items, non-current financial assets, and the nonspendable portion of endowments.
2. Restricted - the related assets can only be spent for the specific purposes stipulated by constitution, external resource providers, or as identified in enabling legislation.
3. Committed - the related assets can only be spent for a specific purpose identified by formal action of the governing board's highest level of decision-making authority. The governing board can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance or rescind or modify a prior commitment of fund balance.
4. Assigned - the related assets can only be spent for a specific purpose identified by management as authorized by the governing board.
5. Unassigned - is the residual classification and includes all spendable amounts not contained in the other classifications. The general fund is the only fund that reports a positive unassigned fund balance. In other governmental funds it is not appropriate to report a positive unassigned fund balance.

In accordance with the Fund Balance Policy adopted by the City Commission, the City Finance Director has the authority to assign fund balance for the current year budget items that need to be reappropriated in the following year. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

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.

City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Pensions

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 Retirement Systems and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the Retirement Systems. 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.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The budget is adopted in accordance with Public Act 493. In accordance with this Act, budgets are adopted on an annual basis for General and Special Revenue funds. Informational Summaries are adopted for Capital Projects, Debt Service and Proprietary Funds as a management control device. The budgets for all funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Budgets were adopted for the following funds that don't meet the GASB #54 criteria for separate financial reporting: Parks & Recreation, Special Assessment and Community Development Block Grant. These funds have been combined with the General Fund in the Governmental Financial statements.

The budget and approved appropriations lapse at the end of the fiscal year. The City does not formally record encumbrances in the accounting records during the year as a normal practice, and no outstanding encumbrances exist at December 31, 2015.

The budget is adopted with legal budgetary control at the fund level (i.e., expenditures may not exceed budgeted appropriations at the fund level), except for the General Fund, which is adopted at the division level. General Fund expenditures cannot exceed the budgeted appropriations at the division level. The division level is an aggregation of various departments within the General Fund. The City Manager and the Finance Director are authorized to transfer budgeted amounts within a division; however, any revisions that alter the total expenditures of any division in the General Fund or fund total for all other funds require approval of the City Commission and passage of a resolution. The City made supplemental appropriations.

All expenditures were less than the budgeted amounts at the legal level of budgetary control.

City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2015

NOTE 3 - DEPOSITS AND INVESTMENTS

A. Deposits and Investments

Following is a reconciliation of deposit and investment balances (including both pooled cash and investments as well as pension trust fund balances, see Note 3-B) as of December 31, 2015:

Statement of Net Position

Cash and Investments:

Primary Government	\$ 19,688,080
Component Unit	1,770,420

Statement of Fiduciary Net Position

Pension trust funds:

Cash	162,343
Investments	22,532,928

Agency Fund:

Cash	<u>2,449,011</u>
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Total \$ 46,602,782

Deposits and Investments

Bank Deposits:

Checking/Savings Accounts	\$ 5,527,272
Certificates of Deposits	201,653
Insured Cash Sweep	11,773,192
Money Market Accounts	3,224,575

Investments in Securities and Mutual Funds:

Pooled Investments	50,114
Pension and OPEB Investments	20,813,278
Government Agencies	5,009,898
Cash on Hand	<u>2,800</u>

Total \$ 46,602,782

City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2015

NOTE 3 - DEPOSITS AND INVESTMENTS

A. Deposits and Investments (Continued)

As of December 31, 2015 the City had the following investments and maturities.

Investment Type	Fair Value	Investment Maturities	
		Less Than 1 Year	More Than 1 Year
Government Agencies	\$ 5,009,898	\$ -	\$ 5,009,898

The city chooses to disclose its pooled investments by specifically identifying each. As of year end, the City had the following pooled investments.

	Carrying Amount (Fair Value)	Credit Rating
Mutual and cash management funds (MBIA Class)	\$ 50,114	N/A

Interest Rate Risk. Public Act 196 of 1997 limits the allowable investments and the maturities of some of the allowable investments. The City's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Public Act 196 of 1997 authorizes the City to deposit and invest in bonds, securities and other obligations of the United States, or any agency or instrumentality of the United States, in accounts of a financial institution, commercial paper with specific maximum maturities and ratings when purchased, repurchase agreements, bankers acceptances of United States banks, obligations of the State of Michigan or any of its political subdivisions, mutual funds composed of investment vehicles that are legal for direct investment by a public corporation and investments in Michigan government pools. The City's investment policy does not have specific limits in excess of state law on investment credit risk. Credit risk ratings, where applicable, are above the allowable level for each investment. The Government agencies are debt of corporations established by the United States Government. \$5,009,898 of government agencies is backed by the full faith and credit of the United States Government.

City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2015

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

A. Deposits and Investments (Continued)

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. State law does not require and the City does not have a policy for deposit credit risk. As of year end, \$7,117,863 of the City's bank balance of \$20,842,708 was exposed to custodial credit risk because it was uninsured and uncollateralized.

The City's investment policy does not specifically address this risk, although the City believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. The City analyzes the financial condition of the banks. The City only invests with those institutions with an acceptable estimated risk level for depositories and certificates of deposit.

Custodial Credit Risk – Investments. For an investment, custodial credit risk 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. State law does not require a policy for investment custodial credit risk. To minimize custodial credit risk, the City investment policy requires all brokered investments be held in safekeeping by a third party safekeeping company. Of the above pooled/mutual fund investments the City's custodial credit risk exposure cannot be determined because the pooled/mutual funds do not consist of specifically identifiable securities.

Concentration of Credit Risk. State law limits allowable investments but does not limit concentration of credit risk as identified in the list of authorized investments. The City's investment policy does not have specific limits in excess of state law on concentration of credit risk.

B. Deposits and Investments – Pension and OPEB Trust Funds

The deposits and investments of the City's pension and OPEB trust funds are maintained separately from the City's pooled cash and investments, and are subject to separate investment policies and state statutes. Accordingly, the required disclosures for the pension deposits and investments are presented separately.

Deposits - The pension trust funds do not maintain any checking or other demand/time deposit accounts. Amounts reported as cash and investments and other cash in the statement of net position are composed entirely of short-term investments in money market accounts. These money market accounts are not rated.

City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2015

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

B. Deposits and Investments – Pension Trust Funds (Continued)

Investments – The Michigan Public Employees Retirement Systems' Investment Act, Public Act 314 of 1965, as amended, authorizes the pension trust funds to invest in stocks, government and corporate securities, mortgages, real estate, and various other investment instruments, subject to certain limitations. The retirement boards have the responsibility and authority to oversee the investment portfolio. All investment decisions are subject to Michigan law and the investment policy established by the retirement boards.

The investments of each pension trust fund are held in a bank-administered trust fund. Following is a summary of pension investments as of December 31, 2015:

	<u>Police and Fire Pension Fund</u>	<u>Police Retiree Health Care Fund</u>	<u>Total</u>
Investments at fair value, as determined by quoted market value			
Domestic Bond Mutual Funds	\$ 3,664,031	\$ 273,357	\$ 3,937,388
Domestic Equity Mutual Funds	14,150,616	506,583	14,657,199
Foreign Equity Mutual Funds	2,056,748	161,943	2,218,691
Total Investments	<u>\$ 19,871,395</u>	<u>\$ 941,883</u>	<u>\$ 20,813,278</u>

Credit Risk. The Fire and Police Pension and Police Retiree Health Care board's investment policy provide that safety is the foremost objective of the investment program. To achieve this objective, the board invests predominately in mutual funds. Before purchasing mutual funds the board reviews the prospectus for the fund, the rating of the money manager and the beta for the fund. The mutual fund investments are not rated for credit risk.

Interest Rate Risk. Public Act 314 of 1965, authorizes the pension trust fund investments in various interest bearing investments. The Fire and Police Pension and Police Retiree Health Care board has chosen to use mutual funds for this type of investment to help mitigate interest rate risk. Approximately 35% of the bond mutual funds are invested in short term (0-3 year maturities), 65% intermediate (4-10 year) and 0% long term (10+ years).

Foreign Currency Risk - The investment policy of the Fire and Police Pension and Police Retiree Health Care Board is silent regarding foreign currency risk. Management believes the City's exposure to foreign currency risk from its position in Foreign Equity Mutual funds is minimal.

City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2015

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

B. Deposits and Investments – Pension and OPEB Trust Funds (Continued)

Custodial Credit Risk. For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover its value of its investments or collateral securities that are in possession of an outside party. The City's pension and retiree health investment procedure is that all securities be held in trust by a third-party institution in the name of the pension or retiree health fund. The custodial credit risk of the mutual funds cannot be determined because the funds do not consist of specifically identifiable securities.

Concentration of Credit Risk. The Michigan Public Employees Retirement Systems' Investment Act, Public Act 314 of 1965, as amended, provides that the pension and retiree health funds hold no more than 5% of its portfolio in one company and that it owns no more than 5% of the value of any company. These requirements have been met. The City's pension and retiree health care fund's policies require that the investments be diversified but does not specify a percentage of dollar amounts per issuer. The investment philosophy of the pension fund does require diversification in various equity categories and does specify a percentage or dollar amount.

NOTE 4 – RECEIVABLES AND PAYABLES

Receivables as of year end in the aggregate, are as follows:

	Governmental Activities	Business-type Activities	Component Units
Taxes	\$ 402,524	\$ 4,663	\$ 196,361
Special Assessments	61,628	-	-
Accounts	253,049	691,824	41,992
Other Post Employment Benefits	66,753	-	-
Interest	19,652	-	-
Contracts Receivable	80,000	68,050	254,690
Advance To Component Unit	272,380	-	-
Intergovernmental	1,417,206	2,935	46,030
Total Receivables	<u>\$ 2,573,192</u>	<u>\$ 767,472</u>	<u>\$ 539,073</u>

Of the \$402,524 Taxes Receivable, \$7,277 is not expected to be collected in one year. Of the \$61,628 Special Assessments, \$46,502 is not expected to be collected in one year. All of the other post-employment benefit is not expected to be collected in one year. All of the Advance to Component Unit is not expected to be collected in one year.

Of the \$254,690 Contracts Receivable - Component Unit \$248,076 is not expected to be collected in one year.

City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2015

NOTE 4 – RECEIVABLES AND PAYABLES (CONTINUED)

Accounts payable and other liabilities as of year end in the aggregate, are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Component Units</u>
Accounts	\$ 199,583	\$ 319,489	\$ 21,358
Contractor Retainage	9,479	-	-
Compensated Absences	700,657	64,965	-
Post Employment Benefits	1,319,096	-	-
Accrued Liabilities	768,193	16,294	2,169
Accrued Interest	33,878	77,200	-
Advance from Primary Government	-	-	272,380
Intergovernmental	340,708	-	76,774
	<u>\$ 3,371,594</u>	<u>\$ 477,948</u>	<u>\$372,681</u>

Of the \$700,657 of Compensated Absences, \$261,667 is not expected to be paid in one year. All of the Post Employment Benefits is not expected to be paid in one year. The entire Advance from Primary Government is not expected to be paid in one year.

NOTE 5 – INTERFUND RECEIVABLE, PAYABLES AND TRANSFERS

The composition of interfund balances in the fund statements is as follows:

A. Interfund Receivable/Payable

<u>Fund Receivable</u>	<u>Fund Payable To</u>	<u>Amount</u>
General Fund	Internal Service	\$20,272

B. Advance To/From Primary Government

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
General Fund	Component Unit – EDC	\$137,190
General Fund	Component Unit – TIFA	135,190
Total General Fund		<u>\$272,380</u>

The General Fund loaned the Economic Development Corporation \$150,000 and the Tax Increment Finance Authority \$148,000 for the purchase of properties for economic development. The loans are being repaid as payments are made on the land contract that was entered into for the purchase of these properties by a developer.

City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2015

NOTE 5 – INTERFUND RECEIVABLE, PAYABLES AND TRANSFERS (CONTINUED)

C. Interfund Transfers Reported in the Fund Statements

These transfers are used to move restricted and unrestricted resources from the funds in which they are collected to the funds which have budgetary authorization for the expenditure of these balances.

<u>Fund Transferred From</u>	<u>Fund Transferred To</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$397,289
	Nonmajor Proprietary Funds	<u>41,600</u>
	Total General Fund	438,889
Major Street Fund	General Fund	35,160
	Local Street	282,400
	Nonmajor Proprietary Funds	<u>8,220</u>
Total Major Street Fund	325,780	
Local Street Fund	General Fund	39,382
	Nonmajor Proprietary Funds	<u>14,820</u>
	Total Local Street Fund	54,202
Nonmajor Governmental Funds	General Fund	571,970
	Major Street Fund	17,750
	Local Street Fund	<u>150,000</u>
Total Nonmajor Governmental Funds	739,720	
Sewer Fund	General Fund	64,069
Water Fund	General Fund	77,310
Nonmajor Proprietary Funds	General Fund	38,026
Internal Service Funds	General Fund	<u>30,816</u>
Total		<u>\$ 1,926,847</u>

City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2015

NOTE 6 – CAPITAL ASSETS

Capital assets balances and activities were as follows:

A. Governmental Activities

	Balance December 31, 2014	Additions	Disposals	Balance December 31, 2015
Capital Assets not being depreciated:				
Land	\$ 1,075,552	\$ -	\$ -	\$ 1,075,552
Right of Way	4,204,900	-	-	4,204,900
Net capital assets - non-depreciable	5,280,452	-	-	5,280,452
Capital Assets being depreciated:				
Land Improvements	4,008,288	397,501	-	4,405,789
Buildings	8,022,898	69,708	-	8,092,606
Building Improvements	4,615,988	-	-	4,615,988
Vehicles	6,243,702	121,060	430,207	5,934,555
Equipment	4,874,071	74,586	39,150	4,909,507
Infrastructure	32,694,804	119,127	-	32,813,931
Subtotal	60,459,751	781,982	469,357	60,772,376
Accumulated depreciation:				
Land Improvements	1,902,317	230,704	-	2,133,021
Buildings	3,510,049	264,439	-	3,774,488
Building Improvements	2,984,093	226,908	-	3,211,001
Vehicles	3,985,901	429,922	408,823	4,007,000
Equipment	3,493,925	316,518	39,150	3,771,293
Infrastructure	26,344,313	747,910	-	27,092,223
Subtotal	42,220,598	2,216,401	447,973	43,989,026
Net capital assets - being depreciated	18,239,153	(1,434,419)	21,384	16,783,350
Net governmental capital assets	<u>\$ 23,519,605</u>	<u>\$(1,434,419)</u>	<u>\$ 21,384</u>	<u>\$ 22,063,802</u>

City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2015

NOTE 6 – CAPITAL ASSETS (CONTINUED)

B. Business-type Activities

	Balance December 31, 2014	Additions	Disposals	Balance December 31, 2015
Capital Assets not being depreciated:				
Land	\$ 543,926	\$ -	\$ -	\$ 543,926
Capital Assets being depreciated:				
Land Improvements	1,356,802	-	-	1,356,802
Buildings	1,740,169	-	-	1,740,169
Equipment	2,547,973	77,668	-	2,625,641
Infrastructure	60,733,078	625,442	-	61,358,520
Subtotal	66,378,022	703,110	-	67,081,132
Accumulated depreciation:				
Land Improvements	1,037,296	57,723	-	1,095,019
Buildings	1,342,773	35,377	-	1,378,150
Equipment	2,051,229	98,979	-	2,150,208
Infrastructure	42,027,498	1,430,312	-	43,457,810
Subtotal	46,458,796	1,622,391	-	48,081,187
Net capital assets - being depreciated	19,919,226	(919,281)	-	18,999,945
Net business-type capital assets	<u>\$20,463,152</u>	<u>\$ (919,281)</u>	<u>\$ -</u>	<u>\$ 19,543,871</u>

City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2015

NOTE 6 – CAPITAL ASSETS (CONTINUED)

C. Component Units

	Balance December 31, 2014	Additions	Disposals	Balance December 31, 2015
Capital Assets not being depreciated:				
Land	\$ 545,767	\$ -	\$ -	\$ 545,767
Art	92,868	-	-	92,868
Net capital assets - non-depreciable	638,635	-	-	638,635
Capital Assets being depreciated:				
Land Improvements	2,722,799	-	835,068	1,887,731
Equipment	174,000	-	-	174,000
Infrastructure	958,903	56,400	161,089	854,214
Subtotal	3,855,702	56,400	996,157	2,915,945
Accumulated depreciation:				
Land Improvements	2,423,473	34,804	808,616	1,649,661
Equipment	73,950	8,700	-	82,650
Infrastructure	648,807	37,686	127,725	558,768
Subtotal	3,146,230	81,190	936,341	2,291,079
Net capital assets - being depreciated	709,472	(24,790)	59,816	624,866
Net component units capital assets	<u>\$1,348,107</u>	<u>\$ (24,790)</u>	<u>\$ 59,816</u>	<u>\$1,263,501</u>

City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2015

NOTE 6 – CAPITAL ASSETS (CONTINUED)

D. Depreciation Expense

Depreciation expense was charged to the primary government as follows:

Governmental Activities:

General Government	\$ 707,058
Public Safety	581,234
Highways, Streets & Bridges	644,263
Internal Service Fund depreciation is charged back to the various funds based on their usage of the assets	<u>283,846</u>
Total Governmental Activities	<u>\$ 2,216,401</u>

Business-type Activities:

Sewer	\$ 813,962
Water	712,446
Airport	<u>95,983</u>
Total Business-type Activities	<u>\$ 1,622,391</u>

City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2015

NOTE 7 – LONG-TERM DEBT

The government issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. Revenue bonds involve a pledge of specific income derived from the acquired or constructed assets to pay debt service.

Bond obligation activity of the Primary Government can be summarized as follows:

A. Governmental Activities

	<u>Interest Rate Range</u>	<u>Principal Maturity Range</u>	<u>Beginning Balance</u>	<u>Additions (Reductions)</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>General Obligation Bonds</u>						
2007 Capital Improvements Bond						
Amount of Issue \$3,685,000	4.00% -	\$195,000 -				
Maturing thru 2022	5.00%	\$360,000 Premium	\$2,340,000 47,752	(\$225,000) (6,821)	\$2,115,000 40,931	\$245,000 -
<u>Building Authority Bonds</u>						
2011 Building Authority Refunding Bonds						
Amount of Issue \$1,463,000	1.40 % -	\$278,000 -				
Maturing thru 2016	2.70%	\$307,000	605,000	(298,000)	307,000	307,000
Total bond obligations			<u>2,992,752</u>	<u>(529,821)</u>	<u>2,462,931</u>	<u>552,000</u>
<u>Other Long-term Obligations</u>						
Compensated Absences						
Vacation						
			510,971	430,226		
				(410,422)	530,775	410,422
Sick						
			150,773	110,326		
				(91,217)	169,883	28,568
Compensated Absences			<u>661,744</u>	<u>38,913</u>	<u>700,657</u>	<u>438,990</u>
Total governmental activities			<u>\$3,654,496</u>	<u>(\$490,908)</u>	<u>\$3,163,588</u>	<u>\$990,990</u>

The sick portion of compensated absences balance considered payable within one year is for the balances of employees who have formally indicated their intent to retire in 2016. The vacation portion of compensated absences balance considered payable within one year is an estimate based on 2015 usage. For governmental activities, compensated absences are generally liquidated by the general fund.

City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2015

NOTE 7 – LONG-TERM DEBT (CONTINUED)

B. Business-type Activities

	Interest Rate Ranger	Principal Maturity Range	Beginning Balance	Additions (Reductions)	Ending Balance	Due Within One Year
<u>Revenue Bonds</u>						
2010 Wastewater Treatment Refunding*						
Amount of Issue \$3,545,000	2.0% -	\$220,000 -				
Maturing thru 2019	3.00%	\$455,000	\$1,960,000	(\$415,000)	\$1,545,000	\$430,000
2007 Water Refunding Bonds						
Amount of Issue \$5,195,000	4.00% -	\$90,000 -				
Maturing thru 2022	5.00%	\$520,000	3,295,000	(340,000)	2,955,000	355,000
1994 Unrefunded Water Bonds						
Amount of Issue \$1,135,000	3.75% -	\$550,000 -				
Maturing 2023 & 2024	8.00%	\$585,000	1,135,000	-	1,135,000	-
<u>Other Long-term Liabilities</u>						
MDEQ Loan Payable						
Maturing 2028	1.50%		300,000	-	300,000	-
Total business-type activities			<u>6,690,000</u>	<u>(755,000)</u>	<u>5,935,000</u>	<u>785,000</u>
Total Primary Government			<u>\$10,344,496</u>	<u>(\$1,245,907)</u>	<u>\$9,098,589</u>	<u>\$1,775,990</u>

During 2013 the City was awarded a \$1,000,000 loan to be used for environmental clean-up of the Mt. Pleasant Center Property. The loan has no interest or payments for the first five years. The loan will be drawn as the project proceeds. The balance of this loan has been excluded from the following schedule of annual debt services requirements as a repayment schedule won't be established until the entire loan amount has been drawn.

*Refunding Bonds were issued that pledged revenue of wastewater and also as additional security pledged the full faith and credit of the limited taxing power of the city for payment of the bonds.

City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2015

NOTE 7 – LONG-TERM DEBT (CONTINUED)

C. Debt Service Requirements

Annual debt service requirements, excluding premium, to maturity for the above obligations is as follows:

Primary Government:

Year Ended December 31,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2016	552,000	98,345	785,000	206,035
2017	265,000	81,950	815,000	179,185
2018	285,000	68,700	850,000	150,035
2019	310,000	54,450	640,000	119,553
2020	315,000	41,663	440,000	95,215
2021-24	695,000	43,519	2,105,000	179,110
Total	<u>\$ 2,422,000</u>	<u>\$ 388,627</u>	<u>\$ 5,635,000</u>	<u>\$ 929,133</u>

D. Conduit Debt Obligation

During 2000, the City of Mt. Pleasant issued bonds, in the amount of \$2,400,000, for Crisis Center, Inc. to obtain the necessary funding to construct 40 units of low and moderate-income housing. The bonds do not constitute a charge, lien or encumbrance, legal or equitable, upon any property within the City except the housing project constructed. The bonds clearly state that under no circumstances will the City, the County, the State or any of its taxpayers or citizens ever be required to pay any of the principal or interest on the bonds, or any costs relating to the issuance thereof from any tax revenues. The outstanding balance on the debt as of December 31, 2015 is \$1,337,739.

E. Pledged Revenues

The City has pledged future water revenues, to repay \$4,090,000 in remaining water system revenue bonds issued in 1994 and partially refunded in 2007. Proceeds from the bonds provided financing for water system improvements. The bonds are payable solely from water system revenues and are payable through 2024. Annual principal and interest payments on the bonds totaled approximately \$519,000 which amounted to approximately 19% percent of pledged revenues in 2015. Future pledged revenues are expected to exceed debt service requires with a specific coverage percentage being inestimable. The total principal and interest remaining to be paid on the bonds is approximately \$4,928,501. Current year principal and interest paid for the current year and pledged revenues were approximately \$519,000 and \$2,695,000, respectively.

City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2015

NOTE 8 – RESTRICTED NET POSITION

Specific net position have been restricted as follows:

Governmental Activities

General Fund	
Unspent Donations	\$ 213,102
Major Street	
Unspent Donations	15,399
Unspent Act 51	1,334,349
Local Street	
Unspent Donations	50,000
Unspent Act 51	455,101
Other Nonmajor Governmental Funds	
Cemetery Ordinance Requirements	180,101
Debt Bond Requirements	<u>4,646</u>
 Total Governmental Activities	 <u><u>\$ 2,252,698</u></u>

Business Type Activities

Sewer Fund	
Ordinance Requirements	\$ 696,963
Water Fund	
Debt Service	596,700
Nonmajor Proprietary Funds	
Unspent Donation	76,999
Legal Requirements – County Agreement/ Condo Association	<u>297,516</u>
 Total Business-Type Activities	 <u><u>\$ 1,668,178</u></u>

Component Units

Unspent Donations	<u><u>\$ 42,437</u></u>
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City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2015

NOTE 9 - RISK MANAGEMENT

A. Property/Liability

The City is exposed to various risks related to civil suits, property protection, errors and omissions and natural disasters. The City participates in a risk pool with other local units of government in the Michigan Municipal Risk Management Authority. This self-insurance plan provides members with loss protection for property damage, general liability, automobile damage, machinery damage and errors and omissions. The City pays an annual contribution to provide for the procurement of re-insurance, risk management, underwriting, establishment of loss reserves, and other related expenses. The City also makes contributions to its member retention fund. When a claim is incurred and or paid, the individual member retention fund is charged up to the \$224,000 self retention limits; individual claims in excess of \$100,000 are paid by the reinsurance. The City has no obligation for payment of another member's losses.

The City carries Airport and Pollution liability insurance from a commercial carrier.

There have been no reductions in insurance coverage of any type from December 31, 2015. For the past three years, settlement of insurance claims has not exceeded insurance coverage.

B. Medical Claims

The City provides group health insurance to its employees through a self-funded health plan. Core Source administers the plan under contractual agreement with the City. The plan is accounted for in the City's Self Insurance Fund. The City has stop-loss insurance coverage for all claims in excess of \$150,000 per individual. A liability for claims incurred but not yet reported (IBNR Claims) of \$564,382 has also been recorded in the Self Insurance Fund. The IBNR Claims reported consist of projected claims to be paid in 2016 based on the plan's previous two years history.

C. Schedule of Claims

	Property/Liability		Medical	
	2015	2014	2015	2014
IBNR Claims Payable Beginning of Year	\$ 29,645	\$ 50,268	\$ 268,701	\$ 226,562
Claims Incurred	(23,355)	(20,344)	2,912,810	1,956,880
Claims Paid	(790)	(279)	(2,617,129)	(1,914,741)
IBNR Claims Payable End of Year	<u>\$ 5,500</u>	<u>\$ 29,645</u>	<u>\$ 564,382</u>	<u>\$ 268,701</u>

City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2015

NOTE 10 – POST-EMPLOYMENT BENEFITS

A. Employer Paid Healthcare

In accordance with POAM and COAM union agreements, in addition to providing pension benefits, the City provides all police and command officers who were hired prior to January 2010 and who retire with Act 345 pension benefits after January 1, 2002 with paid health care benefits for the retiree only. Beginning January 1, 2003, the City established a Retiree Health Care Fund in accordance with Public Act 149 of 1999. The Retiree Health Care fund is funded by a 2% employee contribution, a transfer of excess Act 345 pension interest in accordance with Public Act 28 for the first ten years of the plan, and an employer contribution from the City. The City has chosen to fund the plan based on the actuarial valuation. The plan is reported in the Retiree Health Trust Fund. This plan does not issue a separate report.

Following are the financial statements for the Retiree Health Care Trust Fund for the year ended December 31, 2015.

Statement of Plan Net Position

ASSETS

Other Cash	\$ 162,343
Investments, at fair value:	
Mutual Funds	941,883
Money Market Funds	30,299
Total Assets	<u>1,134,525</u>

LIABILITIES

Accounts Payable	<u>12,726</u>
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NET POSITION

Held in trust for pensions and other benefits and other purposes	<u>\$ 1,121,799</u>
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City of Mt. Pleasant

Notes to Financial Statements
Year Ended December 31, 2015

NOTE 10 – POST-EMPLOYMENT BENEFITS (CONTINUED)

A. Employer Paid Healthcare (Continued)

Statement of Changes in Plan Net Position

ADDITIONS

Contributions

Employer	\$	64,390
Employee		35,024
Total Contributions		<u>99,414</u>

Investment Income

Decrease in fair value of investments		(38,908)
Interest		226
Dividends		31,482
Total Investment Income		<u>(7,200)</u>

Total Additions		<u>92,214</u>
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DEDUCTIONS

Benefit payments		52,320
Administration expense		<u>7,664</u>

Total Deductions		<u>59,984</u>
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CHANGE IN NET POSITION		32,230
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NET POSITION - JANUARY 1		<u>1,089,569</u>
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NET POSITION - DECEMBER 31		<u><u>\$ 1,121,799</u></u>
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For the current year, the City contributed \$64,390. The City contribution was based on the actuarial valuation for the employer share and the employees contributed 2% of covered payroll. At December 31, 2015 membership in the Plan is as follows:

Active Members	21
Retirees Currently Receiving Benefits	9

City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2015

NOTE 10 – POST-EMPLOYMENT BENEFITS (CONTINUED)

A. Employer Paid Healthcare (Continued)

The City's annual other post employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement #45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period of twenty-two years. The GASB Statement #45 actuarial valuation of the Retiree Health Plan was initially performed as of December 31, 2008 with the requirements of GASB Statement #45 being implemented in 2009. Additional valuations were performed as of December 31, 2011 and 2014. The following table shows the components of the City's annual OPEB cost for the year based on the valuation of the plan, the amount actually contributed to the plan, and changes in the City's OPEB obligation to the plan.

Annual required contribution	\$ 97,399
Interest on Net OPEB obligation	(5,028)
Adjustment to annual required contribution	7,335
Annual OPEB cost (expense)	<u>99,706</u>
Contribution made	<u>(99,414)</u>
Increase in net OPEB obligation	292
Net OPEB liability (asset), beginning of year	<u>(67,045)</u>
Net OPEB liability (asset), end of year	<u>\$ (66,753)</u>
Percentage of OPEB Cost Contributed	99.7%

The City's Annual OPEB cost, percentage of OPEB cost contributed and net post-employment benefit obligation for the plan for the current year and each of the two preceding years (were as follows:

<u>Fiscal Year</u> <u>Ending December 31,</u>	<u>Annual OPEB</u> <u>Cost</u>	<u>Percentage of OPEB</u> <u>Cost Contributed</u>	<u>Net OPEB</u> <u>Asset</u>
2013	\$109,878	101%	\$56,590
2014	93,696	111%	67,045
2015	99,706	99.7%	66,753

City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2015

NOTE 10 – POST-EMPLOYMENT BENEFITS (CONTINUED)

A. Employer Paid Healthcare (Continued)

Actuarial Valuation Date	Market Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio Total	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2011	\$667,430	\$1,241,480	\$574,050	53.7%	\$1,899,425	30.2%
12/31/2014	1,089,569	1,478,517	388,948	74%	1,695,700	26.3%

B. Other Post Employment Benefits

The city administers a single-employer defined benefit healthcare plan (the Retiree Health Plan). This benefit plan is authorized, and applicable benefit requirements are identified, in the City personnel policy and union agreements. All employees retiring are eligible to purchase retiree health insurance from the City's self funded plan. Since the retirees purchase the insurance at the same group rate as active employees, there is an implied subsidy by the City.

The City's contribution to this plan is provided on a pay as you go basis. Based on the actuarial study for 2015, the annual required contribution (ARC) was \$352,968. The City subsidized the retiree premiums by paying \$93,953 to cover the claims paid for 39 retired employees during 2015.

The City's annual other post employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement #45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period of thirty years. The first actuarial valuation of the Retiree Health Plan was performed as of December 31, 2008 with the requirements of GASB Statement #45 being implemented prospectively. Fiscal year 2008 was the first year for which an actuarially required contribution (ARC) has been determined. Additional valuations were performed as of December 31, 2011 and 2014.

City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2015

NOTE 10 – POST-EMPLOYMENT BENEFITS (CONTINUED)

B. Other Post Employment Benefits (Continued)

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's OPEB obligation to the plan.

Annual required contribution	\$ 352,968
Interest on Net OPEB obligation	43,173
Adjustment to annual required contribution	(62,425)
Annual OPEB cost (expense)	<u>333,716</u>
Contribution made	(93,953)
Increase in net OPEB obligation	<u>239,763</u>
Net OPEB obligation, beginning of year	1,079,333
Net OPEB obligation, end of year	<u>\$ 1,319,096</u>
Percentage of OPEB Cost Contributed	<u>28.1%</u>

The City's Annual OPEB cost, percentage of OPEB cost contributed and net post-employment benefit obligation for the plan for the current year and each of the two preceding years were as follows:

<u>Fiscal Year</u> <u>Ending December 31,</u>	<u>Annual OPEB</u> <u>Cost</u>	<u>Percentage of OPEB</u> <u>Cost Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
2013	\$332,918	18.1%	\$856,378
2014	319,686	30.3%	1,079,333
2015	333,716	28.1%	1,319,096

<u>Actuarial</u> <u>Valuation</u> <u>Date</u>	<u>Actuarial</u> <u>Accrued</u> <u>Liability (AAL)</u>	<u>Unfunded</u> <u>AAL</u> <u>(UAAL)</u>	<u>Funded</u> <u>Ratio</u> <u>Total</u>	<u>Covered</u> <u>Payroll</u> <u>(c)</u>	<u>UAAL as a</u> <u>Percentage</u> <u>of Covered</u> <u>Payroll</u> <u>((b-a)/c)</u>
12/31/2011	\$3,490,912	\$3,490,912	0%	\$6,719,063	52.00%
12/31/2014	3,586,834	3,589,834	0%	7,067,236	50.80%

City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2015

NOTE 10 – POST-EMPLOYMENT BENEFITS (CONTINUED)

C. Actuarial Assumptions

Actuarial valuations of ongoing plans 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 healthcare cost trend. Amounts determined regarding the funded status of the plans and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The required schedules of funding progress immediately following the notes to the financial statements, present multi-year trend information about whether the actuarial value of the plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the December 31, 2014 actuarial valuation the Plan utilized the projected unit credit actuarial cost method; level dollar, closed amortization method and an amortization period of 20 years for the employer paid plan; and open amortization method and a amortization period of 30 years for the other post employment benefit plan. The actuarial assumptions included a 7.5% return on plan net position for the employer paid healthcare plan (which is a blended rate of return of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date) and a 0% return on plan net position for the other post employment benefit plan, as this plan is not funded, and a 5% medical inflation rate.

City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2015

NOTE 11 - EMPLOYEE RETIREMENT SYSTEMS

The City maintains two pension plans: 1) a contributory defined benefit pension plan with the Municipal Employees Retirement System of Michigan (MERS), which is an agent multiple-employer public employee retirement system, and 2) a single-employer contributory defined benefit pension plan for its police and fire employees under P.A. 345 of the Michigan Public Acts of 1937, as amended.

A. Municipal Employees Retirement System of Michigan

Plan Description - The following brief description of the MERS plan is provided for general information purposes only. Participants should refer to the Plan agreement for more complete information.

The City contributes to the Municipal Employees Retirement System of Michigan (MERS), multiple-employer public employee retirement system administered by the MERS Retirement Board. The system provides retirement, disability and death benefits to plan members and their beneficiaries. Act No. 427 of the Public Acts of 1984, as amended, establishes and amends the benefit provisions of the participants in MERS. MERS issues a publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by accessing the MERS website at www.mersofmich.com. All full-time City employees and paid on call firefighters hired prior to January 1, 2011, except for the police and fire members who have their own retirement plan, are eligible to participate in the system. Employees become eligible to participate upon employment.

Benefits provided – Benefits provided include plans with multipliers ranging from 1.7 to 2.5. Vesting period of 6-10 years. Normal retirement age is 60 with early retirement dependent on years of service. Final average compensation is calculated based on 3 years.

Membership of the defined benefit plan consisted of the following at the date of the latest actuarial valuation (December 31, 2014):

Active plan members	87
Inactive employees entitled but not yet receiving benefits	17
Inactive employees or beneficiaries currently receiving benefits	<u>84</u>
Total	<u>188</u>

City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2015

NOTE 11 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

A. Municipal Employees Retirement System of Michigan (Continued)

Contributions - The City is required to contribute at an actuarially determined rate. The employer makes an annual contribution the first of the year and the credit is applied monthly to the liability for the month. Participating employees are required to contribute from 4.0% to 5.0% percent of gross wages to the Plan based on position and classification. The contribution requirements of the City are established and may be amended by the MERS Retirement Board. The contribution requirements of employees are established and may be amended by labor agreements.

Net Pension Liability - The employer's Net Pension Liability was measured as of December 31, 2014, and the total pension liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation as of that date.

The total pension liability in the December 31, 2014 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation: 3%-4%.
- Salary Increases: 4.5% in the long-term (1%, 2% and 3% for calendar years 2015, 2016 and 2017, respectively).
- Investment rate of return: 8.25%, net of investment expense, including inflation.
- Mortality rates used were based on the 1994 Group Annuity Mortality Table of a 50% Male and 50% Female blend. For disabled retirees, the regular mortality table is used with a 10-year set forward in ages to reflect the higher expected mortality rates of disabled members.

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

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:

City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2015

NOTE 11 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

A. Municipal Employees Retirement System of Michigan (Continued)

<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 is 8.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

	<u>Total Pension Liability</u> (a)	<u>Plan Fiduciary Net Position</u> (b)	<u>Net Pension Liability</u> (a)-(b)
Balance at December 31, 2014	\$26,801,767	\$19,198,766	\$7,603,001
Changes for the Year:			
Service cost	497,479	-	497,479
Interest	2,165,742	-	2,165,742
Change in benefits	-	-	-
Differences between expected and actual	-	-	-
Change in assumptions	-	-	-
Contributions: employer	-	825,664	(825,664)
Contributions: employee	-	168,884	(168,884)
Net investment income	-	(285,280)	285,280
Benefit payments, including refunds	(1,598,175)	(1,598,175)	-
Administrative expense	-	(42,508)	42,508
Other changes	(75,752)	-	(75,752)
Net changes	989,294	(931,415)	1,920,709
Balance at December 31, 2015	\$27,791,061	\$18,267,351	\$9,523,710

City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2015

NOTE 11 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

A. Municipal Employees Retirement System of Michigan (Continued)

Sensitivity of the Net Pension Liability to changes in the discount rate – The following presents the Net Pension Liability of the employer, calculated using the discount rate of 8.25%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower (7.25%) or 1% higher (9.25%) than the current rate.

	7.25%	Current Discount rate	9.25%
Total Pension Liability	\$30,652,327	\$27,791,061	\$25,340,468
Fiduciary Net Position	(18,267,351)	(18,267,351)	(18,267,351)
Net Pension Liability	<u>\$12,384,976</u>	<u>\$9,523,710</u>	<u>\$7,073,117</u>

B. City of Mt. Pleasant Fire and Police Pension System

Summary of Significant Accounting Policies - Investments are stated at fair value in the financial statements. The actuarial value of assets is measured using a smoothing valuation. Mutual funds and securities traded on a national exchange are valued at the reported sales price on December 31, 2015.

Plan Description - The City sponsors and administers a single-employer defined benefit pension plan for its police and fire employees under P.A. 345 of the Public Acts, as amended. The system's financial statements are included in the City's Financial Statements, as a pension trust fund. The plan does not issue a separate report.

Following is the financial Statement for the City of Mt. Pleasant Fire & Police Pension for the year ended December 31, 2015.

Statement of Plan Net Position

ASSETS

Investments, at fair value:	\$ 35,731
Mutual Funds	19,871,395
Money Market Funds	1,689,351
Total Assets	<u>21,596,477</u>

NET POSITION

Held in trust for pensions and other benefits and other purposes	<u>\$ 21,596,477</u>
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City of Mt. Pleasant

Notes to Financial Statements
Year Ended December 31, 2015

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

B. City of Mt. Pleasant Fire and Police Pension System (Continued)

Statement of Changes in Plan Net Position

ADDITIONS

Contributions

Employer	\$ 708,175
Employee	<u>128,490</u>

Total Contributions	836,665
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Investment Income

Net decrease in fair value of investments	(427,693)
Interest	2,679
Dividends	<u>377,170</u>

Total Investment Income	<u>(47,844)</u>
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Total Additions	788,821
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DEDUCTIONS

Benefit payments	1,375,483
Administration expense	<u>21,874</u>

Total Deductions	<u>1,397,357</u>
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CHANGE IN NET POSITION	(608,536)
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NET POSITION - JANUARY 1	<u>22,205,013</u>
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NET POSITION - DECEMBER 31	<u>\$ 21,596,477</u>
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City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2015

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

B. City of Mt. Pleasant Fire and Police Pension System (Continued)

Management of the Fire and Police Pension Plan is vested in the Police & Fire Pension Board. The Board consists of a representative from police, fire, the City Treasurer and two citizens appointed by the City Commission.

At December 31, 2015 membership in the System is as follows:

<u>Group</u>	<u>Membership</u>
Active Members	40
Retirees and Beneficiaries	
Currently Receiving Benefits	42
Inactive, Vested Members	2

The system provides retirement, disability and death benefits to plan members and their beneficiaries. The following brief description of the Fire and Police Pension System plan is provided for general information purposes only. Participants should refer to the Plan agreement for more complete information. Fire retirees' straight life pension equals 2.75% of 3-year average final compensation (AFC) times the first 25 years of service plus 1% of AFC times years of service in excess of 25 years with an 80% of AFC maximum benefit. Police retirees' straight life pension equals 2.75% of 3-year AFC times the greater of 25 years of service or years of service to age 50, plus 1% of AFC times years of service to which 2.75% multiplier didn't apply with a 75% of AFC maximum benefit. All members are eligible for non-duty disability upon 5 years of service and for duty disability upon hire. Non-duty death benefits are eligible to a surviving spouse upon 10 years of service and duty death upon hire and expiration of workers' compensation benefits. A plan member who leaves service may withdraw their contributions, plus any accumulated interest.

The union agreements for Police and Fire provide for a 13th check provided the plan is greater than 84% funded. Police 13th check for officers retired before January 1, 2002 is 7.5% of payments to eligible retirees divided by the number of eligible police retirees and beneficiaries. Fire 13th check is 5% for firefighters retired prior to 2000 and 7.5% for firefighters retired after 2000.

City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2015

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

B. City of Mt. Pleasant Fire and Police Pension System (Continued)

Plan member benefits and member contributions are determined based on negotiations with the three bargaining units covering members. Police plan members are required to contribute 4% of their annual covered payroll. Fire plan members hired before December 31, 2014 are required to contribute 4% of their annual covered payroll if the plan is 84% or greater funded and 5% if not. Fire plan members hired after January 1, 2015 are required to contribute 5% of their annual covered payroll. Employer contributions to the plan provide for an annual contribution at an actuarially determined rate. The City levies a voted millage to cover the contribution. Administrative costs of the plan are financed through investment earnings.

Trend Information

	2013	2014	2015
Annual Pension Cost (APC)	\$537,388	\$ 747,621	\$ 708,175
Percentage of APC to Cover Payroll	19.5%	27.4%	23.4%
Percentage of APC Contributed	100%	100%	100%

Investments

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Police & Fire Pension Board by a majority vote of the its members. It is the policy of the Police & Fire Pension Board to pursue an investment strategy that reduces risk through diversification of the portfolio. The following is the Board's adopted asset allocation policy as of August 20, 2013. The market value of the pension portfolio invested in equity investments shall be 65% with a tolerance for fluctuation of +5%. The market value of the pension portfolio invested in international equity investments shall not exceed 20%. No individual stocks will be held. All equity investment will be in mutual funds. The market value of the equity portfolio will be 50% value and 50% growth with a tolerance for fluctuation of +/- 10%. The market value of the equity portfolio will be 80% giant and large stocks and 20-30% medium and small stocks. Given the lengthy time horizon of pension investments, rebalancing shall be evaluated annually and phased in over a period of time.

For the year ended December 31, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.4%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2015

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

B. City of Mt. Pleasant Fire and Police Pension System (Continued)

Reserves

The system is required to maintain reserves for employees' contributions and retired benefit payments. At December 31, 2015 these reserves equal 100% of non-retired employee contributions plus interest and 100% of the actuarial determined reserve for retiree benefit payments. Reserve balances at December 31, 2015 are:

Reserve for Employee Contribution	\$ 1,865,652
Reserve for Retiree Benefit Payment	13,533,108

Net Pension Liability of the City

The components of the net pension liability of the City at December 31, 2015 were as follows:

Total Pension Liability	\$ 26,184,366
Plan Fiduciary Net Position	(21,596,477)
City's Net Pension Liability	\$ 4,587,889

Plan Fiduciary net position as a percentage of total pension liability 82.48%

Significant actuarial assumptions used include (a) an 7.25% net investment yield, (b) projected salary increases of 4% to 7% including a percentage based in an age-related scale to reflect merit, longevity and promotional salary increases per year and (c) inflation of 4%. Mortality rates were based on the RP2000 Group Annuity Mortality Table for males and females projected to 2017 using scale BB with a 3-year set forward for males.

The long-term expected rate of return on pension plan investments was determined to be 7.25% a year, compounded annually. The assumptions consists of 3.25% for real rate of return and 4% in recognition of wage inflation.

City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2015

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

B. City of Mt. Pleasant Fire and Police Pension System (Continued)

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at the current contributions rate and that the City contributions will be made at rates equal to the difference between actuarially determined contributions and the member rates. 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 benefit liability.

The following are the components of the change in net pension liability are as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at December 31, 2014	\$24,905,872	\$22,205,013	\$2,700,859
Service Cost	561,402	-	561,402
Interest on Total Pension Liability	1,776,165	-	1,776,165
Benefit Changes	(2,983)	-	(2,983)
Differences between Expected & Actuarial Experience	319,393	-	319,393
Employer Contributions	-	708,175	(708,175)
Employee Contributions	-	128,490	(128,490)
Net Investment Income	-	(47,845)	47,845
Benefit Payments	(1,375,483)	(1,375,483)	-
Administration Expense	-	(21,873)	21,873
Net Changes	1,278,494	(608,536)	1,887,030
Balance at December 31, 2015	\$26,184,366	\$21,596,477	\$4,587,889

City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2015

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

B. City of Mt. Pleasant Fire and Police Pension System (Continued)

The following presents the net pension liability to the City, calculated using the discount rate of 7.25%, as well as the City's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.25%) and 1% higher (8.25%) than the current rate;

<u>6.25%</u>	Current Discount Rate <u>7.25%</u>	<u>8.25%</u>
\$7,704,763	\$4,587,889	\$1,957,601

The required schedule of funding progress immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities of benefits.

For the year ended December 31, 2015 the City recognized pension expense of \$1,029,764. At December 31, 2015, the City reported pension-related deferred outflows of resources from the following sources:

Net difference between projected and actual earnings on pension plan investments	\$1,309,906
Difference between expected and actual experience	<u>255,535</u>
Total	\$1,565,441

Amounts reported as pension-related deferred outflows of resources will be recognized in pension expense as follows:

Year Ended December 31,	Amount
2016	\$391,335
2017	391,335
2018	391,335
2019	391,335
2020	101
Total	<u>\$1,565,441</u>

City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2015

NOTE 12 – JOINT VENTURE

The City of Mt. Pleasant is a participant in the Mid-Michigan Area Cable Consortium. The Consortium is comprised of several Mid-Michigan governmental units who are provided cable service from the same cable provider. The Consortium is organized as a non-profit organization with a 501c (3) designation from the Internal Revenue Service. On December 31, 2015 the Consortium had a cash and investment balance of \$666,208. The Consortium does not issue an annual financial report.

NOTE 13 – CONTINGENCIES

A. Grants

The City receives significant financial assistance from federal and state governmental agencies in the form of grants. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2015.

B. Litigation

In the normal course of its operations, the City has become a party in various legal actions, including property tax appeals. Management of the City is of the opinion that the outcome of such actions will not have a material effect on the financial position of the City. Amounts reserved for losses related to legal actions have not been included as a liability in the financial statements.

NOTE 14 – COMMITTED FUND EQUITY

The following is a summary of the equity balance of the funds that are committed by formal action of the City Commission:

Governmental Activities

General Fund

Special Assessments	\$ 369,089
Other Nonmajor Governmental Funds	
Cemetery Perpetual Care	180,101
Capital Project Millage	914,271
Total Governmental Activities	<u>\$ 1,463,461</u>

City of Mt. Pleasant

Notes to Financial Statements Year Ended December 31, 2015

NOTE 15 – ASSIGNED FUND EQUITY

The following is a summary of the equity balance of the funds with management's assignment.

	<u>General</u>	<u>Non-Major Government</u>	<u>Water/Sewer Fund</u>	<u>Non-Major Proprietary</u>	<u>Component Unit</u>
Assigned for:					
Fire Truck Replacement	\$ 651,507	\$ -	\$ -	\$ -	\$ -
Fund Balance Policy	1,700,000	-	-	-	-
Economic Development	669,675	-	-	-	-
Subsequent Years' Expenditures	916,515	27,815	-	120,519	1,472,439
Appropriated Next Year's Budget	558,900	-	-	-	-
Parks & Recreations	653,686	-	-	-	-
Community Development Block					
Grant Eligible Expenditures	464,559	-	-	-	-
Plant/Line Replacement	-	-	1,590,347	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assigned	<u>\$ 5,614,842</u>	<u>\$ 27,815</u>	<u>\$ 1,590,347</u>	<u>\$ 120,519</u>	<u>\$ 1,472,439</u>

NOTE 16 – PRIOR PERIOD ADJUSTMENT

Beginning net position of the City was decreased to record the net pension liability in accordance with the implementation of Government Accounting Standards Board Statement No. 68 as follows:

<u>Opinion Unit</u>	<u>Amount</u>
Governmental Activities	\$8,206,192
Business-Type Activities	1,963,855
Component Unit	133,813
Sewer Fund	783,109
Water Fund	1,049,214
Airport Fund	47,139
Solid Waste Fund	84,393

City of Mt. Pleasant

City of Mt. Pleasant

	<u>Budgeted Amounts</u>	
	<u>Original</u>	<u>Final</u>
Fund Balance - January 1	\$ 5,878,691	\$ 6,087,806
Resources (Inflows)		
Taxes	5,640,740	5,682,410
Licenses and Permits	383,000	431,680
Intergovernmental		
Grants	6,500	115,990
Revenue Sharing	2,730,290	2,700,150
Other	18,000	76,380
Charges for Service and Sales	1,269,570	1,297,730
Fines	191,000	141,500
Interest	21,400	21,500
Miscellaneous	235,900	576,050
Transfers from Other Funds	1,188,320	1,005,140
Transfers from Component Units	<u>56,830</u>	<u>202,540</u>
Amount Available for Appropriation	17,620,241	18,338,876
Charges to Appropriations (Outflows)		
Legislative Division	1,268,640	1,243,760
Financial Services Division	1,187,930	949,810
Public Safety Division	6,477,390	6,362,540
Community Services Division	1,869,350	2,105,010
Public Works Division	835,760	757,950
Transfers to Other Funds	<u>670,620</u>	<u>670,620</u>
Total Charges to Appropriations	<u>12,309,690</u>	<u>12,089,690</u>
Fund Balance - December 31	<u>\$ 5,310,551</u>	<u>\$ 6,249,186</u>

**Required Supplemental Information
 Budgetary Comparison Schedule - General Fund
 Excluding Component Funds
 Year ended December 31, 2015**

<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ 6,087,820	\$ 14
5,683,630	1,220
437,970	6,290
118,163	2,173
2,650,616	(49,534)
77,274	894
1,320,848	23,118
171,660	30,160
22,619	1,119
587,847	11,797
977,195	(27,945)
<u>192,565</u>	<u>(9,975)</u>
18,328,207	(10,669)
1,222,948	20,812
918,295	31,515
6,213,858	148,682
2,060,218	44,792
748,671	9,279
<u>670,321</u>	<u>299</u>
<u>11,834,311</u>	<u>255,379</u>
<u>\$ 6,493,896</u>	<u>\$ 244,710</u>

City of Mt. Pleasant

	General	Component Funds Parks & Recreation
REVENUE		
Taxes	\$ 5,683,630	\$ -
Special Assessments	-	-
Licenses and Permits	437,970	-
Intergovernmental		
Grants	118,163	-
Revenue Sharing	2,650,616	-
Other	77,274	-
Charges for Service and Sales	1,513,413	573,804
Fines	171,660	-
Interest	22,619	1,441
Miscellaneous	587,847	3,862
	<hr/>	<hr/>
Total Revenue	11,263,192	579,107
EXPENDITURES		
Current Operations		
General Government	4,201,461	984,406
Public Safety	6,213,858	-
Public Works	748,671	-
Community Development	-	-
	<hr/>	<hr/>
Total Expenditures	11,163,990	984,406
Excess of Revenue Over (Under) Expenditures	99,202	(405,299)

**Required Supplemental Information
Reconciliation Statement of Revenue, Expenditures, and
Changes in Fund Balance -
General Fund to General Fund Budgetary Schedule
Year ended December 31, 2015
(Continued)**

Component Funds				
Special Assessment	CDBG	Interfund Eliminations	Total General Fund	
\$ -	\$ -	\$ -	\$ 5,683,630	
3,890	-	-	3,890	
-	-	-	437,970	
-	-	-	118,163	
-	-	-	2,650,616	
-	-	-	77,274	
-	18,327	-	2,105,544	
-	-	-	171,660	
2,365	891	-	27,316	
-	-	-	591,709	
6,255	19,218	-	11,867,772	
-	-	-	5,185,867	
-	-	-	6,213,858	
-	-	-	748,671	
-	17,870	-	17,870	
-	17,870	-	12,166,266	
6,255	1,348	-	(298,494)	

City of Mt. Pleasant

	<u>General</u>	<u>Component Funds Parks & Recreation</u>
OTHER FINANCING SOURCES (USES)		
Transfers In	\$ 977,195	\$ 236,430
Transfers Out	(670,321)	(95,460)
	<u>306,874</u>	<u>140,970</u>
Total Other Financing Sources (Uses)		
Net Change in Fund Balances	406,076	(264,329)
Fund Balance - January 1	<u>6,087,820</u>	<u>918,015</u>
Fund Balance - December 31	<u><u>\$ 6,493,896</u></u>	<u><u>\$ 653,686</u></u>

**Required Supplemental Information
Reconciliation Statement of Revenue, Expenditures, and
Changes in Fund Balance -
General Fund to General Fund Budgetary Schedule
Year ended December 31, 2015
(Continued)**

Component Funds			
Special Assessment	CDBG	Interfund Eliminations	Total General Fund
\$ -	\$ -	\$ (356,892)	\$ 856,733
-	(30,000)	356,892	(438,889)
-	(30,000)	\$ -	417,844
6,255	(28,652)		119,350
362,834	493,211		7,861,880
<u>\$ 369,089</u>	<u>\$ 464,559</u>		<u>\$ 7,981,230</u>

City of Mt. Pleasant

	Budgeted Amounts	
	Original	Final
Fund Balance - January 1	\$ 854,556	\$ 1,191,773
Resources (Inflows)		
Intergovernmental		
Revenue Sharing	1,150,000	1,330,000
Grant	-	36,380
Other	25,060	28,780
Charges for Service and Sales	1,350	1,350
Interest	4,000	5,500
Miscellaneous	-	-
Transfers In	34,500	17,750
	<hr/>	<hr/>
Amount Available for Appropriation	2,069,466	2,611,533
Charges to Appropriations (Outflows)		
Highways, Streets and Bridges	948,500	1,073,440
Transfers to Other Funds	336,020	329,210
	<hr/>	<hr/>
Total Charges to Appropriations	1,284,520	1,402,650
	<hr/>	<hr/>
Fund Balance - December 31	\$ 784,946	\$ 1,208,883

Required Supplemental Information
Budgetary Comparison Schedule - Major Street Fund
Year ended December 31, 2015

<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ 1,191,773	\$ -
1,436,031	106,031
36,368	(12)
29,636	856
330	(1,020)
5,919	419
3,519	3,519
<u>17,750</u>	<u>-</u>
2,721,326	109,793
1,045,798	27,642
<u>325,780</u>	<u>3,430</u>
<u>1,371,578</u>	<u>31,072</u>
<u><u>\$ 1,349,748</u></u>	<u><u>\$ 140,865</u></u>

City of Mt. Pleasant

	Budgeted Amounts	
	Original	Final
Fund Balance - January 1	\$ 364,554	\$ 531,305
Resources (Inflows)		
Intergovernmental		
Revenue Sharing	380,000	380,000
Grant	364,770	675,500
Charges for Service and Sales	76,500	76,500
Interest	3,500	2,000
Miscellaneous	-	50,000
Transfers In	422,400	432,400
Amount Available for Appropriation	1,611,724	2,147,705
Charges to Appropriations		
Highways, Streets and Bridges	1,299,170	1,706,510
Transfers Out	51,340	59,960
Total Appropriations	1,350,510	1,766,470
Fund Balance - December 31	<u>\$ 261,214</u>	<u>\$ 381,235</u>

Required Supplemental Information
Budgetary Comparison Schedule - Local Street Fund
Year ended December 31, 2015

<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ 531,305	\$ -
447,305	67,305
325,317	(350,183)
67,316	(9,184)
2,230	230
51,350	1,350
<u>432,400</u>	<u>-</u>
1,857,223	(290,482)
1,297,920	408,590
<u>54,202</u>	<u>5,758</u>
<u>1,352,122</u>	<u>414,348</u>
<u><u>\$ 505,101</u></u>	<u><u>\$ 123,866</u></u>

City of Mt. Pleasant

Required Supplementary Information Fire and Police Pension Plan - Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Entry Age Actuarial Accrued Liability	Unfunded Accrued Liability (UAL)	Funded Ratio	Annual Covered Payroll	UAL as a Percentage of Covered Payroll
12/31/2005	\$16,828,869	\$ 16,671,051	\$ (157,818)	101%	\$2,493,426	-6%
12/31/2006	17,650,089	17,256,054	(394,035)	102%	2,577,755	-15%
12/31/2007	19,240,015	17,859,262	(1,380,753)	108%	2,548,849	-54%
12/31/2008	17,545,223	18,450,495	905,272	95%	2,673,340	33%
12/31/2009	17,862,495	19,147,372	1,284,877	93%	2,708,465	47%
12/31/2010	18,328,315	19,983,867	1,655,552	92%	2,578,305	64%
12/31/2011	18,149,864	20,912,606	2,762,742	87%	2,707,244	102%
12/31/2012 *	17,962,082	23,831,734	5,869,652	75%	2,742,557	214%
12/31/2013	19,356,003	24,375,398	5,019,395	79%	2,757,689	182%
12/31/2014 **	22,205,013	24,905,872	2,700,859	89%	2,723,924	99%
12/31/2015 **	21,596,477	26,184,366	4,587,889	82%	3,025,045	151%

*After changes in benefit provisions and/or actuarial assumptions and actuarial cost methods.

** Valuation is in accordance with Governmental Accounting Standards Board Statement Number 67, therefore assets are valued at fair value.

Schedule of Investment Returns Year Ended December 31,

Year Ended	Investment Return
2006	7.8%
2007	11.9%
2008	-6.6%
2009	5.3%
2010	5.8%
2011	2.6%
2012	3.5%
2013	12.1%
2014	9.4%
2015	7.4%

Notes to schedule

Actuarial cost method	Entry Age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	30 years
Asset valuation method	5 year smoothed
Inflation	4.00%
Salary increases	0.30%
Investment rate of return	7.25%
Retirement age	Varies depending on plan adoption
Mortality	RP2000 Group Annuity Table Annuity Mortality Table
GASB 67 annual money weighted rate of return	9.40%

City of Mt. Pleasant

Required Supplementary Information Fire and Police Pension Plan - Schedule of Changes in Net Pension Liability and Related Ratios Year Ended December 31,

Total Pension Liability	2015	2014
Service Cost	\$ 561,402	\$ 456,949
Interest on the Total Pension Liability	1,776,165	1,733,919
Benefit Changes	(2,983)	-
Difference between Expected and Actual Experience	319,393	(284,911)
Assumption Changes	-	-
Benefit Payments	(1,375,483)	(1,375,483)
Refunds	-	-
Net Change in Total Pension Liability	1,278,494	530,474
Total Pension Liability - Beginning	24,905,872	24,375,398
Total Pension Liability - Ending (a)	\$ 26,184,366	\$ 24,905,872
Plan Fiduciary Net Position		
Employer Contributions	\$ 708,175	\$ 747,621
Employee Contributions	128,490	110,532
Pension Plan Net Investment Income	(47,845)	1,404,074
Benefit Payments	(1,375,483)	(1,375,483)
Refunds	-	-
Pension Plan Administration Expense	(21,873)	(19,547)
Other	-	-
Net Change in Plan Fiduciary Net Position	(608,536)	867,197
Plan Fiduciary Net Position - Beginning	22,205,013	21,337,816
Plan Fiduciary Net Position - Ending (b)	\$ 21,596,477	\$ 22,205,013
Net Pension Liability - Ending (a) - (b)	\$ 4,587,889	\$ 2,700,859
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	82.48%	89.16%
Covered Payroll	\$ 3,025,045	\$ 2,723,924
Net Pension Liability as a Percentage of Covered Employee Payroll	151.66%	99.15%

Notes to Schedule

Governmental Accounting Standards Board Statement Number 67 was implemented in fiscal year 2014. This schedule is being built prospectively. Ultimately ten years of data will be presented.

City of Mt. Pleasant

Required Supplementary Information Fire and Police Pension Plan - Schedule of Employer Contributions

Year Ended December 31,	Annual Required Contribution	Percent Contributed	Annual Covered Payroll	Percentage of Covered Payroll
2005	\$ 249,376	100%	\$ 2,493,426	10%
2006	343,214	100%	2,577,755	13%
2007	354,066	100%	2,548,849	14%
2008	358,823	100%	2,673,340	13%
2009	290,314	100%	2,708,465	11%
2010	437,091	100%	2,578,305	17%
2011	463,148	100%	2,707,244	17%
2012	463,837	100%	2,742,557	17%
2013	537,388	100%	2,757,689	19%
2014	747,621	100%	2,723,924	27%
2015	708,175	100%	3,025,045	23%

City of Mt. Pleasant

Required Supplementary Information
MERS - Defined Benefit Plan
Schedule of Changes in Net Pension Liability and Related Ratios
Year Ended December 31,

Total Pension Liability	<u>2014</u>
Service Cost	\$ 497,479
Interest on the Total Pension Liability	2,165,742
Benefit Changes	-
Difference between Expected and Actual Experience	(75,752)
Assumption Changes	-
Benefit Payments	(1,598,175)
Refunds	-
Net Change in Total Pension Liability	<u>989,294</u>
Total Pension Liability - Beginning	<u>26,801,767</u>
Total Pension Liability - Ending (a)	<u><u>\$ 27,791,061</u></u>
 Plan Fiduciary Net Position	
Employer Contributions	\$ 825,664
Employee Contributions	168,884
Pension Plan Net Investment Income	(285,280)
Benefit Payments	(1,598,175)
Refunds	-
Pension Plan Administration Expense	(42,508)
Other	-
Net Change in Plan Fiduciary Net Position	<u>(931,415)</u>
Plan Fiduciary Net Position - Beginning	<u>19,198,766</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>\$ 18,267,351</u></u>
Net Pension Liability - Ending (a) - (b)	\$ 9,523,710
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	65.73%
Covered Payroll	\$ 3,894,579
Net Pension Liability as a Percentage of Covered Employee Payroll	244.54%

Notes to Schedule

The above data is based on a December 31, 2014 measurement date.

City of Mt. Pleasant

Required Supplementary Information MERS - Defined Benefit Plan Schedule of Contributions Year Ended December 31, 2015

	<u>2015</u>
Actuarial determined contributions	\$ 825,663
Contributions in relation to the actuarially determined contribution	<u>825,663</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered employee payroll	\$ 4,233,808
Contributions as a percentage of covered employee payroll	19.50%

Notes to schedule

Actuarial cost method	Entry Age
Amortization method	Level percentage of payroll, open
Remaining amortization period	24 years
Asset valuation method	10 year smoothed
Inflation	4.00%
Salary increases	4.50%
Investment rate of return	8.25%
Retirement age	Varies depending on plan adoption
Mortality	50% female/ 50% male 1994 group annuity mortality table

City of Mt. Pleasant

Required Supplementary Information Employer Paid Health Care Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Entry Age Actuarial Accrued Liability	Unfunded Accrued Liability (UAL)	Funded Ratio	Annual Covered Payroll	UAL as a Percentage of Covered Payroll
2008	\$321,065	\$920,544	\$599,479	34.9%	\$1,880,052	31.8%
2011	667,430	1,241,480	574,050	53.7%	1,899,425	30.2%
2014	1,089,569	1,478,517	389,948	74.0%	1,695,700	26.3%

Other Post Employment Benefits Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Entry Age Actuarial Accrued Liability	Unfunded Accrued Liability (UAL)	Funded Ratio	Annual Covered Payroll	UAL as a Percentage of Covered Payroll
2008	\$0	\$3,146,627	\$ 3,146,627	0.0%	\$8,191,746	38.4%
2011	0	3,490,912	3,490,912	0.0%	6,719,063	52.0%
2014	0	3,586,834	3,589,834	0.0%	7,067,236	50.8%

City of Mt. Pleasant

Required Supplementary Information Notes to the Required Schedules

BUDGETARY COMPARISON SCHEDULE

The budgets for all funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The budget is adopted with legal budgetary control at the fund level (i.e. expenditures may not exceed budgeted appropriations at the fund level), except the General Fund, which is adopted at the division level. Budgets are adopted in accordance Public Act 493. In accordance with this Act, budgets are adopted on an annual basis for General and Special Revenue funds. Informational summaries are adopted for Capital Projects, Debt Service, Proprietary Funds and Component Units as a management control device. Appropriations lapse at year end.

The City adopts an annual budget for the General and each Special Revenue fund following the GAAP basis of accounting. The General Fund includes the Parks and Receptions, Special Assessment and Community Development Block Grant funds for financial reporting purposes which have a separate legally adopted budget.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis can be found on pages 11-26 of this report.

City of Mt. Pleasant

City of Mt. Pleasant

	<u>Budgeted Amounts</u>	
	<u>Original</u>	<u>Final</u>
Fund Balance - January 1	\$ 859,625	\$ 918,029
Resources (Inflows)		
Charges for Service and Sales	624,800	552,240
Interest	-	620
Miscellaneous	249,000	3,000
Transfers In	<u>236,430</u>	<u>236,430</u>
Amount Available for Appropriation	1,969,855	1,710,319
Charges to Appropriations		
General Government	1,246,850	999,020
Transfers Out	<u>94,950</u>	<u>84,110</u>
Total Appropriations	<u>1,341,800</u>	<u>1,083,130</u>
Fund Balance - December 31	<u><u>\$ 628,055</u></u>	<u><u>\$ 627,189</u></u>

**Other Financial and Supplemental Information
Budgetary Comparison Schedule -
Parks & Recreation Fund, a Component Fund of the General Fund
Year ended December 31, 2015**

<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ 918,015	\$ (14)
573,804	21,564
1,441	821
3,862	862
<u>236,430</u>	<u>-</u>
1,733,552	23,233
984,406	14,614
<u>95,460</u>	<u>(11,350)</u>
<u>1,079,866</u>	<u>3,264</u>
<u><u>\$ 653,686</u></u>	<u><u>\$ 26,497</u></u>

City of Mt. Pleasant

	<u>Budgeted Amounts</u>	
	<u>Original</u>	<u>Final</u>
Fund Balance - January 1	\$ 360,362	\$ 362,835
Resources (Inflows)		
Special Assessments	2,650	4,960
Interest	<u>2,080</u>	<u>2,300</u>
Amount Available for Appropriation	<u>365,092</u>	<u>370,095</u>
Charges to Appropriations		
Transfers out	<u>-</u>	<u>-</u>
Fund Balance - December 31	<u><u>\$ 365,092</u></u>	<u><u>\$ 370,095</u></u>

**Other Financial and Supplemental Information
Budgetary Comparison Schedule -
Special Assessment, a Component Fund of the General Fund
Year ended December 31, 2015**

Actual Amounts	Variance With Final Budget Positive (Negative)
\$ 362,834	\$ (1)
3,890	(1,070)
<u>2,365</u>	<u>65</u>
<u>369,089</u>	<u>(1,006)</u>
<u>-</u>	<u>-</u>
<u><u>\$ 369,089</u></u>	<u><u>\$ (1,006)</u></u>

City of Mt. Pleasant

	Budgeted Amounts	
	Original	Final
Fund Balance - January 1	\$ 504,646	\$ 493,212
Resources (Inflows)		
Charges for Service and Sales	20,070	18,330
Interest	-	800
Amount Available for Appropriation	524,716	512,342
Charges to Appropriations (Outflows)		
Community Development	-	18,000
Transfers Out	-	30,000
Total Appropriations	-	48,000
Fund Balance - December 31	<u>\$ 524,716</u>	<u>\$ 464,342</u>

**Other Financial and Supplemental Information
 Budgetary Comparison Schedule -
 Community Development Block Grant Fund,
 a Component Fund of the General Fund
 Year ended December 31, 2015**

<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ 493,211	\$ (1)
18,327	(3)
<u>891</u>	<u>91</u>
512,429	87
17,870	130
<u>30,000</u>	<u>-</u>
<u>47,870</u>	<u>130</u>
<u><u>\$ 464,559</u></u>	<u><u>\$ (43)</u></u>

City of Mt. Pleasant

	Nonmajor Special Revenue Funds		
	Downtown Parking & Improvement	Economic Development	Cemetery Perpetual Care
ASSETS			
Common Cash and Investments	\$ 34,180	\$ -	\$ 180,101
Other Cash	-	-	-
Taxes Receivable	41,011	-	-
Accounts Receivable	100	-	-
Prepaid Items	1,091	-	-
Total Assets	<u>\$ 76,382</u>	<u>\$ -</u>	<u>\$ 180,101</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Payables			
Accounts	\$ 6,882	\$ -	\$ -
Contractor Retainage	-	-	-
Accrued Liabilities	359	-	-
Total Liabilities	7,241	-	-
FUND BALANCE			
Restricted			
Future Expenditures/Debt Service	67,914	-	-
Committed	-	-	180,101
Assigned	1,227	-	-
Unassigned	-	-	-
Total Fund Balance	<u>69,141</u>	<u>-</u>	<u>180,101</u>
Total Liabilities, Deferred Inflow and Fund Balance	<u>\$ 76,382</u>	<u>\$ -</u>	<u>\$ 180,101</u>

**Other Financial and Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2015**

Nonmajor Special Revenue Fund	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Building Authority	Borden Building Debt	General Projects	
\$ 4,646	\$ 17,691	\$ 882,207	\$ 1,118,825
-	-	-	-
-	8,897	32,064	81,972
-	80,000	-	80,100
-	-	-	1,091
<u>\$ 4,646</u>	<u>\$ 106,588</u>	<u>\$ 914,271</u>	<u>\$ 1,281,988</u>
\$ -	\$ -	\$ -	\$ 6,882
-	-	-	-
-	-	-	359
-	-	-	7,241
4,646	-	-	72,560
-	-	914,271	1,094,372
-	106,588	-	107,815
-	-	-	-
<u>4,646</u>	<u>106,588</u>	<u>914,271</u>	<u>1,274,747</u>
<u>\$ 4,646</u>	<u>\$ 106,588</u>	<u>\$ 914,271</u>	<u>\$ 1,281,988</u>

City of Mt. Pleasant

	Nonmajor Special Revenue Funds		
	Downtown Parking & Improvement	Economic Development	Cemetery Perpetual Care
REVENUE			
Taxes	\$ -	\$ -	\$ -
Special Assessments	85,011	-	-
Licenses and Permits	5,506	-	-
Intergovernmental	-	-	-
Charges for Service and Sales	17,177	2,775	6,000
Fines	30,465	-	-
Interest	5	-	978
Miscellaneous	150	-	2,200
	<hr/>	<hr/>	<hr/>
Total Revenue	138,314	2,775	9,178
EXPENDITURES			
Current Operations			
General Government	143,471	-	-
Public Works	46,332	-	-
Community Development	-	2,775	-
Debt Service			
Principal	-	-	-
Interest	-	-	-
Other	-	-	-
	<hr/>	<hr/>	<hr/>
Total Expenditures	189,803	2,775	-
Excess of Revenue Over (Under) Expenditures	(51,489)	-	9,178

Other Financial and Supplemental Information
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Nonmajor Governmental Funds
Year ended December 31, 2015
(Continued)

Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds		Total Nonmajor Governmental
Building Authority	Borden Building Debt	General Projects	
\$ -	\$ 218,896	\$ 825,064	\$ 1,043,960
-	-	-	85,011
-	-	-	5,506
-	2,048	8,193	10,241
-	57,300	-	83,252
-	-	-	30,465
30	-	5,968	6,981
-	80,000	-	82,350
30	358,244	839,225	1,347,766
-	-	-	143,471
-	-	-	46,332
-	-	-	2,775
298,000	225,000	-	523,000
11,791	103,199	-	114,990
750	750	-	1,500
310,541	328,949	-	832,068
(310,511)	29,295	839,225	515,698

City of Mt. Pleasant

	Nonmajor Special Revenue Funds		
	<u>Downtown Parking & Improvement</u>	<u>Economic Development</u>	<u>Cemetery Perpetual Care</u>
OTHER FINANCING SOURCES USES			
Transfers In	\$ 87,500	\$ -	\$ -
Transfers Out	<u>(4,010)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>83,490</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	32,001	-	9,178
Fund Balance - January 1	<u>37,140</u>	<u>-</u>	<u>170,923</u>
Fund Balance - December 31	<u><u>\$ 69,141</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 180,101</u></u>

Other Financial and Supplemental Information
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Nonmajor Governmental Funds
Year ended December 31, 2015
(Continued)

Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental
Building Authority	Borden Building Debt	General Projects	
\$ 309,789	\$ -	\$ -	\$ 397,289
-	-	(735,710)	(739,720)
309,789	-	(735,710)	(342,431)
(722)	29,295	103,515	173,267
5,368	77,293	810,756	1,101,480
<u>\$ 4,646</u>	<u>\$ 106,588</u>	<u>\$ 914,271</u>	<u>\$ 1,274,747</u>

City of Mt. Pleasant

	Budgeted Amounts	
	Original	Final
Fund Balance - January 1	\$ 12,971	\$ 37,140
Resources (Inflows)		
Special Assessments	85,000	85,000
Licenses and Permits	4,700	5,330
Charges for Service and Sales	17,100	16,670
Fines	27,000	31,000
Interest	-	-
Miscellaneous	-	-
Transfers In	87,500	87,500
Amount Available for Appropriation	234,271	262,640
Charges to Appropriations		
General Government	148,170	151,560
Public Works	56,900	55,650
Transfers Out	2,990	2,990
Total Appropriations	208,060	210,200
Fund Balance - December 31	\$ 26,211	\$ 52,440

Other Financial and Supplemental Information
Budgetary Comparison Schedule - Downtown Parking & Improvement
Year ended December 31, 2015

Actual Amounts	Variance With Final Budget Positive (Negative)
\$ 37,140	\$ -
85,011	11
5,506	176
17,177	507
30,465	(535)
5	5
150	150
87,500	-
262,954	314
143,471	8,089
46,332	9,318
4,010	(1,020)
193,813	16,387
<u>\$ 69,141</u>	<u>\$ 16,701</u>

City of Mt. Pleasant

	Budgeted Amounts	
	Original	Final
Fund Balance - January 1	\$ -	\$ -
Resources (Inflows)		
Charges for Service and Sales	2,780	2,780
Interest	-	-
Amount Available for Appropriation	2,780	2,780
Charges to Appropriations		
Community Development	2,780	2,780
Fund Balance - December 31	\$ -	\$ -

Other Financial and Supplemental Information
Budgetary Comparison Schedule - Economic Development Fund
Year ended December 31, 2015

<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ -
2,775	(5)
<u>-</u>	<u>-</u>
2,775	(5)
<u>2,775</u>	<u>5</u>
<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

City of Mt. Pleasant

	Budgeted Amounts	
	Original	Final
Fund Balance - January 1	\$ 171,448	\$ 170,923
Resources (Inflows)		
Charges for Services and Sales	5,000	5,400
Interest	1,300	900
Miscellaneous	-	2,400
	<u>177,748</u>	<u>179,623</u>
Amount Available for Appropriation		
Fund Balance - December 31	<u>\$ 177,748</u>	<u>\$ 179,623</u>

Other Financial and Supplemental Information
Budgetary Comparison Schedule - Cemetery Perpetual Care Fund
Year ended December 31, 2015

<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ 170,923	\$ -
6,000	600
978	78
<u>2,200</u>	<u>(200)</u>
<u>180,101</u>	<u>678</u>
<u><u>\$ 180,101</u></u>	<u><u>\$ 678</u></u>

City of Mt. Pleasant

	Budgeted Amounts	
	Original	Final
Fund Balance - January 1	\$ 5,813	\$ 5,368
Resources (Inflows)		
Interest	30	30
Transfers In	309,790	309,790
Amount Available for Appropriation	315,633	315,188
Charges to Appropriations		
Debt Service		
Principal	298,000	298,000
Interest	11,790	11,800
Other	300	750
Total Appropriations	310,090	310,550
Fund Balance - December 31	\$ 5,543	\$ 4,638

**Other Financial and Supplemental Information
Budgetary Comparison Schedule - Building Authority Fund
Year ended December 31, 2015**

<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ 5,368	\$ -
30	-
<u>309,789</u>	<u>(1)</u>
315,187	(1)
298,000	-
11,791	9
750	-
<u>310,541</u>	<u>9</u>
<u><u>\$ 4,646</u></u>	<u><u>\$ 8</u></u>

City of Mt. Pleasant

	<u>Enterprise Funds</u>	
	<u>Solid Waste</u>	<u>Land Development</u>
ASSETS		
Current Assets		
Common Cash and Investments	\$ 1,200,739	\$ 105,118
Restricted Common Cash and Investments	-	-
Other Cash	-	-
Taxes Receivable	4,663	-
Accounts Receivable	57,366	1,312
Contracts Receivable	-	68,050
Prepaid Items	-	-
Inventory	13,160	-
	<hr/>	<hr/>
Total Current Assets	1,275,928	174,480
Noncurrent Assets		
Development Costs	-	1,928,902
Capital Assets	21,440	-
Less: Accumulated Depreciation	(21,440)	-
	<hr/>	<hr/>
Total Noncurrent Assets	-	1,928,902
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows Related to Pension	16,362	-
	<hr/>	<hr/>
Total Assets and Deferred Outflows of Resources	1,292,290	2,103,382

**Other Financial and Supplemental Information
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2015
(Continued)**

Enterprise Funds	
Airport	Total Nonmajor Funds
\$ 61,776	\$ 1,367,633
76,999	76,999
100	100
-	4,663
9,725	68,403
-	68,050
1,988	1,988
45,870	59,030
196,458	1,646,866
-	1,928,902
3,732,809	3,754,249
(2,532,898)	(2,554,338)
1,199,911	3,128,813
9,139	25,501
1,405,508	4,801,180

City of Mt. Pleasant

	<u>Enterprise Funds</u>	
	<u>Solid Waste</u>	<u>Land Development</u>
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 49,387	\$ 14,241
Accrued Expenses	894	-
Unearned Revenue	-	-
	<hr/>	<hr/>
Total Current Liabilities	50,281	14,241
Noncurrent Liabilities		
Net Pension Obligation	105,713	-
Bonds and Loans Payable	-	300,000
	<hr/>	<hr/>
Total Noncurrent Liabilities	105,713	300,000
Total Liabilities	155,994	314,241
NET POSITION		
Invested in Capital Assets	-	-
Restricted for:		
Legal Requirements	297,346	170
Donation Requirements	-	-
Unrestricted	838,950	1,788,971
	<hr/>	<hr/>
Total Net Assets	<u>\$ 1,136,296</u>	<u>\$ 1,789,141</u>

Other Financial and Supplemental Information
Combining Statement of Net Assets
Nonmajor Proprietary Funds
December 31, 2015
(Continued)

Enterprise Funds	
Airport	Total Nonmajor Funds
\$ 7,031	\$ 70,659
758	1,652
<u>23,255</u>	<u>23,255</u>
31,044	95,566
59,047	164,760
<u>-</u>	<u>300,000</u>
59,047	464,760
90,091	560,326
1,199,911	1,199,911
-	297,516
76,999	76,999
<u>38,507</u>	<u>2,666,428</u>
<u>\$ 1,315,417</u>	<u>\$ 4,240,854</u>

City of Mt. Pleasant

	Enterprise Funds	
	Solid Waste Management	Land Development
OPERATING REVENUE		
Charges for Service and Sales	\$ 355,037	\$ 15,739
OPERATING EXPENSES		
Compensation	77,148	3,544
Supplies	77,635	208
Professional Services	288,617	33,835
Utilities	-	-
Other Expenses	-	1,632
Depreciation/Cost of Land Sold	-	52,589
Total Operating Expenses	443,400	91,808
Operating Income (Loss)	(88,363)	(76,069)
NON-OPERATING REVENUE		
Property Taxes	117,663	-
Other Intergovernmental	1,168	-
Interest Income	6,533	-
Miscellaneous Revenue	-	-
Federal Operating Grant	-	-
Total Non-Operating Revenue	125,364	-
Income (Loss) Before Contributions and Transfers	37,001	(76,069)
Transfers In	23,040	-
Transfers Out	(21,839)	-
Change in Net Position	38,202	(76,069)
Net Position - January 1 (Restated)	1,098,094	1,865,210
Net Position - December 31	\$ 1,136,296	\$ 1,789,141

**Other Financial and Supplemental Information
Combining Statement of Revenue,
Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
Year ended December 31, 2015**

Enterprise Funds	
Airport	Total Nonmajor Funds
\$ 240,158	\$ 610,934
97,810	178,502
144,983	222,826
109,388	431,840
31,478	31,478
-	1,632
95,983	148,572
<u>479,642</u>	<u>1,014,850</u>
(239,484)	(403,916)
-	117,663
-	1,168
859	7,392
57,000	57,000
<u>587</u>	<u>587</u>
<u>58,446</u>	<u>183,810</u>
(181,038)	(220,106)
41,600	64,640
<u>(16,187)</u>	<u>(38,026)</u>
(155,625)	(193,492)
<u>1,471,042</u>	<u>4,434,346</u>
<u>\$ 1,315,417</u>	<u>\$ 4,240,854</u>

City of Mt. Pleasant

	<u>Enterprise Funds</u>
	<u>Solid Waste Management</u>
Cash Flows from Operating Activities	
Receipts from Customers	\$ 350,649
Miscellaneous	-
Payments to Employees	(73,356)
Payments to Suppliers and Contractors	<u>(335,025)</u>
Net Cash Provided (Used) by Operating Activities	(57,732)
Cash Flows from Non-Capital Financing Activities	
Property Taxes	118,192
Other Intergovernmental	1,168
Transfer From Other Funds	23,040
Transfers to Other Funds	<u>(21,839)</u>
Net Cash Provided (Used) by Non-Capital Financial Activities	120,561
Cash Flows from Capital and Related Financing Activities	
Purchase of Capital Asset/Development Costs	-
Loan Proceeds	<u>-</u>
Net Cash Provided (Used) by Non-Capital Financial Activities	-
Cash Flow from Investing Activities	
Interest Income	<u>6,533</u>
Net Cash Provided (Used) by Investing Activities	<u>6,533</u>
Net Increase (Decrease) in Cash and Cash Equivalents	69,362
Cash and Cash Equivalents - January 1	<u>1,131,377</u>
Cash and Cash Equivalents - December 31	<u><u>\$ 1,200,739</u></u>

Other Financial and Supplemental Information
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year ended December 31, 2015
(Continued)

<u>Land Development</u>	<u>Enterprise Funds Airport</u>	<u>Total Nonmajor Funds</u>
\$ 73,760	\$ 244,381	\$ 668,790
-	57,000	57,000
(3,544)	(97,335)	(174,235)
<u>(22,649)</u>	<u>(264,832)</u>	<u>(622,506)</u>
47,567	(60,786)	(70,951)
-	-	118,192
-	-	1,168
-	41,600	64,640
<u>-</u>	<u>(16,187)</u>	<u>(38,026)</u>
-	25,413	145,974
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
-	-	-
<u>-</u>	<u>859</u>	<u>7,392</u>
<u>-</u>	<u>859</u>	<u>7,392</u>
47,567	(34,514)	82,415
<u>57,551</u>	<u>173,389</u>	<u>1,362,317</u>
<u>\$ 105,118</u>	<u>\$ 138,875</u>	<u>\$ 1,444,732</u>

City of Mt. Pleasant

	<u>Enterprise Funds</u>
	<u>Solid Waste Management</u>
Reconciliation of Operating Loss to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	\$ (88,363)
Miscellaneous	-
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operations	
Depreciation/Cost of Development Property Sold	-
Maintenance Costs Related to Non-cash Federal/State Grant	-
Changes in Assets and Liabilities	
Accounts Receivable	(4,388)
Due from Other Governmental Unit	6,648
Prepaid Expense	-
Inventory	(4,846)
Accounts Payable	29,425
Accrued Expenses	(1,166)
Contractor Retainage Payable	-
Unearned Revenue	-
Net Pension Obligation	<u>4,958</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (57,732)</u>

Schedule of non-cash Operating Grant

Federal Operating Grant	<u>\$ -</u>
-------------------------	-------------

**Other Financial and Supplemental Information
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
Year ended December 31, 2015
(Continued)**

<u>Land Development</u>	Enterprise Funds		<u>Total Nonmajor Funds</u>
	<u>Airport</u>		
\$ (76,069)	\$ (239,484)		\$ (403,916)
-	57,000		57,000
52,589	95,983		148,572
-	587		587
58,021	6,683		60,316
-	3,563		10,211
-	(952)		(952)
-	11,590		6,744
13,026	6,229		48,680
-	(2,294)		(3,460)
-	-		-
-	(2,460)		(2,460)
-	2,769		7,727
<u>\$ 47,567</u>	<u>\$ (60,786)</u>		<u>\$ (70,951)</u>
<u>\$ -</u>	<u>\$ 587</u>		<u>\$ 587</u>

City of Mt. Pleasant

	<u>Internal Service Funds</u>	
	<u>Central Stores</u>	<u>Motor Pool</u>
ASSETS		
Current Assets		
Common Cash and Investments	\$ -	\$ 964,339
Other Cash	-	-
Accounts Receivable	-	-
Accrued Interest Receivable	-	-
Prepaid Expense	-	15,263
Inventory	143,558	-
	<hr/>	<hr/>
Total Current Assets	143,558	979,602
Noncurrent Assets		
Other Investments	-	-
Capital Assets	-	4,271,436
Less: Accumulated Depreciation	-	(3,029,189)
	<hr/>	<hr/>
Total Noncurrent Assets	-	1,242,247
	<hr/>	<hr/>
Total Assets	143,558	2,221,849

Other Financial and Supplemental Information
Combining Statement of Net Position
Internal Service Funds
December 31, 2015
(Continued)

Internal Service Funds	
Self Insurance	Total Internal Service Funds
\$ 2,206	\$ 966,545
1,343,863	1,343,863
114,328	114,328
5,179	5,179
-	15,263
-	143,558
1,465,576	2,588,736
1,009,898	1,009,898
-	4,271,436
-	(3,029,189)
1,009,898	2,252,145
2,475,474	4,840,881

City of Mt. Pleasant

	Internal Service Funds	
	Central Stores	Motor Pool
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 29	\$ 15,403
Due to Other Funds	20,272	-
Accrued Expenses	164	974
	<hr/>	<hr/>
Total Current Liabilities	20,465	16,377
 NET POSITION		
Investment in Capital Assets	-	1,242,247
Unrestricted	123,093	963,225
	<hr/>	<hr/>
Total Net Position	<u>\$ 123,093</u>	<u>\$ 2,205,472</u>

**Other Financial and Supplemental Information
Combining Statement of Net Assets
Internal Service Funds
December 31, 2015
(Continued)**

Internal Service Funds	
Self Insurance	Total Internal Service Funds
\$ -	\$ 15,432
-	20,272
694,181	695,319
694,181	731,023
-	1,242,247
1,781,293	2,867,611
\$ 1,781,293	\$ 4,109,858

City of Mt. Pleasant

	<u>Internal Service Funds</u>	
	<u>Central Stores</u>	<u>Motor Pool</u>
OPERATING REVENUE		
Charges for Service and Sales	\$ 53,020	\$ 622,885
OPERATING EXPENSES		
Compensation	211	89,833
Supplies	70,690	140,151
Professional Services	-	72,556
Utilities	326	26,913
Insurance Claims	-	-
Other Expenditures	45	28,299
Depreciation	-	283,846
Total Operating Expenses	<u>71,272</u>	<u>641,616</u>
Operating Income	(18,252)	(18,731)
NON-OPERATING REVENUE		
Interest Income	-	-
Sale of Fixed Asset	-	67,997
Total Non-Operating Revenue	-	67,997
Income (Loss) Before Transfers	(18,252)	49,266
Transfers Out	<u>(3,854)</u>	<u>(26,962)</u>
Change in Net Postion	(22,106)	22,304
Net Position - January 1	<u>145,199</u>	<u>2,183,168</u>
Net Position - December 31	<u><u>\$ 123,093</u></u>	<u><u>\$ 2,205,472</u></u>

**Other Financial and Supplemental Information
Combining Statement of Revenue,
Expenses, and Changes in Net Position
Internal Service Funds
Year ended December 31, 2015**

Internal Service Funds	
Self Insurance	Total Internal Service Funds
\$ 2,309,749	\$ 2,985,654
-	90,044
-	210,841
320,346	392,902
-	27,239
2,973,065	2,973,065
-	28,344
-	283,846
<u>3,293,411</u>	<u>4,006,299</u>
(983,662)	(1,020,645)
27,113	27,113
-	67,997
27,113	95,110
(956,549)	(925,535)
-	(30,816)
(956,549)	(956,351)
<u>2,737,842</u>	<u>5,066,209</u>
<u>\$ 1,781,293</u>	<u>\$ 4,109,858</u>

City of Mt. Pleasant

	Internal Service Funds
	Central Stores
Cash Flows from Operating Activities	
Receipts from Customers	\$ 53,020
Payments to Employees	(72)
Payments to Suppliers and Contractors	(45,862)
Claims Paid	-
Other (Payments)	(45)
	<hr/>
Net Cash Provided (Used) by Operating Activities	7,041
Cash Flows from Non-Capital Financing Activities	
Due to Other Funds	(3,187)
Transfers to Other Funds	(3,854)
	<hr/>
Net Cash Provided (Used) by Capital Activities	(7,041)
Cash Flows from Capital and Related Financing Activities	
Sale of Capital Asset	-
Purchase of Capital Asset	-
	<hr/>
Net Cash Provided (Used) by Capital Activities	-
Cash Flow from Investing Activities	
Purchase of Investment	-
Interest Income	-
	<hr/>
Net Cash Provided (Used) by Investing Activities	-
Net Increase (Decrease) in Cash and Cash Equivalents	-
Cash and Cash Equivalents - January 1	<hr/> -
Cash and Cash Equivalents - December 31	<hr/> <hr/> \$ -

Other Financial and Supplemental Information
Combining Statement of Cash Flows
Internal Service Funds
Year ended December 31, 2015
(Continued)

Internal Service Funds		
Motor Pool	Self Insurance	Total Internal Service Funds
\$ 622,885	\$ 2,309,749	\$ 2,985,654
(91,622)	-	(91,694)
(415,298)	(320,346)	(781,506)
-	(2,781,560)	(2,781,560)
(28,299)	-	(28,344)
87,666	(792,157)	(697,450)
-	-	(3,187)
(26,962)	-	(30,816)
(26,962)	-	(34,003)
89,382	-	89,382
(71,863)	-	(71,863)
17,519	-	17,519
-	(9,898)	-
-	22,026	22,026
-	12,128	22,026
78,223	(780,029)	(691,908)
886,116	2,126,098	3,012,214
<u>\$ 964,339</u>	<u>\$ 1,346,069</u>	<u>\$ 2,320,306</u>

City of Mt. Pleasant

	<u>Internal Service Funds</u>
	<u>Central Stores</u>
Reconciliation of Operating Loss to Net Cash Provided (Used) by Operating Activities	
Operating Income	\$ (18,252)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operations	
Depreciation	-
Changes in Assets and Liabilities	
Accounts Receivable	-
Prepaid Expense	-
Inventory	25,125
Accounts Payable	29
Accrued Expenses	<u>139</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 7,041</u>

Other Financial and Supplemental Information
Combining Statement of Cash Flows
Internal Service Funds
Year ended December 31, 2015
(Continued)

Internal Service Funds		
Motor Pool	Self Insurance	Total Internal Service Funds
\$ (18,731)	\$ (983,662)	\$ (1,020,645)
283,846	-	283,846
-	(102,918)	(102,918)
(8,663)	-	(8,663)
-	-	25,125
(166,997)	-	(166,968)
(1,789)	294,423	292,773
<u>\$ 87,666</u>	<u>\$ (792,157)</u>	<u>\$ (697,450)</u>

City of Mt. Pleasant

Other Financial and Supplemental Information Combining Statement of Net Position Trust Funds December 31, 2015

	Pension Benefits	Retiree Health Benefits	Total Trust Funds
ASSETS			
Other Cash	\$ -	\$ 162,343	\$ 162,343
Accounts Receivable	35,731	-	35,731
Investments, at fair value:			
Mutual Funds	19,871,395	941,883	20,813,278
Money Market Funds	1,689,351	30,299	1,719,650
 Total Assets	 21,596,477	 1,134,525	 22,731,002
LIABILITIES			
Accounts Payable	-	12,726	12,726
NET POSITION			
Held in trust for pensions and other benefits and other purposes	<u>\$ 21,596,477</u>	<u>\$ 1,121,799</u>	<u>\$ 22,718,276</u>

City of Mt. Pleasant

Other Financial and Supplemental Information Combining Statement of Changes in Net Position Trust Funds Year ended December 31, 2015

	Pension Benefits	Retiree Health Benefits	Total Trust Funds
ADDITIONS			
Contributions			
Employer	\$ 708,175	\$ 64,390	\$ 772,565
Employee	128,490	35,024	163,514
Total Contributions	836,665	99,414	936,079
Investment Income			
Net decrease in fair value of investments	(427,693)	(38,908)	(466,601)
Interest	2,679	226	2,905
Dividends	377,170	31,482	408,652
Total Investment Income	(47,844)	(7,200)	(55,044)
Total Additions	788,821	92,214	881,035
DEDUCTIONS			
Benefit payments	1,375,483	52,320	1,427,803
Administration expense	21,874	7,664	29,538
Total Deductions	1,397,357	59,984	1,457,341
CHANGE IN NET POSITION	(608,536)	32,230	(576,306)
NET POSITION - JANUARY 1	22,205,013	1,089,569	23,294,582
NET POSITION - DECEMBER 31	\$ 21,596,477	\$ 1,121,799	\$ 22,718,276

City of Mt. Pleasant

	Balance January 1, 2015	Additions
TAX COLLECTION		
ASSETS		
Common Cash and Investments	\$ -	\$ 2,800
Other Cash	1,523,926	24,776,189
Taxes Receivable	<u>2,596,994</u>	<u>32,918,585</u>
Total Assets	<u>\$ 4,120,920</u>	<u>\$ 57,697,574</u>
LIABILITIES		
Taxes Payable	<u>\$ 4,120,920</u>	<u>\$ 17,559,195</u>
IMPREST PAYROLL		
ASSETS		
Other Cash	<u>\$ 7,162</u>	<u>\$ 12,173,339</u>
LIABILITIES		
Withholding Payable	<u>\$ 7,162</u>	<u>\$ 6,509,157</u>
TOTAL - ALL AGENCY FUNDS		
ASSETS		
Common Cash and Investments	\$ -	\$ 2,800
Other Cash	1,531,088	36,949,528
Taxes Receivable	<u>2,596,994</u>	<u>32,918,585</u>
Total Assets	<u>\$ 4,128,082</u>	<u>\$ 69,870,913</u>
LIABILITIES		
Taxes Payable	\$ 4,120,920	\$ 17,559,195
Withholding Payable	<u>7,162</u>	<u>6,509,157</u>
Total Liabilities	<u>\$ 4,128,082</u>	<u>\$ 24,068,352</u>

Other Financial and Supplemental Information
Combining Statement of Changes in Assets and Liabilities
Agency Funds
Year ended December 31, 2015

<u>Deductions</u>	<u>Balance December 31, 2015</u>
\$ 2,800	\$ -
24,062,365	2,237,750
<u>33,020,721</u>	<u>2,494,858</u>
<u>\$ 57,085,886</u>	<u>\$ 4,732,608</u>
<u>\$ 16,947,507</u>	<u>\$ 4,732,608</u>
<u>\$ 11,969,240</u>	<u>\$ 211,261</u>
<u>\$ 6,305,058</u>	<u>\$ 211,261</u>
\$ 2,800	\$ -
36,031,605	2,449,011
<u>33,020,721</u>	<u>2,494,858</u>
<u>\$ 69,055,126</u>	<u>\$ 4,943,869</u>
\$ 16,947,507	\$ 4,732,608
<u>6,305,058</u>	<u>211,261</u>
<u>\$ 23,252,565</u>	<u>\$ 4,943,869</u>

City of Mt. Pleasant

City of Mt. Pleasant

Index to Statistical Section Year Ended December 31, 2015

This part of the City of Mt. Pleasant's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page Number</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	174-183
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	184-187
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the government's ability to issue additional debt in the future.	188-193
Demographic and Economic Information These schedules present information to help the reader understand the environment within which the City's financial activities take place.	194-195
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs	196-198

City of Mt. Pleasant

	<u>2006</u>	<u>Fiscal Year 2007</u>	<u>2008</u>
Governmental activities			
Net Invested in capital assets	\$ 23,508,211	\$ 19,575,370	\$ 22,565,361
Restricted	1,325,678	1,724,357	3,022,767
Unrestricted	10,510,694	16,279,623	12,896,139
Total governmental activities net assets	<u>35,344,583</u>	<u>37,579,350</u>	<u>38,484,267</u>
Business-type activities			
Net Invested in capital assets	17,923,279	17,189,833	16,932,540
Restricted	4,041,076	4,063,351	2,903,773
Unrestricted	3,472,607	4,054,635	5,047,125
Total business-type activities net assets	<u>25,436,962</u>	<u>25,307,819</u>	<u>24,883,438</u>
Primary Government			
Net Invested in capital assets	41,431,490	36,765,203	39,497,901
Restricted	5,366,754	5,787,708	5,926,540
Unrestricted	13,983,301	20,334,258	17,943,264
Total primary government activities net assets	<u>\$ 60,781,545</u>	<u>\$ 62,887,169</u>	<u>\$ 63,367,705</u>

**Net Position by Component
(accrual basis of accounting)**

2009	2010	2011	Fiscal Year 2012	2013	2014	2015
\$ 22,217,949	\$ 21,689,198	\$ 20,752,130	\$ 20,344,966	\$ 20,271,529	\$ 20,526,853	\$ 19,600,871
3,331,523	2,925,437	2,454,326	2,498,505	2,831,524	2,287,383	2,252,698
<u>11,350,746</u>	<u>10,521,813</u>	<u>11,704,351</u>	<u>10,950,373</u>	<u>11,019,248</u>	<u>9,967,360</u>	<u>731,913</u>
36,900,218	35,136,448	34,910,807	33,793,844	34,122,301	32,781,596	22,585,482
16,006,711	16,233,621	15,483,251	15,009,336	14,899,314	14,166,764	13,991,910
2,931,594	2,249,860	2,000,488	1,914,546	2,306,122	1,780,676	1,668,178
<u>5,400,642</u>	<u>5,825,557</u>	<u>6,402,963</u>	<u>6,816,862</u>	<u>6,263,543</u>	<u>7,565,113</u>	<u>5,643,652</u>
24,338,947	24,309,038	23,886,702	23,740,744	23,468,979	23,512,553	21,303,740
38,224,660	37,922,819	36,235,381	35,354,302	35,170,843	34,693,617	33,592,781
6,263,117	5,175,297	4,454,814	4,413,051	5,137,646	4,068,059	3,920,876
<u>16,751,388</u>	<u>16,347,370</u>	<u>18,107,314</u>	<u>17,767,235</u>	<u>17,282,791</u>	<u>17,532,473</u>	<u>6,375,565</u>
<u>\$ 61,239,165</u>	<u>\$ 59,445,486</u>	<u>\$ 58,797,509</u>	<u>\$ 57,534,588</u>	<u>\$ 57,591,280</u>	<u>\$ 56,294,149</u>	<u>\$ 43,889,222</u>

City of Mt. Pleasant

Expenses	Fiscal Year		
	2006	2007	2008
Governmental Activities			
General Government	\$ 4,639,100	\$ 4,876,310	\$ 5,224,393
Public Safety	5,883,276	6,108,607	6,475,455
Public Works	1,145,428	417,474	1,460,179
Highways, Streets & Bridges	1,976,374	1,784,730	2,508,374
Community Development	6,083	-	5,901
Interest on Long-term Debt	129,574	127,586	234,354
Total Governmental Activities Expenses	13,779,835	13,314,707	15,908,656
Business-type Activities			
Sewer	2,968,132	2,945,669	2,796,581
Water	3,046,570	2,933,809	3,146,557
Solid Waste	683,256	449,021	511,464
Land Development	14,809	269,206	62,330
Airport	438,889		501,242
Total Business-type Activities	7,151,656	6,597,705	7,018,174
Total Primary Government	20,931,491	19,912,412	22,926,830
Program Revenue			
Governmental Activities			
Charges for Services			
General Government	1,256,355	1,762,351	1,331,826
Public Safety	1,014,750	988,905	1,184,889
Public Works	1,305	895	820
Highways, Streets & Bridges	1,511,403	1,629,369	329,517
Community Development	103,780	116,967	89,765
Interest on Long-Term Debt	-	-	-
Operating Grants & Contributions	980,482	670,304	2,591,245
Capital Grants & Contributions	-	667,097	1,417,230
Total Governmental Activities Program Revenue	4,868,075	5,835,888	6,945,292
Business-type Activities			
Charges for Services			
Sewer	2,380,931	2,354,624	2,439,043
Water	2,683,900	2,783,791	2,732,095
Solid Waste	309,106	315,564	298,456
Land Development	-	625,970	59,024
Airport	322,184	311,085	337,406
Operating Grants & Contributions	11,953	15,638	121,675
Capital Grants & Contributions	261,709	-	277,367
Total Business-type Activities Program Revenue	5,969,783	6,406,672	6,265,066
Total Primary Government	10,837,858	12,242,560	13,210,358
Net (Expense)/Revenue			
Governmental Activities	(8,911,760)	(7,478,819)	(8,963,364)
Business-type Activities	(1,181,873)	(191,033)	(753,108)
Total Primary Government Net Expense	\$ (10,093,633)	\$ (7,669,852)	\$ (9,716,472)

**Changes in Net Position
(accrual basis of accounting)
(Continued)**

	Fiscal Year					
2009	2010	2011	2012	2013	2014	2015
\$ 6,104,784	\$ 5,927,210	\$ 4,973,322	\$ 5,412,822	\$ 5,663,475	\$ 5,581,793	\$ 6,016,821
6,347,500	6,832,860	6,358,542	6,138,866	6,338,285	6,823,272	7,774,488
1,498,346	-	1,384,777	1,315,268	1,176,305	1,117,458	1,413,147
1,879,094	2,377,081	2,020,784	2,305,620	1,403,532	2,549,329	2,437,925
13,245	450,014	24,672	927,741	3,513	472,750	21,468
232,735	215,922	176,298	155,521	133,627	118,917	102,550
<u>16,075,704</u>	<u>15,803,087</u>	<u>14,938,395</u>	<u>16,255,838</u>	<u>14,718,737</u>	<u>16,663,519</u>	<u>17,766,399</u>
2,798,331	2,813,735	2,715,884	2,659,365	2,762,915	2,686,060	2,745,299
2,738,050	2,646,552	2,478,009	2,545,289	2,549,141	2,687,078	2,918,188
496,793	383,172	358,309	484,600	422,280	422,404	443,957
107,974	46,322	255,324	196,133	328,414	45,180	91,808
414,348	484,206	629,147	1,015,464	554,825	527,446	482,247
<u>6,555,496</u>	<u>6,373,987</u>	<u>6,436,673</u>	<u>6,900,851</u>	<u>6,617,575</u>	<u>6,368,168</u>	<u>6,681,499</u>
22,631,200	22,177,074	21,375,068	23,156,689	21,336,312	23,031,687	24,447,898
1,558,879	1,557,743	1,717,353	1,156,705	1,746,120	1,532,851	1,750,647
1,193,572	1,251,958	1,019,041	1,419,918	1,473,816	1,189,454	1,213,408
2,070	420	960	550	625	750	2,200
98,791	157,408	101,382	93,892	110,244	103,410	100,801
64,104	54,377	57,774	308,426	35,676	35,678	21,102
59,780	63,733	98,902	60,230	59,880	67,180	57,300
2,387,820	2,143,472	2,236,085	2,668,331	2,644,525	2,779,954	2,734,413
61,067	386,835	416,200	142,493	-	-	-
<u>5,426,083</u>	<u>5,615,946</u>	<u>5,647,697</u>	<u>5,850,545</u>	<u>6,070,886</u>	<u>5,709,277</u>	<u>5,879,871</u>
2,475,337	2,365,160	2,365,497	2,343,859	2,338,766	2,296,679	2,447,280
2,636,956	2,686,116	2,706,134	2,816,855	2,723,287	2,649,208	2,773,607
299,699	334,848	351,567	354,282	354,469	358,466	355,037
24,009	23,011	19,752	289,717	72,139	15,739	15,739
248,688	303,368	397,733	455,658	350,555	299,806	240,158
40,348	40,065	-	464,074	49,429	438,225	438,218
-	451,509	184,941	-	524,000	276,000	80,000
<u>5,725,037</u>	<u>6,204,077</u>	<u>6,025,624</u>	<u>6,724,445</u>	<u>6,412,645</u>	<u>6,334,123</u>	<u>6,350,039</u>
11,151,120	11,820,023	11,673,321	12,574,990	12,483,531	12,043,400	12,229,910
(10,649,621)	(10,187,141)	(9,290,698)	(10,405,293)	(8,647,851)	(10,954,242)	(11,886,528)
(830,459)	(169,910)	(411,049)	(176,406)	(204,930)	(34,045)	(331,460)
<u><u>\$(11,480,080)</u></u>	<u><u>\$(10,357,051)</u></u>	<u><u>\$(9,701,747)</u></u>	<u><u>\$(10,581,699)</u></u>	<u><u>\$(8,852,781)</u></u>	<u><u>\$(10,988,287)</u></u>	<u><u>\$(12,217,988)</u></u>

City of Mt. Pleasant

	2006	Fiscal Year 2007	2008
General Revenue and Other Changes in Net Assets			
Governmental Activities			
Property Taxes	\$ 5,495,829	\$ 6,004,792	\$ 6,184,964
Revenue Sharing	3,024,576	2,948,183	2,949,649
Investment Earnings	414,859	541,918	498,116
Miscellaneous	48,603	12,507	131,720
Transfers	139,802	(137,454)	103,833
Total Governmental Activities	<u>9,123,669</u>	<u>9,369,946</u>	<u>9,868,282</u>
Business-type Activities			
Property Taxes	176,189	185,753	189,997
Revenue Sharing	-	-	-
Investment Earnings	273,181	283,026	185,957
Miscellaneous	131,941	-	-
Transfers	(139,802)	137,454	(103,833)
Total Business-type Activities	<u>441,509</u>	<u>606,233</u>	<u>272,121</u>
Total Primary Government	<u>9,565,178</u>	<u>9,976,179</u>	<u>10,140,403</u>
Changes in Net Assets			
Governmental Activities	211,909	1,891,127	904,918
Business-type Activities	(740,364)	415,200	(480,987)
Total Primary Government	<u>\$ (528,455)</u>	<u>\$ 2,306,327</u>	<u>\$ 423,931</u>

**Changes in Net Position
(accrual basis of accounting)
(Continued)**

2009	2010	2011	Fiscal Year 2012	2013	2014	2015
\$ 6,258,957	\$ 6,142,194	\$ 6,258,905	\$ 6,232,377	\$ 6,385,600	\$ 6,605,160	\$ 6,724,512
2,526,092	2,555,345	2,436,241	2,507,109	2,594,599	2,667,699	2,650,616
247,712	137,395	79,943	70,884	66,638	76,389	69,559
174,794	284,238	120,352	350,581	105,755	157,989	337,154
8,017	110,253	169,616	127,379	(109,460)	106,300	114,765
<u>9,215,572</u>	<u>9,229,425</u>	<u>9,065,057</u>	<u>9,288,330</u>	<u>9,043,132</u>	<u>9,613,537</u>	<u>9,896,606</u>
195,241	191,245	113,395	113,853	115,708	116,192	117,663
-	-	-	-	-	-	1,168
82,015	53,196	39,441	34,356	34,936	37,503	35,507
16,729	5,813	5,493	9,618	210	30,224	46,929
(8,017)	(110,253)	(169,616)	(127,379)	109,460	(106,300)	(114,765)
<u>285,968</u>	<u>140,001</u>	<u>(11,287)</u>	<u>30,448</u>	<u>260,314</u>	<u>77,619</u>	<u>86,502</u>
<u>9,501,540</u>	<u>9,369,426</u>	<u>9,053,770</u>	<u>9,318,778</u>	<u>9,303,446</u>	<u>9,691,156</u>	<u>9,983,108</u>
(1,434,049)	(957,716)	(225,641)	(1,116,963)	395,281	(1,340,705)	(1,989,922)
(544,491)	(29,909)	(422,336)	(145,958)	55,384	43,574	(244,958)
<u>\$ (1,978,540)</u>	<u>\$ (987,625)</u>	<u>\$ (647,977)</u>	<u>\$ (1,262,921)</u>	<u>\$ 450,665</u>	<u>\$ (1,297,131)</u>	<u>\$ (2,234,880)</u>

City of Mt. Pleasant

	2006	Fiscal Year 2007	2008
General Fund			
Reserved	\$ 878,406	\$ 1,013,726	\$ 1,143,087
Unreserved	2,124,445	2,628,793	1,505,638
Designated	2,443,847	2,943,177	4,510,207
Nonspendable	-	-	-
Restricted	-	-	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total General Fund	<u>\$ 5,446,698</u>	<u>\$ 6,585,696</u>	<u>\$ 7,158,932</u>
All Other Governmental Funds			
Reserved	\$ 1,221,808	\$ 1,123,682	\$ 1,187,263
Unreserved, reported in:			
Special Revenue Funds	2,011,043	2,632,152	2,256,718
Capital Projects Funds	804,223	3,495,933	856,042
Debt Service Funds	-	-	-
Designated, reported in:			
Special Revenue Funds	227,293	210,048	362,790
Capital Projects Funds	-	-	525,000
Restricted, reported in:			
Special Revenue Funds	-	-	-
Committed, reported in:			
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
Assigned, reported in:			
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
Debt Service Funds	-	-	-
Uassigned - Debt Service Fund	-	-	-
Total All Other Governmental Funds	<u>\$ 4,264,367</u>	<u>\$ 7,461,815</u>	<u>\$ 5,187,813</u>

GASB Statement 54 was implemented in 2011 with new Fund Balance Categories and the reclassification of three Special Revenue Funds that didn't meet criteria for separate fund to the General Fund.

**Fund Balances of Governmental Funds
(modified accrual basis of accounting)**

2009	2010	2011	Fiscal Year 2012	2013	2014	2015
\$ 1,395,918	\$ 1,155,909	\$ -	\$ -	\$ -	\$ -	\$ -
979,131	859,676	-	-	-	-	-
3,885,327	3,380,327	-	-	-	-	-
-	-	424,420	414,420	376,960	367,080	449,770
-	-	541,697	475,275	415,789	388,014	213,102
-	-	361,380	365,837	368,621	362,834	369,089
-	-	5,633,395	6,090,290	5,921,185	5,639,817	5,614,842
-	-	444,638	621,489	976,077	1,104,135	1,334,427
<u>\$ 6,260,376</u>	<u>\$ 5,395,912</u>	<u>\$ 7,405,530</u>	<u>\$ 7,967,311</u>	<u>\$ 8,058,632</u>	<u>\$ 7,861,880</u>	<u>\$ 7,981,230</u>
\$ 920,793	\$ 905,249	\$ -	\$ -	\$ -	\$ -	\$ -
2,869,382	2,659,954	-	-	-	-	-
809,185	550,005	-	-	-	-	-
-	-	-	-	-	-	-
242,680	172,703	-	-	-	-	-
100,000	218,400	-	-	-	-	-
-	-	1,777,660	1,894,162	2,205,787	1,764,077	1,927,409
-	-	156,803	159,848	165,148	170,923	180,101
-	-	726,659	833,370	787,460	810,756	914,271
-	-	1,029	19,698	89,731	1,509	1,227
-	-	210,085	133,472	62,790	77,293	-
-	-	-	49,268	127,210	-	106,588
-	-	(22,302)	-	-	-	-
<u>\$ 4,942,040</u>	<u>\$ 4,506,311</u>	<u>\$ 2,849,934</u>	<u>\$ 3,089,818</u>	<u>\$ 3,438,126</u>	<u>\$ 2,824,558</u>	<u>\$ 3,129,596</u>

City of Mt. Pleasant

REVENUE	Fiscal Year		
	2006	2007	2008
Taxes	\$5,495,829	\$5,995,391	\$6,184,563
Special Assessments	124,648	116,123	168,426
Licenses and Permits	390,248	368,682	383,955
Intergovernmental			
Grants	152,216	692,223	957,543
Revenue Sharing	4,562,898	4,478,656	4,425,910
Other	22,695	19,217	270,883
Charges for Service and Sales	1,618,470	1,657,052	1,911,302
Fines	219,064	217,762	214,204
Interest	423,339	541,989	426,419
Miscellaneous	871,026	1,221,353	2,274,207
Total Revenue	13,880,433	15,308,448	17,217,412
EXPENDITURES			
Current Operations			
General Government	4,401,841	4,238,132	9,040,807
Public Safety	5,818,308	5,854,335	6,376,973
Public Works	906,329	2,644,920	783,201
Highways, Streets and Bridges	1,806,618	1,468,858	2,606,547
Community Development	21,083	102,500	5,901
Debt Service			
Principal	590,000	245,000	385,000
Interest	136,596	109,098	211,213
Other	1,475	850	1,175
Total Expenditures	13,682,250	14,663,693	19,410,817
Excess of Revenue Over (Under) Expenditures	198,183	644,755	(2,193,405)
OTHER FINANCING SOURCES (USES)			
Transfers In	1,910,469	1,282,162	1,437,848
Transfers Out	(1,733,450)	(1,377,797)	(1,288,848)
Proceeds from Sale of Bonds net of Costs	-	3,787,326	-
Payment to Escrow Refunding Bonds	-	-	-
Total Other Financing Sources (Uses)	177,019	3,691,691	149,000
Net Changes in Fund Balance	375,202	4,336,446	(2,044,405)
Fund Balance - January 1 (Restated)	9,335,862	10,054,704	14,391,150
Fund Balance - December 31	\$9,711,064	\$14,391,150	\$12,346,745
Ratio of debt service to total noncapital expenditures	5.30%	2.90%	4.10%

Changes in Fund Balances of Governmental Funds (modified accrual basis of accounting)

		Fiscal Year					
2009	2010	2011	2012	2013	2014	2015	
\$6,262,970	\$6,142,375	\$6,257,474	\$6,231,490	\$6,384,977	\$6,603,356	\$6,727,590	
116,935	116,925	99,725	86,939	85,967	136,103	88,901	
351,928	361,299	374,371	381,090	409,564	415,235	443,476	
97,819	440,780	442,553	586,427	581,184	412,880	479,848	
3,961,346	3,991,672	3,913,977	4,050,574	4,170,222	4,445,049	4,533,952	
77,917	37,541	45,828	45,695	49,838	50,558	117,151	
2,066,721	2,306,971	2,148,308	2,469,775	2,651,696	2,101,297	2,256,442	
202,688	256,403	263,366	248,118	214,548	228,936	202,125	
189,733	85,090	52,868	44,333	56,635	48,164	42,446	
1,231,377	889,683	868,166	978,273	724,958	794,865	728,928	
14,559,434	14,628,739	14,466,636	15,122,714	15,329,589	15,236,443	15,620,859	
6,025,844	5,999,910	4,470,105	4,958,338	5,784,013	5,156,410	5,329,338	
6,377,428	6,399,288	6,542,247	5,893,491	6,056,487	6,325,224	6,213,858	
800,430	693,100	663,569	613,020	794,416	953,545	795,003	
1,911,004	2,344,297	1,983,992	2,317,526	1,515,562	2,618,934	2,343,718	
13,245	42,664	18,006	37,680	6,915	473,026	20,645	
385,000	435,000	460,000	508,000	506,000	529,000	523,000	
239,532	223,263	161,946	158,580	145,003	130,832	114,990	
1,175	575	765	475	475	1,500	1,500	
15,753,658	16,138,097	14,300,630	14,487,110	14,808,871	16,188,471	15,342,052	
(1,194,224)	(1,509,358)	166,006	635,604	520,718	(952,028)	278,807	
2,872,587	2,052,858	1,288,955	1,569,805	1,592,709	1,860,967	1,704,172	
(2,822,692)	(1,843,693)	(1,071,120)	(1,403,744)	(1,673,798)	(1,719,259)	(1,558,591)	
-	-	1,440,000	-	-	-	-	
-	-	(1,470,600)	-	-	-	-	
49,895	209,165	187,235	166,061	(81,089)	141,708	145,581	
(1,144,329)	(1,300,193)	353,241	801,665	439,629	(810,320)	424,388	
12,346,745	11,202,416	9,902,223	10,255,464	11,057,129	11,496,758	10,686,438	
<u>\$11,202,416</u>	<u>\$9,902,223</u>	<u>\$10,255,464</u>	<u>\$11,057,129</u>	<u>\$11,496,758</u>	<u>\$10,686,438</u>	<u>\$11,110,826</u>	
4.30%	4.40%	4.60%	4.80%	4.60%	4.30%	4.40%	

City of Mt. Pleasant

Taxable Value Last Ten Fiscal Years

Fiscal Year Ended December 31,	Real Property				Personal Property	Total Taxable Value	Total Direct Tax Rate
	Residential	Commercial	Industrial	Development			
2006	\$210,824,022	\$124,467,919	\$10,042,988	\$554,870	\$40,645,688	\$386,535,487	15.45
2007	222,704,963	133,611,211	10,846,623	752,310	41,261,851	409,176,958	15.75
2008	230,378,191	138,582,630	13,889,820	-	44,773,188	427,623,829	15.95
2009	237,508,288	146,268,251	14,421,132	-	42,395,565	440,593,236	15.75
2010	231,861,650	144,135,985	14,834,348	-	40,162,986	430,994,969	15.75
2011	231,976,532	145,763,179	15,293,057	-	40,111,116	433,143,884	15.75
2012	232,428,463	147,285,675	15,543,278	-	40,467,482	435,724,898	15.75
2013	233,962,125	159,651,596	6,384,376	-	40,797,138	440,795,235	15.75
2014	237,557,754	161,489,957	6,189,342	-	36,522,416	441,759,469	16.25
2015	237,060,530	166,316,375	7,032,464	-	40,130,498	450,539,867	16.25

Information Obtained from City Treasurer

Property in the City is reassessed annually. The City assesses property at approximately 50% of actual value for all types of real and personal property. Tax Rates are per \$1,000 of taxable value. Beginning in 2014 commercial personal property with a taxable value less than \$40,000 is exempt.

City of Mt. Pleasant

Property Tax Millage Rates - All Direct and Overlapping Governments Last Ten Years

Year Ended	City	School A	Mich Set	R.E.S.D.	County B	Chippewa River Library	Total
2006	15.4500	24.0200	6.0000	4.2985	9.1500	1.6894	60.6079
2007	15.7500	23.4800	6.0000	4.2985	9.1476	1.6859	60.3620
2008	15.9500	23.4800	6.0000	4.2985	9.0129	1.6859	60.4273
2009	15.7500	23.4800	6.0000	4.2985	9.0129	1.7500	60.2914
2010	15.7500	23.4800	6.0000	4.2985	8.9220	1.7500	60.2005
2011	15.7500	23.4800	6.0000	4.2985	8.9220	1.7500	60.2005
2012	15.7500	23.4800	6.0000	4.2985	9.2720	1.7500	60.5505
2013	15.7500	23.4400	6.0000	5.2985	9.1720	1.7500	61.4105
2014	16.2500	23.7000	6.0000	5.2985	9.3996	1.7500	62.3981
2015	16.2500	23.6600	6.0000	5.2985	9.3996	1.7500	62.3581

One mill equals \$1.00 of tax per \$1,000 of Taxable Value

Information Obtained from City Treasurer

A - After 1994 reflects impact of Proposal "A" - Taxpayers with a Principal Residence Exemption pay only the mills of school debt, 6.22 for 2005, 6.02 for 2006 and 5.48 for 2007-2012, 5.44 for 2013, 5.4 for 2014 and 5.66 for 2015.

B - Includes Operating, I.C.T.C., Medical Care Facility debt and Commission on Aging. 2012-2015 includes Parks.

C - Beginning 2008 in accordance with Michigan Business Tax Act (MBTA), Industrial Personal Property is exempted from paying 6 mills SET and 18 mills of school operating. Commercial Personal Property is exempt from paying 12 mills of school operating.

City of Mt. Pleasant

Ten Largest Taxpayers Current and Ten Years Ago

Taxpayer	2015			2005		
	Rank	Taxable Value	Percentage of Total Taxable Value	Rank	Taxable Value	Percentage of Total Taxable Value
Dayco Products LLC	1	\$ 8,189,806	1.82%		\$	
Westpointe Village LLC	2	5,989,700	1.33%			
American Mitsuba Corporation	3	5,789,793	1.29%			
Tallgrass Apartments LLC	4	5,740,800	1.27%	2	5,192,325	1.42%
Olivieri Management Inc	5	4,539,804	1.01%	3	4,922,432	1.35%
Meijer, Incorporated	6	3,840,456	0.85%	8	3,532,100	0.97%
Mt. Pleasant Shopping Center	7	3,776,886	0.84%	6	3,624,198	0.99%
Consumers Energy	8	3,742,872	0.83%	5	3,845,903	1.05%
TEG Mt. Pleasant LLC	9	3,261,500	0.72%			
Isabella Bank	10	3,224,726	0.72%			
CME Corporation				1	12,591,172	3.45%
RCS Equities Inc				4	4,386,733	1.20%
Michigan Consolidated Gas				7	3,544,687	0.97%
United Investments				9	3,207,000	0.88%
Eagle-Picher Automotive				10	3,216,621	0.88%
Total Ten Largest Taxpayers		48,096,343	10.68%		48,063,171	13.17%
Total Other Taxpayers		402,443,524	89.32%		316,874,174	86.83%
Total Taxable Value (Real/Personal)		\$ 450,539,867	100.00%		\$ 364,937,345	100.00%

Information Obtained from City Treasurer.

(A) - A portion of tax is abated under a Industrial Facility Tax Exemption

City of Mt. Pleasant

Property Tax Valuations, Tax Rates, Tax Levies, and Collections Years Ended 2006 Through 2015

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Real Property										
Taxable Value	\$410,409,369	\$405,237,053	\$399,998,097	\$395,257,416	\$393,032,768	\$390,831,983	\$398,197,671	\$382,850,641	\$367,915,107	\$345,889,799
Personal Property										
Taxable Value	40,130,498	36,522,416	40,797,138	40,467,482	40,111,116	40,162,986	42,395,565	44,773,188	41,261,851	40,645,688
Total Real and Personal										
Taxable Value	<u>\$450,539,867</u>	<u>\$441,759,469</u>	<u>\$440,795,235</u>	<u>\$435,724,898</u>	<u>\$433,143,884</u>	<u>\$430,994,969</u>	<u>\$440,593,236</u>	<u>\$427,623,829</u>	<u>\$409,176,958</u>	<u>\$386,535,487</u>
Tax Rate (Mills)										
Operating and Recycling	11.8500	11.7350	12.2500	12.4800	12.4700	12.6100	12.4880	12.5130	12.4710	12.5390
Capital Improvements	2.0000	2.0000	1.5000	1.5000	1.5000	1.4000	1.8500	1.8500	1.8500	1.8500
Police - Fire Pension	1.9000	2.0150	1.5000	1.2700	1.2800	1.2400	0.9120	1.0870	1.1290	0.9810
1996 Refunding Debt	-	-	-	-	-	-	-	-	-	0.0800
Borden Building Debt	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.3000	-
Total Mills	<u>16.2500</u>	<u>16.2500</u>	<u>15.7500</u>	<u>15.7500</u>	<u>15.7500</u>	<u>15.7500</u>	<u>15.7500</u>	<u>15.9500</u>	<u>15.7500</u>	<u>15.4500</u>
Tax Levy										
Operating and Recycling	\$4,892,134	\$4,781,781	\$4,951,881	\$4,983,189	\$4,957,480	\$4,973,051	\$5,026,073	\$5,245,529	\$4,777,048	\$4,846,851
Capital Improvements	825,064	814,743	606,513	599,080	596,500	552,353	744,556	775,513	753,548	715,063
1996 Refunding Bond	-	-	-	-	-	-	-	-	-	30,894
Police - Fire Pension	779,716	820,042	606,113	506,657	508,742	488,926	367,029	455,653	432,441	379,162
Borden Building Debt	218,897	215,673	215,185	212,291	211,272	210,140	214,585	209,583	122,177	-
Total Levy	<u>\$6,715,811</u>	<u>\$6,632,239</u>	<u>\$6,379,692</u>	<u>\$6,301,217</u>	<u>\$6,273,994</u>	<u>\$6,224,470</u>	<u>\$6,352,243</u>	<u>\$6,686,278</u>	<u>\$6,085,214</u>	<u>\$5,971,970</u>
Total Collections	<u>\$6,715,811</u>	<u>\$6,632,239</u>	<u>\$6,379,692</u>	<u>\$6,301,217</u>	<u>\$6,273,994</u>	<u>\$6,224,470</u>	<u>\$6,352,243</u>	<u>\$6,686,278</u>	<u>\$6,085,214</u>	<u>\$5,971,970</u>

Note 1 - Tax levies are after TIFA Captures.

Note 2 - Beginning in 1968, the County began paying the City the full amount of delinquent real property taxes upon settlement in the subsequent March of each year.

Delinquent personal property taxes are considered negligible.

Information Obtained from City Treasurer

City of Mt. Pleasant

Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total General Fund Expenditures Years Ended 2006 Through 2015

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Fund Expenditures</u>	<u>Ratio of Debt Service to General Fund Expenditures</u>
2006	\$380,000	\$22,693	\$402,693	\$9,893,565	1 to 24.57
2007	235,000	107,800	342,800	9,585,350	1 to 27.96
2008	385,000	211,213	596,213	10,993,354	1 to 18.44
2009	385,000	239,532	624,532	12,107,408	1 to 19.39
2010	435,000	223,363	658,363	11,894,191	1 to 18.06
2011	460,000	192,546	652,546	11,243,238	1 to 17.22
2012	508,000	158,580	666,580	11,026,029	1 to 16.54
2013	506,000	145,003	651,003	12,419,898	1 to 19.07
2014	529,000	130,832	659,832	12,246,126	1 to 18.56
2015	523,000	114,990	637,990	12,166,266	1 to 19.06

City of Mt. Pleasant

Ratio of Net General Obligation Bonded Debt to Taxable Value and Net Bonded Debt Per Capita Years Ended 2006 Through 2015

Year Ended	A Population	B Taxable Value	General Obligation Debt	Building Authority Debt	Total Debt	Available Debt Service Monies	Net Bonded Debt	Ratio of Net Bonded Debt to Taxable Value	Net Bonded Debt Per Capita
2006	25,946	\$386,535,487	\$75,000	\$2,590,000	\$2,665,000	\$75,000	\$2,590,000	149.24	100
2007	25,946	409,176,958	3,735,000	2,380,000	6,115,000	172,177	5,942,823	68.85	229
2008	25,946	427,623,829	3,580,000	2,160,000	5,740,000	267,078	5,472,922	78.13	211
2009	25,946	435,724,898	3,511,863	1,930,000	5,441,863	91,618	5,350,245	81.44	206
2010	26,016	440,795,235	3,310,039	1,690,000	5,000,039	23,073	4,976,966	88.57	191
2011	26,016	441,759,469	3,093,217	1,463,000	4,556,217	6,168	4,550,049	97.09	175
2012	26,016	435,724,898	2,856,395	1,185,000	4,041,395	55,319	3,986,076	109.31	153
2013	26,016	440,795,235	2,575,000	899,000	3,474,000	68,873	3,405,127	129.45	131
2014	26,016	441,759,469	2,340,000	605,000	2,945,000	82,661	2,862,339	154.34	110
2015	26,016	450,539,867	2,115,000	307,000	2,422,000	111,234	2,310,766	194.97	89

A - Obtained from the Census Bureau.

B - Obtained from Treasurer's Office.

C - Includes Building Authority and Borden Building Debt Funds

City of Mt. Pleasant

Ratio of Outstanding Debt by Type Years Ended 2006 Through 2015

Year Ended	A Population	B Taxable Value	Governmental Activities		Business- Type Activities	Total Debt	Available Debt Service Monies	Net Bonded Debt	Ratio of Net Bonded Debt to Taxable Value	Net Bonded Debt Per Capita
			General Obligation Debt	Building Authority Debt	Revenue Bonds					
2006	25,946	\$ 386,535,487	\$ 75,000	\$ 2,590,000	\$ 11,653,581	\$ 14,318,581	\$ 671,700	\$ 13,646,881	28.32	\$ 526
2007	25,946	409,176,958	3,735,000	2,380,000	11,276,259	17,391,259	768,877	16,622,382	24.62	641
2008	25,946	427,623,829	3,580,000	2,160,000	10,664,842	16,404,842	863,778	15,541,064	27.52	599
2009	25,946	440,593,236	3,511,863	1,930,000	10,118,425	15,560,288	688,318	14,871,970	29.63	573
2010	26,016	430,994,969	3,310,039	1,690,000	9,089,098	14,089,137	619,773	13,469,364	32.00	518
2011	26,016	433,143,884	3,093,217	1,463,000	8,429,671	12,985,888	602,868	12,383,020	34.98	476
2012	26,016	435,724,898	2,856,395	1,185,000	7,735,244	11,490,639	602,751	10,887,888	40.48	419
2013	26,016	440,795,235	2,575,000	899,000	7,025,816	10,499,816	665,573	9,834,243	44.82	378
2014	26,016	441,759,469	2,340,000	605,000	6,296,389	9,241,389	602,068	8,639,321	51.13	332
2015	26,016	450,539,867	2,115,000	307,000	5,635,000	8,057,000	707,934	7,349,066	61.31	282

A - Obtained from the Census Bureau.

B - Obtained from Treasurer's Office.

City of Mt. Pleasant

Computation of Direct and Overlapping Debt Year Ended December 31, 2015

Name of Governmental Unit	Total Long-Term Debt Outstanding	Percentage Applicable to City Residents	City Resident's Share of Debt
<u>Direct Debt</u>			
Building Authority Refunding	\$ 307,000		
Capital Improvement	<u>2,115,000</u>		
Total Direct	2,422,000	100.00%	\$ 2,422,000
<u>Overlapping Debt - A</u>			
Isabella County	2,300,000	21.00%	483,000
Mt. Pleasant Public Schools	<u>19,100,000</u>	44.27%	<u>8,455,570</u>
Total Overlapping Debt	<u>21,400,000</u>		<u>8,938,570</u>
Total Direct and Overlapping Debt	<u><u>\$ 23,822,000</u></u>		<u><u>\$ 11,360,570</u></u>

A - The overlapping debt represents the share of the County and School debt that city residents are responsible for and are paying through separate millage levied by the County and School.

Overlapping debt prepared from latest audit reports 9/30/15 Isabella County and 6/30/15 Mt. Pleasant Public Schools. Percentage applicable to City Residents computed from October 2015 Apportionment Report

City of Mt. Pleasant

Computation of Legal Debt Margin For General Obligation Bonds Year Ended December 31, 2015

State Equalized Value - December 31, 2015		<u>\$ 491,052,277</u>
Debt Limit – 10% of State Equalized Assessed Value		\$ 49,105,228
Amount of Debt Applicable to Limit - General Obligation Bonds	\$ 2,422,000	
Less Assets Available for Debt Service	<u>5,368</u>	
Net General Obligation Debt Subject to Limit		<u>2,427,368</u>
Legal Debt Margin		<u>\$ 46,677,860</u>
Total net debt applicable to the limit as a percentage of debt limit		5.2%

City of Mt. Pleasant

Revenue Bond Coverage Years Ended 2006 Through 2015

Year Ended	Gross Revenue	General Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2006	\$ 5,701,652	\$ 3,858,285	\$ 1,843,367	\$ 500,000	\$ 596,363	\$ 1,096,363	1.68
2007	5,495,694	3,750,673	1,745,021	520,000	557,760	1,077,760	1.62
2008	5,545,233	3,800,762	1,744,471	625,000	463,762	1,088,762	1.60
2009	5,299,858	3,376,017	1,923,841	560,000	463,949	1,023,949	1.88
2010 A	5,552,037	3,151,097	2,400,940	285,000	446,795	731,795	3.28
2011	5,170,054	3,703,526	1,466,528	670,000	312,971	982,971	1.49
2012	5,198,034	3,194,745	2,003,289	705,000	319,102	1,024,102	1.96
2013	5,090,743	3,254,238	1,836,505	720,000	266,809	986,809	1.86
2014	5,021,172	3,685,898	1,335,274	740,000	245,409	985,409	1.36
2015	5,375,931	3,896,088	1,479,843	755,000	223,609	978,609	1.51

A - 2010 WasteWater Bonds were refunded and principal amount reduced with the refunding

City of Mt. Pleasant

Demographic Statistics Years Ended 2006 Through 2015

<u>Year Ended</u>	<u>A Population</u>	<u>B School Enrollment</u>	<u>C Unemployment Rate</u>
2006	25,946	5,017	5.40%
2007	25,946	4,714	5.50%
2008	25,946	4,847	6.40%
2009	25,946	4,705	9.10%
2010	26,016	4,324	7.20%
2011	26,016	4,464	9.00%
2012	26,016	4,473	6.20%
2013	26,016	4,378	6.00%
2014	26,016	4,293	5.90%
2015	26,016	4,545	3.40%

Data Sources:

A - Bureau of the Census

B - Mt. Pleasant Public Schools, Sacred Heart Academy,
Renaissance Academy, Saginaw Chippewa Academy,

C - google.com/publicdata
(Annual City Average)

Information regarding total personal income and per capita income not available

City of Mt. Pleasant

Principal Employers 2015 and 2006

Employer	2015 Employees	Rank	2006 Employees	Rank
Saginaw Chippewa Tribe	4000	1	4500	1
Central Michigan University	2693	2	1000	2
McLaren - Central Michigan	703	3	600	5
Isabella Bank	635	4		
Morbark	620	5	675	3
Delfield	550	6	650	4
Mt. Pleasant Public Schools	456	7	575	6
Bandit Industries	420	8		
STT Security	400	9		
McBride Quality Care Services	358	10		
Mt. Pleasant Center			450	7
Mears LLC			400	8
Community Mental Health			350	9
Randell Manufacturing			346	10

Source:

2015 - Employers updated with current status from the companies and Middle Michigan Development Corporation website

2006 - Data Michigan Economic Development Corporation obtained from Isabella County Comprehensive Annual Financial Report

Total employment for the County is not available.

City of Mt. Pleasant

Full Time Employees by Function Years Ended 2006 - 2015

Function	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Government	34	33	33	34	35	38	38	38	37	39
Public Safety										
Police										
Sworn Officers	30	30	30	30	31	32	32	32	32	33
Civilians	6	6	6	6	6	7	7	7	7	7
Fire										
Sworn Officers	12	12	12	12	12	13	13	12	13	13
Civilians	1	1	1	1	1	1	1	1	1	1
Highways and Streets										
Engineering	6	7	7	7	7	7	7	7	7	8
Maintenance	12	12	12	12	12	12	12	12	13	13
Sewer	9	9	9	9	9	10	10	10	10	10
Water	7	7	7	7	7	7	7	7	8	8
Total	117	117	117	118	120	127	127	126	128	132

City of Mt. Pleasant

Operating Indicators by Function Years Ended 2006 - 2015

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Government										
Building Permits Issued	498	536	503	511	539	560	622	595	570	704
Public Safety										
Number of Arrests	2,542	2,387	2,363	1,904	1,652	1,974	1,514	1,444	1,486	1,381
Number of Traffic Violations	2,219	2,589	2,169	1,966	1,343	1,730	1,286	1,436	1,810	1,645
Number of Parking Violations	2,839	4,494	4,301	4,507	4,693	4,582	5,271	5,469	5,871	6,629
Number of Fire Emergency Responses	967	1,097	926	951	863	829	750	748	665	734
Number of Fires Extinguished	118	139	134	131	109	127	173	135	153	129
Number of Housing License Inspections	6,910	8,719	6,716	6,448	6,212	6,224	6,238	5,923	5,801	5,900
Number of Crossing Guards	10	10	10	10	11	11	10	12	11	10
Public Works										
Collected and Disposed										
Solid Waste (tons)	1,797	2,163	2,009	2,003	2,003	1,927	1,934	1,827	1,922	1,806
Recycling (tons)	492	486	512	503	514	525	536	595	575	575
Leaves (cubic yards)	11,665	19,585	11,958	26,797	18,299	12,440	15,069	14,566	12,179	11,367
Number of Trees										
Planted	424	200	192	160	160	75	128	159	145	140
Removed	156	247	411	128	104	45	39	40	62	74
Wastewater										
Number of Customers	5,744	5,727	5,710	5,688	5,661	5,653	5,650	5,613	5,612	5,609
Total Flow Sold in million gallons	550	557	560	585	602	584	609	643	683	711
Water										
Number of Customers	6,009	5,994	5,974	5,934	5,901	5,891	5,876	5,835	5,867	5,850
Total Flow Sold in million gallons	646	643	657	701	691	675	683	740	828	772
Airport										
Number of Planes Landed	823	1,225	1,396	1,533	1,196	1,132	689	839	760	866
Gallons of Fuel Sold	46,976	54,677	63,810	71,909	83,290	62,979	52,566	59,206	60,220	61,673
Recreation										
Number of Youth Programs	82	83	75	78	75	91	114	85	74	62
Number of PEAK Participants	608	638	658	676	708	711	656	584	660	569
Number of Adult Programs	19	17	21	24	18	22	58	64	61	67

City of Mt. Pleasant

Capital Asset Statistics by Function Years Ended 2006 - 2015

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Government										
Number of General Government Buildings	1	1	1	1	1	1	1	1	1	1
Public Safety										
Number of Public Safety Buildings	1	1	1	1	1	1	1	1	1	1
Public Works										
Number of Public Works Buildings	3	3	3	3	3	3	3	3	3	3
Miles of Streets	75.60	75.60	75.52	75.52	75.52	75.52	74.43	74.43	74.43	74.38
Miles of Sewer	79.65	79.65	79.65	79.65	79.65	79.65	79.43	79.43	79.43	79.43
Miles of Water Lines	92.75	92.75	92.75	92.75	92.75	92.75	92.53	92.53	92.53	92.53
Number of Trees										
Planted	424	200	192	160	160	75	128	159	145	140
Removed	156	247	411	128	104	45	39	40	62	74
Recreation & Parks										
Number of playgrounds	7	7	7	7	7	7	7	7	7	7
Acres of parks and facilities	350	350	350	350	350	350	350	350	350	350