
City of Riverview, Michigan

**Financial Report
with Supplemental Information
June 30, 2022**

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Independent Auditor's Report

To the City Council
City of Riverview, Michigan

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of City of Riverview, Michigan (the "City") as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of June 30, 2022 and the respective changes in its 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.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

To the City Council
City of Riverview, Michigan

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplemental Information

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

Supplemental 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 other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole.



December 19, 2022

Overview of the Financial Statements

The City of Riverview, Michigan's (the "City") 2022 annual financial report is presented in conformity with the requirements of GASB Statement No. 34, as it was in 2021. This annual report consists of four parts - management's discussion and analysis, the basic financial statements, required supplemental information, and other supplemental information. The basic financial statements include two kinds of statements that present different views of the City. The first two statements are government-wide financial statements that provide both short-term and long-term information about the City's status. The remaining statements are fund financial statements that focus on individual parts of the City's operations.

Government-wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private sector companies. The statement of net position includes all of the City's assets and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how it has changed. Net position, the difference between the City's assets and liabilities, is one way to measure the City's financial health.

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

Governmental Activities - Most of the City's basic services are included here, such as police, fire, public works, recreation departments, and general administration. Property taxes, state-shared revenue, charges for services, grants, and transfers provide much of the funding.

Business-type Activities - The City charges fees to customers to help it cover the costs of certain services it provides. The City's water and sewer system, golf course and practice, and land preserve are all included here.

Component Unit - The City includes the Economic Development Corporation and the Brownfield Redevelopment in its report.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant funds - not the City as a whole. Funds are accounting tools that the City uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by state law and bond covenants. The City Council establishes other funds to control and manage money for particular purposes.

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

Proprietary Funds - Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary fund reporting, like government-wide statements, provides both short- and long-term financial information.

Fiduciary Funds - The City is responsible for ensuring that the assets in these funds are used for their intended purposes. We exclude these activities from the government-wide financial statements because the City cannot use these assets to finance its operations.

Management's Discussion and Analysis (Continued)

Financial Highlights

The financial report for the year ended June 30, 2022 reflects complete implementation of Governmental Accounting Standards Board Statement No. 34, which significantly changed the content and format of municipal financial reporting. Accordingly, these statements present both entity-wide financial reporting for all governmental and business-type activities in addition to reporting financial information at the fund level. A reconciliation of the net change in fund balance to the change in net position is provided on page 17.

Assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the end of the fiscal year by \$11,760,930 (net position), a decrease of \$2,915,483 from the previous year. Unrestricted net position, the portion of net position that can be used to finance day-to-day operations, for the City as a whole stands at a deficit of \$59,650,320.

During the fiscal year ended June 30, 2011, the City implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*. Under this new statement, the General Fund, the Library Fund, the Cable Fund, and the Rubbish Fund were combined for reporting purposes and named the General Fund. During the fiscal year ended June 30, 2021, the City implemented GASB Statement No. 84, *Fiduciary Activities*. Under this new statement, the Community Trust Fund and the Inspections Fund were combined for reporting purposes into the General Fund. These funds were combined because their primary sources of revenue are unrestricted.

The General Fund (combined basis) reported expenditures in excess of revenue (excluding other financing sources and uses) of \$1,681,405. The Land Preserve Fund transferred \$1,707,764 to the General Fund (combined basis). The resulting impact is a \$26,359 increase in the General Fund (combined basis) fund balance. Of the General Fund (combined bases) fund balance, \$1,464,065 or 11.91 percent of General Fund (combined basis) expenditures, is unassigned.

City of Riverview, Michigan

Management's Discussion and Analysis (Continued)

The City as a Whole

The City's combined net position is \$11.8 million at June 30, 2022. Business-type activities make up \$(3.9) million and governmental activities make up \$15.7 million of the total. The following table shows, in a condensed format, the net position as of June 30, 2022 and compared to the prior year:

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets						
Current assets	\$ 11.6	\$ 9.9	\$ 6.0	\$ 3.6	\$ 17.6	\$ 13.5
Noncurrent assets	28.1	30.3	71.6	80.3	99.7	110.6
Total assets	39.7	40.2	77.6	83.9	117.3	124.1
Deferred Outflows of Resources	2.1	0.2	0.9	0.2	3.0	0.4
Liabilities						
Current liabilities	3.2	2.5	1.5	1.7	4.7	4.2
Long-term liabilities	22.5	18.3	80.5	77.7	103.0	96.0
Total liabilities	25.7	20.8	82.0	79.4	107.7	100.2
Deferred Inflows of Resources	0.4	5.6	0.4	4.1	0.8	9.7
Net Position						
Net investment in capital assests	24.2	24.5	43.9	48.2	68.1	72.7
Restricted	2.9	2.5	0.4	0.4	3.3	2.9
Unrestricted	(11.4)	(13.0)	(48.2)	(48.0)	(59.6)	(61.0)
Total net position	<u>\$ 15.7</u>	<u>\$ 14.0</u>	<u>\$ (3.9)</u>	<u>\$ 0.6</u>	<u>\$ 11.8</u>	<u>\$ 14.6</u>

As noted earlier, the City's assets and deferred outflows exceed its liabilities and deferred inflows at the end of the fiscal year by \$11.8 million (net position). However, a significant portion of the City's net position represents its investment in capital assets (e.g., land, roads, infrastructure, buildings, and equipment), less any related debt used to acquire or construct these assets. The City uses these assets in providing services to its citizens; thus, these assets are not available for future spending.

Total assets have decreased by approximately \$6.8 million from the prior year while current liabilities have increased by \$0.5 million and long-term liabilities have increased by \$7.0 million.

City of Riverview, Michigan

Management's Discussion and Analysis (Continued)

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenue						
Program revenue:						
Charges for services	\$ 1.6	\$ 1.4	\$ 19.2	\$ 19.0	\$ 20.8	\$ 20.4
Operating grants	1.5	1.9	-	-	1.5	1.9
Capital grants	-	0.1	-	-	-	0.1
General revenue:						
Property taxes	7.2	7.0	-	-	7.2	7.0
State-shared revenue	1.8	1.7	-	-	1.8	1.7
Cable, franchise, and right-of-way fees	0.5	0.4	-	-	0.5	0.4
Investment earnings	(0.1)	-	(1.6)	(0.5)	(1.7)	(0.5)
Other revenue	0.1	0.1	0.1	-	0.2	0.1
Gain on sale of capital assets	-	-	-	0.4	-	0.4
Transfers	2.2	2.8	(2.2)	(2.8)	-	-
Total revenue	14.8	15.4	15.5	16.1	30.3	31.5
Program Expenses						
General government	2.4	1.5	-	-	2.4	1.5
Public safety	5.9	3.8	-	-	5.9	3.8
Public works	3.2	2.8	-	-	3.2	2.8
Community and economic development	0.2	0.3	-	-	0.2	0.3
Recreation and cultural	1.3	0.6	-	-	1.3	0.6
Interest on long-term debt	0.1	0.1	-	-	0.1	0.1
Water and sewer	-	-	4.2	3.8	4.2	3.8
Land preserve	-	-	13.5	13.1	13.5	13.1
Golf course and practice	-	-	2.3	1.5	2.3	1.5
Total program expenses	13.1	9.1	20.0	18.4	33.1	27.5
Change in Net Position	1.7	6.3	(4.5)	(2.3)	(2.8)	4.0
Net Position - Beginning of year	14.0	7.7	0.6	2.9	14.6	10.6
Net Position - End of year	\$ 15.7	\$ 14.0	\$ (3.9)	\$ 0.6	\$ 11.8	\$ 14.6

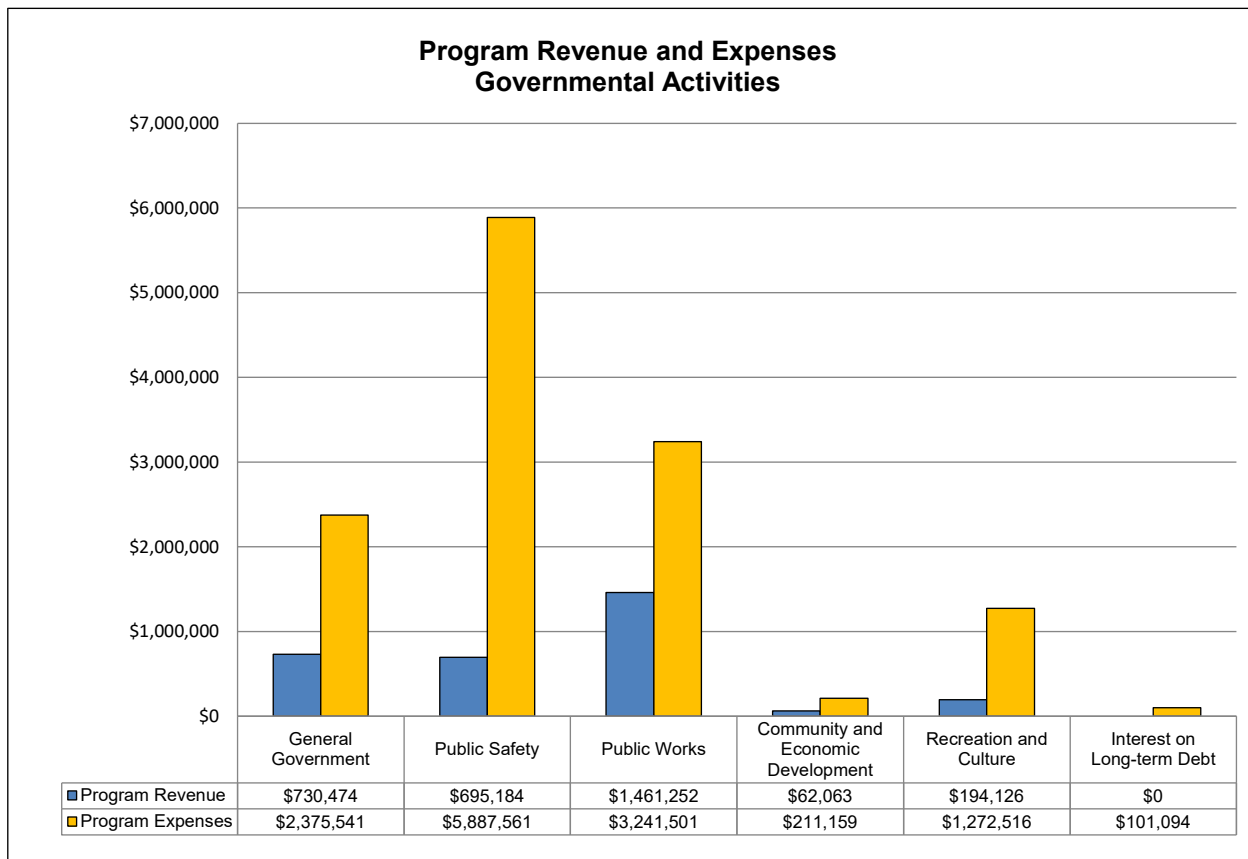
Land preserve operating expenses have increased from \$13.1 million to 13.5 million compared to last year, primarily due to the increase post closure costs in 2022.

City of Riverview, Michigan

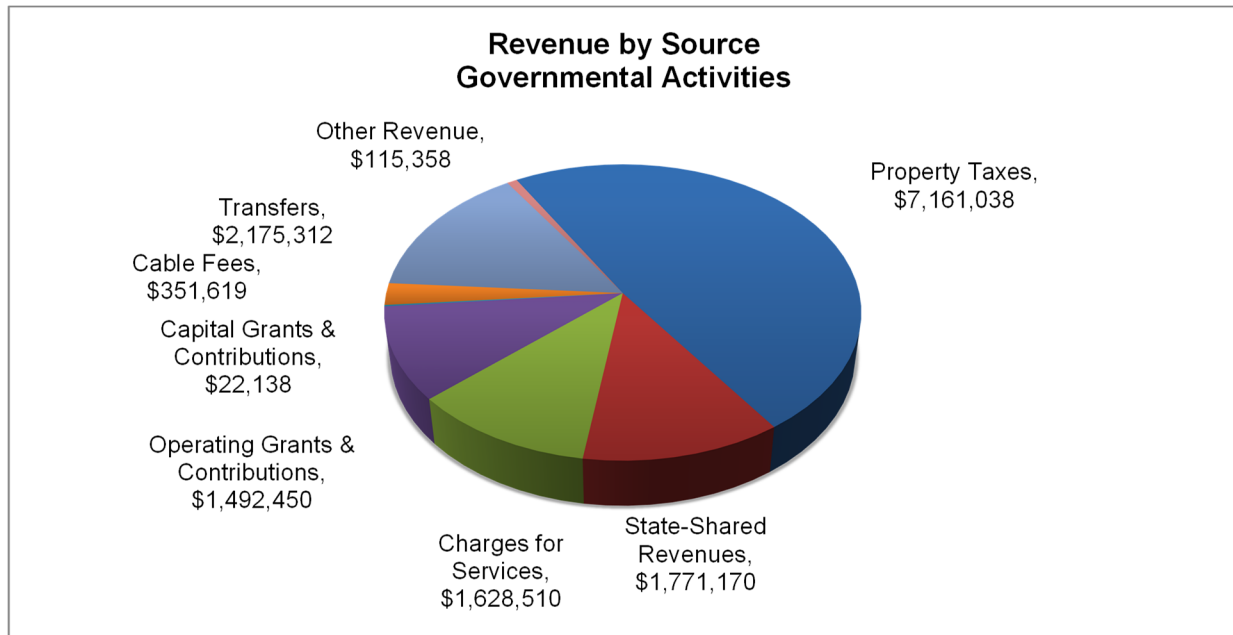
Management's Discussion and Analysis (Continued)

Governmental Activities

For the year ended June 30, 2022, revenue for the City's governmental activities totaled \$14.8 million, a decrease of \$0.6 million from 2021. Property taxes increased by approximately \$126,000 and operating transfers from enterprise funds decreased by approximately \$623,000 during the year. State-shared revenue increased by approximately \$119,000. This revenue continues to be a concern as to future funding levels as the State of Michigan revises its method of distributing funds to the municipalities and looks for ways to fund other priorities such as transportation funding.



Management's Discussion and Analysis (Continued)

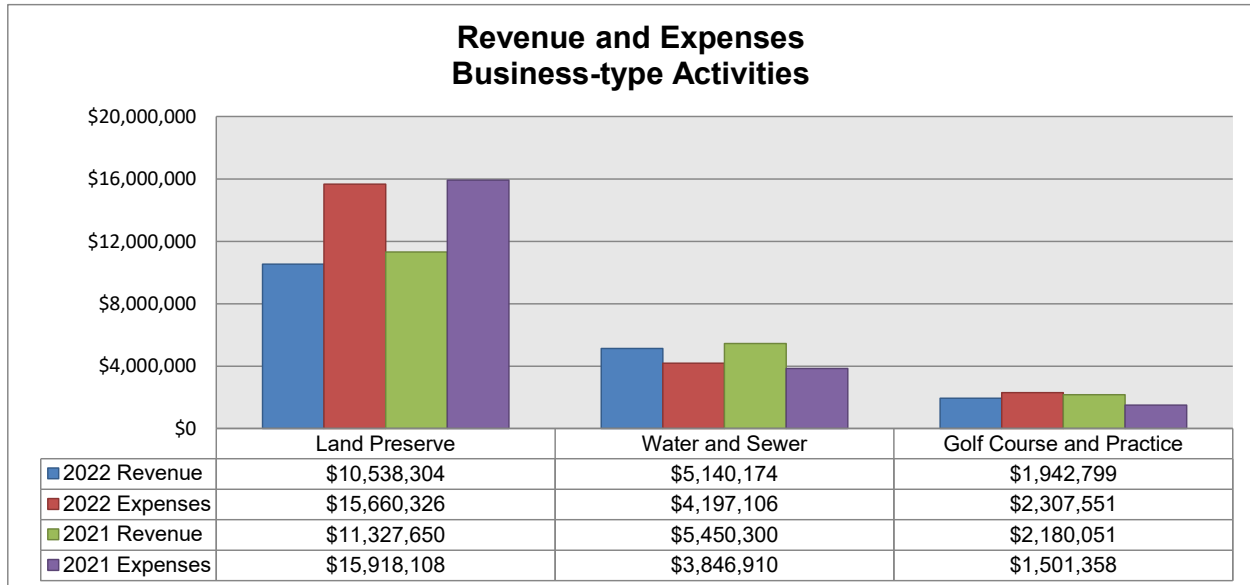


Business-type Activities

The City has three business-type activities: the water and sewer system, golf course and practice, and the land preserve. In total, these four activities generated \$19.2 million in charges for services and incurred \$22.2 million in expenses and transfers out in 2022, compared to \$19.3 million in charges for services and \$21.3 million in expenses and transfers out for 2021. The business-type activities net position decreased \$4.5 million to approximately \$(3.9) million in 2022.

In addition, total general revenue for business-type activities was approximately a loss of \$1.6 million in 2022, compared to a loss of \$(150,000) in 2021. The loss is primarily due to losses on investments. Property tax revenue increased from \$5,000 for 2021 to \$10,000 for 2022; these property taxes are used to make payments on debt incurred for the sewer system improvements and decreased due to a reduction in debt service payments to be made. This increase is due to the millage relating to debt incurred for sewer system improvements.

Management’s Discussion and Analysis (Continued)



Revenue by Source - Business Type Activities	
Revenue Type	Amount
Charges for Services	\$ 19,210,686
Operating Grants	\$ -
Capital Grant	\$ -
Property Taxes	\$ 10,807
Gain on Sale of Fixed Assets	\$ 4,387
Investment Income (Loss)	\$ (1,604,603)
Total	\$ 17,621,277

At the end of fiscal year 2022, the City has \$225 million invested, before depreciation, in a wide range of capital assets, including land, building, public safety equipment, computer equipment, and water and sewer lines.

Debt of \$3.9 million, related to the construction and acquisition of the above-mentioned capital assets is reported as a liability in the governmental activities in the statement of net position.

Debt related to the water and sewer system totaling \$4.1 million is recorded as a liability in the business-type activities in the statement of net position. This debt represents improvements at the Wyandotte wastewater treatment plant that were mandated by a federal consent decree.

Long-term debt obligations for the land preserve totaling \$2.2 million are recorded as a liability in the business-type activities in the statement of net position. The majority of this debt represents installment-type loans whose proceeds were used to purchase equipment for the land preserve.

The City's Funds

The fund financial statements begin on page 14 and provide detailed information on the most significant governmental funds - not the City as a whole. The City Council creates funds to help manage money for special purposes, as well as to show accountability for certain activities, such as special property tax millages. The City's major governmental funds for 2022 include the General Fund (combined basis) and the Major and Local Streets Funds.

The City's governmental funds reported a combined fund balance of \$6.1 million for this year, an increase of \$0.6 million over 2021.

The Major Streets Fund fund balance increased by \$203,263 and the Local Streets Fund, fund balance increased by \$274,699. The two funds spent a combined \$1.1 million in 2022. Property tax revenue for the Local Streets Fund continues to be flat.

General Fund Budgetary Highlights

Revenue for the General Fund increased from the original budget to the final budget by approximately \$400,000, due to an increase in state and federal sources and other revenue. Actual revenue was approximately \$1.4 million below the final budget amounts; this was primarily due to lower transfers in as they were not needed.

Expenditures increased from the original budget to the final budget by approximately \$400,000, spread across several activities. Actual expenses were approximately \$1.4 million below the final budget, primarily due to less police and recreation expenditures than was budgeted.

Current Economic Conditions

The City continues to maintain positive fund balances in each of its funds. However, concerns arise when considering the revenue and expenses that the City is facing in upcoming years. The major sources of revenue for the City are property taxes, state-shared revenue, and charges for services. These sources have certain limitations outside of the City's control - taxable value of property in the City is expected to remain flat, resulting in property tax revenue staying at a level amount; the State of Michigan has experienced budget deficits and has reduced revenue-sharing payments to local governments to help in reducing their deficit; and the economy has restricted the City in what it can charge its customers. In comparison, certain expenses continue to rise at a rate higher than inflation (i.e., health care). We are continuing to plan for the long term and will continue to balance the budgets through controls over spending, while still providing the City's residents with the same level of service to which they have become accustomed.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City manager at the City of Riverview, 14100 Civic Park Drive, Riverview, MI 48193.

June 30, 2022

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investments (Note 3)	\$ 11,118,097	\$ 2,349,777	\$ 13,467,874	\$ 18,176
Receivables:				
Property taxes receivable	57,370	-	57,370	-
Customer receivables	-	2,965,334	2,965,334	-
Other receivables	254,431	26,762	281,193	-
Due from other governments	491,677	-	491,677	-
Internal balances	(529,263)	529,263	-	-
Inventory	-	42,779	42,779	-
Prepaid expenses and other assets	226,204	176,049	402,253	-
Deposits	7,451	-	7,451	-
Restricted assets (Note 5)	-	20,772,159	20,772,159	-
Capital assets: (Note 6)				
Assets not subject to depreciation	11,632,268	5,108,246	16,740,514	-
Assets subject to depreciation - Net	16,504,626	45,714,918	62,219,544	-
Total assets	39,762,861	77,685,287	117,448,148	18,176
Deferred Outflows of Resources				
OPEB (Note 11)	96,777	104,551	201,328	-
Pension (Note 10)	1,953,195	767,953	2,721,148	-
Total deferred outflows of resources	2,049,972	872,504	2,922,476	-
Liabilities				
Accounts payable	978,851	1,465,519	2,444,370	535
Refundable deposits, bonds, etc.	276,003	-	276,003	-
Accrued liabilities and other	681,194	82,493	763,687	-
Unearned revenue	1,264,427	-	1,264,427	-
Noncurrent liabilities:				
Due within one year:				
Accounts payable from restricted assets	-	240,624	240,624	-
Provision for claims (Note 9)	34,193	-	34,193	-
Current portion of long-term debt (Note 7)	1,131,516	1,389,866	2,521,382	-
Due in more than one year:				
Compensated absences (Note 7)	561,082	11,265	572,347	-
Landfill closure and postclosure (Note 5)	-	56,969,312	56,969,312	-
Net pension liability (Note 10)	4,448,748	1,749,123	6,197,871	-
Net OPEB liability (Note 11)	13,561,337	14,650,998	28,212,335	-
Long-term debt (Note 7)	2,836,962	5,526,508	8,363,470	-
Total liabilities	25,774,313	82,085,708	107,860,021	535
Deferred Inflows of Resources - Deferred OPEB cost reductions	360,360	389,313	749,673	-
Net Position (Deficit)				
Net investment in capital assets	24,168,416	43,906,790	68,075,206	-
Restricted:				
Streets	2,404,011	-	2,404,011	-
Community development	160,790	-	160,790	-
Drug forfeiture	337,536	-	337,536	-
Water and sewer debt service	-	387,322	387,322	-
Debt service	46,385	-	46,385	-
Unrestricted	(11,438,978)	(48,211,342)	(59,650,320)	17,641
Total net position (deficit)	\$ 15,678,160	\$ (3,917,230)	\$ 11,760,930	\$ 17,641

City of Riverview, Michigan

Functions/Programs	Program Revenue			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 2,375,541	\$ 730,474	\$ -	\$ -
Public safety	5,887,561	688,414	6,770	-
Public works	3,241,501	148,473	1,357,983	22,138
Community and economic development	211,159	-	62,063	-
Recreation and culture	1,272,516	61,149	65,634	-
Interest on long-term debt	101,094	-	-	-
Total governmental activities	13,089,372	1,628,510	1,492,450	22,138
Business-type activities:				
Water and Sewer	4,197,106	5,340,037	-	-
Land Preserve	13,485,014	11,926,002	-	-
Golf Course and Practice	2,307,551	1,944,647	-	-
Total business-type activities	19,989,671	19,210,686	-	-
Total primary government	\$ 33,079,043	\$ 20,839,196	\$ 1,492,450	\$ 22,138
Component units:				
Brownfield Redevelopment Authority	\$ 205,547	\$ -	\$ 175,190	\$ -
Economic Development Corporation	-	-	-	-
Total component units	\$ 205,547	\$ -	\$ 175,190	\$ -
General revenue:				
Property taxes				
Unrestricted state-shared revenue				
Unrestricted investment loss				
Cable franchise fees				
Gain on sale of capital assets				
Other miscellaneous income				
Total general revenue				
Transfers				
Change in Net Position				
Net Position - Beginning of year				
Net Position (Deficit) - End of year				

Statement of Activities

Year Ended June 30, 2022

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (1,645,067)	\$ -	\$ (1,645,067)	\$ -
(5,192,377)	-	(5,192,377)	-
(1,712,907)	-	(1,712,907)	-
(149,096)	-	(149,096)	-
(1,145,733)	-	(1,145,733)	-
(101,094)	-	(101,094)	-
(9,946,274)	-	(9,946,274)	-
-	1,142,931	1,142,931	-
-	(1,559,012)	(1,559,012)	-
-	(362,904)	(362,904)	-
-	(778,985)	(778,985)	-
(9,946,274)	(778,985)	(10,725,259)	-
-	-	-	(30,357)
-	-	-	-
-	-	-	(30,357)
7,161,038	10,807	7,171,845	35,119
1,771,170	-	1,771,170	-
(63,698)	(1,604,603)	(1,668,301)	-
351,619	-	351,619	-
15,167	4,387	19,554	-
163,889	-	163,889	-
9,399,185	(1,589,409)	7,809,776	35,119
2,175,312	(2,175,312)	-	-
1,628,223	(4,543,706)	(2,915,483)	4,762
14,049,937	626,476	14,676,413	12,879
\$ 15,678,160	\$ (3,917,230)	\$ 11,760,930	\$ 17,641

Governmental Funds
Balance Sheet

June 30, 2022

	General Fund	Major Streets Fund	Local Streets Fund	Nonmajor Funds	Total Governmental Funds
Assets					
Cash and investments (Note 3)	\$ 5,547,128	\$ 1,028,081	\$ 1,196,236	\$ 1,695,203	\$ 9,466,648
Receivables:					
Property taxes receivable	56,953	-	364	53	57,370
Other receivables	253,457	-	235	-	253,692
Due from other governments	298,526	134,519	58,408	224	491,677
Due from other funds (Note 4)	66,473	-	-	45,687	112,160
Prepaid expenses and other assets	130,684	-	-	215	130,899
Total assets	\$ 6,353,221	\$ 1,162,600	\$ 1,255,243	\$ 1,741,382	\$ 10,512,446
Liabilities					
Accounts payable	\$ 928,924	\$ 2,050	\$ 11,692	\$ 31,643	\$ 974,309
Due to other funds (Note 4)	1,208,409	-	-	-	1,208,409
Refundable deposits, bonds, etc.	276,003	-	-	-	276,003
Accrued liabilities and other	632,151	-	90	-	632,241
Unearned revenue	1,264,427	-	-	-	1,264,427
Total liabilities	4,309,914	2,050	11,782	31,643	4,355,389
Deferred Inflows of Resources - Unavailable revenue	25,354	-	-	-	25,354
Total liabilities and deferred inflows of resources	4,335,268	2,050	11,782	31,643	4,380,743
Fund Balances					
Nonspendable - Prepays	130,684	-	-	215	130,899
Restricted:					
Streets	-	1,160,550	1,243,461	-	2,404,011
Police	-	-	-	337,321	337,321
Debt service	-	-	-	46,385	46,385
CDBG	-	-	-	160,790	160,790
Assigned:					
Cable	81,198	-	-	-	81,198
Library	268,325	-	-	-	268,325
Debt service	-	-	-	125,995	125,995
Capital projects	-	-	-	1,039,033	1,039,033
Rubbish	64,614	-	-	-	64,614
Community trust	9,067	-	-	-	9,067
Unassigned	1,464,065	-	-	-	1,464,065
Total fund balances	2,017,953	1,160,550	1,243,461	1,709,739	6,131,703
Total liabilities, deferred inflows of resources, and fund balances	\$ 6,353,221	\$ 1,162,600	\$ 1,255,243	\$ 1,741,382	\$ 10,512,446

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2022

Fund Balances Reported in Governmental Funds	\$ 6,131,703
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds	28,136,894
Grants and other receivables that are collected after year end, such that they are not available to pay bills outstanding as of year end, are not recognized in the funds	25,354
Bonds payable and capital lease obligations are not due and payable in the current period and are not reported in the funds	(3,968,478)
Accrued interest is not due and payable in the current period and is not reported in the funds	(48,953)
Some employee fringe benefits are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities:	
Employee compensated absences	(561,082)
Net pension assets, liabilities, and related deferred inflows and outflows	(2,495,553)
Net OPEB liability and related deferred inflows and outflows	(13,824,920)
Internal service funds are included as part of governmental activities	<u>2,283,195</u>
Net Position of Governmental Activities	<u><u>\$ 15,678,160</u></u>

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2022

	General Fund	Major Streets Fund	Local Streets Fund	Nonmajor Funds	Total Governmental Funds
Revenue					
Property taxes	\$ 6,003,430	\$ -	\$ 238,324	\$ 919,284	\$ 7,161,038
Charges to other funds	1,022,877	-	-	-	1,022,877
State and federal sources:					
Federal grants	70,701	-	-	62,063	132,764
State sources	1,820,554	871,593	428,723	1,410	3,122,280
Charges for services	786,141	-	-	-	786,141
Fines and forfeitures	10,222	-	-	-	10,222
Licenses and permits:					
Cable franchise fees	351,619	-	-	-	351,619
Other licenses and permits	369,509	-	-	-	369,509
Investment (loss) gains	(42,094)	(3,596)	(3,458)	(14,526)	(63,674)
Other revenue	216,580	-	-	-	216,580
Total revenue	10,609,539	867,997	663,589	968,231	13,109,356
Expenditures					
Current services:					
General government	2,716,415	-	-	-	2,716,415
Public safety	5,921,927	-	-	105,540	6,027,467
Public works	2,308,135	289,949	763,675	-	3,361,759
Community and economic development	183,802	-	-	5,137	188,939
Recreation and culture	1,160,665	-	-	-	1,160,665
Capital outlay	-	-	-	91,402	91,402
Debt service	-	-	-	1,155,093	1,155,093
Total expenditures	12,290,944	289,949	763,675	1,357,172	14,701,740
Excess of Revenue (Under) Over Expenditures	(1,681,405)	578,048	(100,086)	(388,941)	(1,592,384)
Other Financing Sources (Uses)					
Transfers in	1,707,764	-	374,785	467,548	2,550,097
Transfers out	-	(374,785)	-	-	(374,785)
Sale of capital assets	-	-	-	7,500	7,500
Total other financing sources (uses)	1,707,764	(374,785)	374,785	475,048	2,182,812
Net Change in Fund Balances	26,359	203,263	274,699	86,107	590,428
Fund Balances - Beginning of year	1,991,594	957,287	968,762	1,623,632	5,541,275
Fund Balances - End of year	\$ 2,017,953	\$ 1,160,550	\$ 1,243,461	\$ 1,709,739	\$ 6,131,703

Governmental Funds

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

Year Ended June 30, 2022

Net Change in Fund Balances Reported in Governmental Funds	\$ 590,428
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Capital outlay	678,063
Depreciation expense	(2,057,958)
Net book value of assets disposed of	(1,028)
Certain revenue from state and federal sources are deferred and will be recognized as revenue in the fund statements in future years	25,360
Accumulated employee sick and vacation pay is recorded when paid in the governmental funds	6,200
The change in net pension asset/liability and deferred inflows and outflows related to pension amounts does not require the use of current resources and is not reported in the governmental activities	(32,665)
Repayment of bond principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt)	1,026,887
The change in net OPEB liability and deferred inflows and outflows related to OPEB amounts does not require the use of current resources and is not reported in the governmental activities	930,124
Interest expense is recorded when incurred in the statement of activities	27,112
Internal service funds are included as part of governmental activities	435,700
Change in Net Position of Governmental Activities	<u>\$ 1,628,223</u>

Proprietary Funds
Statement of Net Position

June 30, 2022

	Enterprise Funds				Governmental Activities
	Water and Sewer	Land Preserve	Golf Course and Practice	Total Enterprise Funds	Internal Service Funds
Assets					
Current assets:					
Cash and investments (Note 3)	\$ 2,155,609	\$ -	\$ 194,168	\$ 2,349,777	\$ 1,651,449
Receivables:					
Customer receivables	1,156,941	1,808,393	-	2,965,334	-
Other receivables	9,503	-	17,259	26,762	739
Due from other funds (Note 4)	5,572,068	630,000	-	6,202,068	566,986
Inventory	-	-	42,779	42,779	-
Prepaid expenses and other assets	137,927	35,065	3,057	176,049	95,305
Deposits	-	-	-	-	7,451
Total current assets	9,032,048	2,473,458	257,263	11,762,769	2,321,930
Noncurrent assets:					
Restricted assets (Note 5)	387,322	20,384,837	-	20,772,159	-
Advances to other funds (Note 4)	2,050,000	495,252	-	2,545,252	-
Capital assets: (Note 6)					
Assets not subject to depreciation	1,067,050	3,349,295	691,901	5,108,246	-
Assets subject to depreciation - Net	23,036,781	20,631,737	2,046,400	45,714,918	-
Total noncurrent assets	26,541,153	44,861,121	2,738,301	74,140,575	-
Total assets	35,573,201	47,334,579	2,995,564	85,903,344	2,321,930
Deferred Outflows of Resources - OPEB	265,922	523,929	82,653	872,504	-
Liabilities					
Current liabilities:					
Accounts payable	702,690	590,689	172,140	1,465,519	4,542
Due to other funds (Note 4)	100,737	5,555,517	16,551	5,672,805	-
Accrued liabilities and other	11,738	43,086	27,669	82,493	-
Provision for claims (Note 9)	-	-	-	-	34,193
Current portion of long-term debt (Note 7)	255,578	1,077,037	57,251	1,389,866	-
Total current liabilities	1,070,743	7,266,329	273,611	8,610,683	38,735
Noncurrent liabilities:					
Advances from other funds (Note 4)	-	-	2,545,252	2,545,252	-
Accounts payable from restricted assets	-	240,624	-	240,624	-
Compensated absences (Note 7)	9,275	1,990	-	11,265	-
Landfill closure and postclosure (Note 5)	-	56,969,312	-	56,969,312	-
Net pension liability (Note 10)	551,411	1,039,229	158,483	1,749,123	-
Net OPEB liability (Note 11)	3,337,894	9,481,733	1,831,371	14,650,998	-
Long-term debt (Note 7)	4,251,716	1,117,300	157,492	5,526,508	-
Total noncurrent liabilities	8,150,296	68,850,188	4,692,598	81,693,082	-
Total liabilities	9,221,039	76,116,517	4,966,209	90,303,765	38,735
Deferred Inflows of Resources - Deferred OPEB cost reductions	88,695	251,954	48,664	389,313	-
Net Position (Deficit)					
Net investment in capital assets	19,596,537	21,786,695	2,523,558	43,906,790	-
Restricted - Water and sewer debt service (Note 5)	387,322	-	-	387,322	-
Unrestricted	6,545,530	(50,296,658)	(4,460,214)	(48,211,342)	2,283,195
Total net position (deficit)	\$ 26,529,389	\$ (28,509,963)	\$ (1,936,656)	\$ (3,917,230)	\$ 2,283,195

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

Year Ended June 30, 2022

	Enterprise Funds			Governmental
	Water and Sewer	Land Preserve	Golf Course and Practice	Internal Service Funds
Operating Revenue				
Customer billings	\$ 5,339,706	\$ -	\$ -	\$ 5,339,706
Greens fees	-	-	1,112,855	1,112,855
Equipment rentals	-	-	438,707	438,707
Charges for services	-	-	-	2,068,846
Miscellaneous revenue	331	373,236	393,085	766,652
Rubbish collections	-	11,552,766	-	11,552,766
Total operating revenue	5,340,037	11,926,002	1,944,647	19,210,686
Operating Expenses				
Cost of water and sewer	1,589,122	-	-	1,589,122
Operations and maintenance	657,678	2,522,575	1,028,657	4,208,910
Supplies	15,541	92,779	261,545	369,865
Other services and charges	457,811	5,361,129	605,990	6,424,930
Depreciation	1,318,309	5,446,028	393,716	7,158,053
Total operating expenses	4,038,461	13,422,511	2,289,908	19,750,880
Operating Income (Loss)	1,301,576	(1,496,509)	(345,261)	(540,194)
Nonoperating Revenue (Expense)				
Property taxes - Sewage disposal system	10,807	-	-	10,807
Investment loss	(210,670)	(1,392,085)	(1,848)	(1,604,603)
Interest expense	(158,645)	(62,503)	(17,643)	(238,791)
Gain on sale of assets	-	4,387	-	4,387
Total nonoperating expense	(358,508)	(1,450,201)	(19,491)	(1,828,200)
Transfers Out	-	(2,175,312)	-	(2,175,312)
Change in Net Position	943,068	(5,122,022)	(364,752)	(4,543,706)
Net Position (Deficit) - Beginning of year	25,586,321	(23,387,941)	(1,571,904)	626,476
Net Position (Deficit) - End of year	\$ 26,529,389	\$ (28,509,963)	\$ (1,936,656)	\$ (3,917,230)
				\$ 2,283,195

Proprietary Funds
Statement of Cash Flows

Year Ended June 30, 2022

	Enterprise Funds				Governmental Activities
	Water and Sewer	Land Preserve	Golf Course and Practice	Total Enterprise Funds	Internal Service Funds
Cash Flows from Operating Activities					
Receipts from customers	\$ 5,467,162	\$ 11,893,660	\$ 1,944,647	\$ 19,305,469	\$ -
Receipts from interfund services and reimbursements	-	-	-	-	2,140,993
Payments to suppliers	(2,014,023)	(4,292,736)	(897,390)	(7,204,149)	-
Payments to employees	(988,239)	(3,529,990)	(1,101,527)	(5,619,756)	-
Claims paid	-	-	-	-	(1,682,460)
Net cash and cash equivalents provided by (used in) operating activities	2,464,900	4,070,934	(54,270)	6,481,564	458,533
Cash Flows from Noncapital Financing Activities					
Net repayments on advances made between funds	66,801	48,538	(115,339)	-	-
Transfers to other funds	-	(2,175,312)	-	(2,175,312)	-
Loans made to other funds	(2,572,068)	(630,000)	-	(3,202,068)	-
Repayments of loans made between funds	(11,899)	(680,708)	476,772	(215,835)	-
Interest paid on noncapital loans	-	-	(13,595)	(13,595)	-
Net cash and cash equivalents (used in) provided by noncapital financing activities	(2,517,166)	(3,437,482)	347,838	(5,606,810)	-
Cash Flows from Capital and Related Financing Activities					
Proceeds from sale of capital assets	-	4,387	-	4,387	-
Property taxes restricted for capital items	10,640	-	-	10,640	-
Purchase of capital assets	(343,118)	(918,753)	(70,017)	(1,331,888)	-
Principal and interest paid on capital debt	(404,182)	(1,287,892)	(63,301)	(1,755,375)	-
Net cash and cash equivalents used in capital and related financing activities	(736,660)	(2,202,258)	(133,318)	(3,072,236)	-
Cash Flows (Used in) Provided by Investing Activities					
Activities - Net cash flows (used in) from investing activities	(40,217)	1,568,806	1	1,528,590	(24)
Net (Decrease) Increase in Cash and Cash Equivalents	(829,143)	-	160,251	(668,892)	458,509
Cash and Cash Equivalents - Beginning of year	829,143	-	-	829,143	1,192,940
Cash and Cash Equivalents - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 160,251</u>	<u>\$ 160,251</u>	<u>\$ 1,651,449</u>
Classification of Cash and Cash Equivalents					
Cash and investments (note: Land Preserve Fund includes restricted investments)	\$ 2,542,931	\$ 20,384,837	\$ 194,168	\$ 23,121,936	\$ 1,651,449
Less amounts classified as investments	(2,155,609)	-	(33,917)	(2,189,526)	-
Less amounts classified as restricted assets	(387,322)	(20,384,837)	-	(20,772,159)	-
Total cash and cash equivalents	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 160,251</u>	<u>\$ 160,251</u>	<u>\$ 1,651,449</u>

Proprietary Funds
Statement of Cash Flows (Continued)

Year Ended June 30, 2022

	Enterprise Funds				Governmental
	Water and Sewer	Land Preserve	Golf Course and Practice	Total Enterprise Funds	Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities					
Operating income (loss)	\$ 1,301,576	\$ (1,496,509)	\$ (345,261)	\$ (540,194)	\$ 435,724
Adjustments to reconcile operating income (loss) to net cash from operating activities:					
Depreciation	1,318,309	5,446,028	393,716	7,158,053	-
Changes in assets and liabilities:					
Receivables	127,125	(32,342)	-	94,783	-
Due to and from other funds	-	-	-	-	72,147
Inventories	-	-	(14,861)	(14,861)	-
Prepaid and other assets	(771)	38,188	(194)	37,223	-
Net pension or OPEB asset	(604,568)	(1,197,646)	(177,359)	(1,979,573)	-
Accounts payable	158,738	(192,687)	(14,800)	(48,749)	-
Estimated claims liability	-	-	-	-	(49,338)
Net pension or OPEB asset/liability	682,461	477,189	373,305	1,532,955	-
Deferrals related to pension or OPEB	(506,183)	(1,588,557)	(242,002)	(2,336,742)	-
Accrued and other liabilities	(11,787)	(69,342)	(26,814)	(107,943)	-
Land preserve closure liability	-	2,686,612	-	2,686,612	-
Total adjustments	1,163,324	5,567,443	290,991	7,021,758	22,809
Net cash and cash equivalents provided by (used in) operating activities	<u>\$ 2,464,900</u>	<u>\$ 4,070,934</u>	<u>\$ (54,270)</u>	<u>\$ 6,481,564</u>	<u>\$ 458,533</u>

For the Land Preserve Fund, the investments are classified as restricted assets on the statement of net position.

Noncash Capital and Related Financing Activities - During the current year, there was an increase of \$419,393 in the Water and Sewer Fund's debt due to additional debt drawdowns and due to an increase in the City's allocation of the Downriver Utility Wastewater Authority debt due to an increase in the City's sewage flow compared to the total sewage flow of the system.

**Fiduciary Funds
Statement of Fiduciary Net Position**

June 30, 2022

	Pension and Other Employee Benefit Trust Funds	Custodial Fund - Special Tax	Total Fiduciary Funds
Assets			
Cash and cash equivalents	\$ 908,037	\$ 385,315	\$ 1,293,352
Investments:			
U.S. government securities	4,420,438	-	4,420,438
Stocks and pooled equity investments	20,859,948	-	20,859,948
Corporate bonds	5,498,287	-	5,498,287
Receivables - Other receivables	544,408	107,324	651,732
Total assets	32,231,118	492,639	32,723,757
Liabilities - Due to other governmental units	-	492,639	492,639
Net Position - Restricted			
Pension	31,641,511	-	31,641,511
Postemployment benefits other than pension	589,607	-	589,607
Total net position	\$ 32,231,118	\$ -	\$ 32,231,118

Fiduciary Funds
Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2022

	Pension and Other Employee Benefit Trust Funds	Custodial Fund - Special Tax	Total Fiduciary Funds
Additions			
Investment income (loss):			
Interest and dividends	\$ 1,230,006	\$ -	\$ 1,230,006
Net decrease in fair value of investments	(5,944,470)	-	(5,944,470)
Investment costs	(140,956)	-	(140,956)
Net investment loss	(4,855,420)	-	(4,855,420)
Contributions:			
Employer	2,446,665	-	2,446,665
Employee	104,469	-	104,469
Total contributions	2,551,134	-	2,551,134
Property tax collections on behalf of other governments	-	11,148,514	11,148,514
Total additions	(2,304,286)	11,148,514	8,844,228
Deductions			
Benefit payments	4,149,763	-	4,149,763
Tax distributions to other governments	-	11,148,514	11,148,514
Total deductions	4,149,763	11,148,514	15,298,277
Net Decrease in Fiduciary Net Position	(6,454,049)	-	(6,454,049)
Net Position - Beginning of year	38,685,167	-	38,685,167
Net Position - End of year	\$ 32,231,118	\$ -	\$ 32,231,118

City of Riverview, Michigan

Component Units Statement of Net Position

June 30, 2022

	Brownfield Redevelopment Authority	Economic Development Corporation	Total
Assets - Cash and cash equivalents	\$ 5,039	\$ 13,137	\$ 18,176
Liabilities - Accounts payable	535	-	535
Net Position - Unrestricted	<u>\$ 4,504</u>	<u>\$ 13,137</u>	<u>\$ 17,641</u>

Component Units
Statement of Activities

Year Ended June 30, 2022

	Program Revenue			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Brownfield Redevelopment Authority	Economic Development Corporation	Total
Functions/Programs							
Brownfield Redevelopment Authority	\$ 205,547	\$ -	\$ 175,190	\$ -	\$ (30,357)	\$ -	\$ (30,357)
Economic Development Corporation	-	-	-	-	-	-	-
Total component units	<u>\$ 205,547</u>	<u>\$ -</u>	<u>\$ 175,190</u>	<u>\$ -</u>	(30,357)	-	(30,357)
General revenue - Property taxes					35,119	-	35,119
Change in Net Position					4,762	-	4,762
Net Position (Deficit) - Beginning of year					(258)	13,137	12,879
Net Position (Deficit) - End of year					<u>\$ 4,504</u>	<u>\$ 13,137</u>	<u>\$ 17,641</u>

Note 1 - Significant Accounting Policies

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

Reporting Entity

The City is governed by a mayor and an elected six-member City Council. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units are, in substance, part of the city operations, even though they are separate legal entities. Thus, blended component units are appropriately presented as funds of the City. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the City.

Blended Component Unit

The City Building Authority (the "Building Authority") is an authority created and directed by the City whose sole business activity is acquiring and leasing property to the City. Although it is legally separate from the City, it is reported as if it were part of the primary government because its primary purpose is to finance and construct the City's public buildings, and its operations consist of the issuance and repayment of debt and the related construction. The operations of the Building Authority are reported as a nonmajor debt service fund.

Discretely Presented Component Units

The Brownfield Redevelopment Authority (BRA) was created to facilitate the implementation of plans for the identification, treatment, and revitalization of environmentally distressed areas within the City designated as brownfield redevelopment zones. The BRA's governing board of directors, consisting of nine individuals, is appointed by the City Council.

The Economic Development Corporation (EDC) was created to provide the means and methods for the encouragement and assistance of industrial and commercial enterprises in relocating, purchasing, constructing, improving, or expanding within the City so as to provide needed services and facilities of such enterprises to the residents of the City. The EDC's governing body, consisting of nine individuals, is appointed by the City Council.

Complete financial statements for the BRA and the EDC can be obtained from the administrative office at 14100 Civic Park Drive, Riverview, MI 48193.

Fiduciary Component Units

The City of Riverview Employees' Retirement System is a single-employer defined benefit pension plan that provides pensions for all qualified general and police employees of the City. Management of the plan is vested in the retirement board of trustees, which consists of nine members: the city treasurer, four citizen representatives, and four employee representatives. The financial statements of the City of Riverview Employees' Retirement System are included in these financial statements as a pension trust fund (a fiduciary fund).

The City of Riverview Retiree Health Care Program is a single-employer retiree health care plan that provides health care and vision benefits for retirees and their dependents. Management of the plan is vested in the OPEB board of trustees, which consists of three members - the mayor, the city manager, and the city finance director, who all serve as ex officio members. The financial statements of the City of Riverview Retiree Health Care Program are included in these financial statements as a pension and other employee benefit trust fund (a fiduciary fund).

Note 1 - Significant Accounting Policies (Continued)

Accounting and Reporting Principles

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

Report Presentation

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

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

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

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

Fund Accounting

The City accounts for its various activities in several different funds in order to demonstrate accountability for how we have spent certain resources; separate funds allow us to show the particular expenditures for which specific revenue was used.

The various funds are aggregated into three broad fund types:

Governmental Funds

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

- **General Fund** - The General Fund is the City's primary operating fund. It accounts for all financial resources used to provide government services other than those specifically assigned to another fund.
- **Major Streets Fund** - The Major Streets Fund accounts for maintenance and improvement activities for streets designated as major within the City. Funding is provided primarily through state-shared gas and weight taxes.

Note 1 - Significant Accounting Policies (Continued)

- **Local Streets Fund** - The Local Streets Fund accounts for maintenance and improvement activities for streets designated as local within the City. Funding is provided primarily through state-shared gas and weight taxes.

Proprietary Funds

Proprietary funds include enterprise funds (which provide goods or services to users in exchange for charges or fees) and internal service funds (which provide goods or services to other funds of the City). The City reports the following funds as major enterprise funds:

- **Water and Sewer Fund** - The Water and Sewer Fund accounts for the activities of the water distribution system and sewage and storm water collection systems. Funding is provided primarily through user charges and a local property tax levy.
- **Land Preserve Fund** - The Land Preserve Fund accounts for the activities of the landfill operation. Funding is provided primarily through user charges.
- **Golf Course and Practice Fund** - The Golf Course and Practice Fund accounts for the activities of the Riverview Highlands Golf Course and the Golf Course Practice Facility. Operating revenue is derived primarily from greens fees, cart rentals, and concession sales.

Internal Service Funds

The internal service funds are used to fund general liability claims, purchase insurance that provides excess general liability coverage for city employees and property, and pay for current retiree health care costs. The funds are financed primarily by charges to the various departments of the City.

Fiduciary Funds

Fiduciary funds include amounts held in a fiduciary capacity for others. These amounts will not be used to operate our government's programs. Activities that are reported as fiduciary include the following:

- **Pension Trust Fund** - The Pension Trust Fund accounts for the activities of the employee benefit plan that accumulates resources for pension payments to qualified employees.
- **Retiree Health Care Program Trust Fund** - The Retiree Health Care Program Trust Fund accounts for the activities of the employee benefit plan that accumulates resources for retiree health care payments to qualified employees.
- **Special Tax Custodial Fund** - The custodial fund accounts for assets held by the City in a trustee capacity or as a custodian for individuals, organizations, and other governments. This includes the taxes collected on behalf of other taxing authorities.

Interfund Activity

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

Note 1 - Significant Accounting Policies (Continued)

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

Basis of Accounting

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

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

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

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

Specific Balances and Transactions

Cash and Investments

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Inventories and Prepaid Items

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

Restricted Assets

The City is required by state and federal laws and regulations to make contributions to a trust to finance closure and postclosure care costs of the land preserve. These amounts have all been classified as restricted assets. The City also restricts certain amounts collected through taxes for debt service purposes.

Note 1 - Significant Accounting Policies (Continued)

Capital Assets

Capital assets, which include property, plant, equipment, intangible assets, 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 \$500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

	<u>Depreciable Life - Years</u>
Infrastructure	10 to 30
Buildings and improvements	20 to 30
Vehicles	1 to 10
Furniture, fixtures, and equipment	3 to 30
Water and sewer distribution system	20 to 40
Land improvements	5 to 40

Long-term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bond using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time they are incurred. In the fund financial statements, governmental fund types recognize bond issuances and premiums as other financing sources and bond discounts as other financing uses. The debt service funds are generally used to liquidate governmental long-term debt.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows related to pension and OPEB, as described in Notes 10 and 11, respectively.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The City reports deferred inflows related to pension and OPEB, as described in Notes 10 and 11, respectively. Additionally, the City reports deferred inflows of resources related to unavailable revenue only in the governmental funds. These amounts will be recognized as an inflow of resources in the period the amounts become available.

Net Position Flow Assumption

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

Note 1 - Significant Accounting Policies (Continued)

Fund Balance Flow Assumptions

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

Fund Balance Policies

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

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

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

Property Tax Revenue

Properties are assessed as of December 31. The related property taxes are billed and become a lien on July 1 of the following year. These taxes are due without penalty during the period from July 1 through August 31, with the final collection date of February 28, before they are added to the county tax rolls.

The City's 2021 property tax revenue was levied and collectible on July 1, 2021 and is recognized as revenue in the year ended June 30, 2022 when the proceeds of the levy are budgeted and available for the financing of operations.

The 2021 taxable valuation of the City totaled \$339 million, on which ad valorem taxes levied consisted of 16.21 mills for operating purposes, 1.47 mills for sewage disposal debt, and 2.7 mills for street and water main repair debt service. This resulted, when combined with administrative fees, in \$5.5 million for operating purposes (taxes are reflected in the General Fund and Local Streets Fund), \$0.5 million for sewage disposal debt, and \$0.9 million for street and water main repair debt service. In addition, the City levied 1.47 mills under Michigan Public Act 33 of 1951 for fire protection, which resulted in approximately \$472,000 in special assessment revenue reported in the General Fund.

Note 1 - Significant Accounting Policies (Continued)

Pension

The City offers a defined benefit pension plan to its employees. The City records a net pension liability or asset for the difference between the total pension liability calculated by the actuary and the pension plan's fiduciary net position. For the purpose of measuring the net pension liability or asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plan and additions to/deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the pension plan. The contributions made to the pension to fund the liability will be made by the fund from which the employee's salary and wage was earned. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefit

The City offers retiree health care benefits to retirees. The City records a net OPEB liability for the difference between the total OPEB liability calculated by the actuary and the OPEB plan's fiduciary net position. For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB plan. The contributions made to the OPEB plan to fund the liability will be made by the fund from which the employee's salary and wage was earned. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Compensated Absences (Vacation and Sick Leave)

It is the City's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. Under the City's policy, employees earn benefits based on time of service with the City. A liability for these amounts is recorded when incurred in the government-wide financial statements and the proprietary fund financial statements. A liability for these amounts is reported in governmental funds only when they have matured or come due for payment - typically when an individual's employment has terminated as of year end. Generally, the funds that report each employee's compensation (the General Fund, Major and Local Streets funds, and the enterprise funds) are used to liquidate the obligations.

Proprietary Funds Operating Classification

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of proprietary funds is charges to customers for sales or services. Operating expenses for these funds include the cost of sales or services, administrative expenses, and may include depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Use of Estimates

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

Note 1 - Significant Accounting Policies (Continued)

Upcoming Accounting Pronouncements

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*, which clarifies the existing definition of conduit debt, provides a single method of reporting conduit debt obligations by issuers, and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. As a result, issuers should not recognize a liability for items meeting the definition of conduit debt; however, a liability should be recorded for additional or voluntary commitments to support debt service if certain recognition criteria are met. The standard also addresses the treatment of arrangements where capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by a third-party obligor. The requirements of the standard will be applied retrospectively and are effective for the City's financial statements for the June 30, 2023 fiscal year.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, to bring a uniform guidance on how to report public-private and public-public partnership arrangements. As a result, transferors in public-private or public-public arrangements will recognize receivables for installment payments; deferred inflows of resources; and, when applicable, capital assets. Operators will recognize liabilities for installment payments and intangible right-to-use assets and, when applicable, deferred outflows of resources and liabilities for assets being transferred. This statement also provides guidance for accounting and financial reporting for availability payment arrangements, in which a government compensates an operator for services such as designing, constructing, financing, maintaining, or operating an underlying asset for a period of time in an exchange or exchange-like transaction. The provisions of this statement are effective for the City's financial statements for the year ending June 30, 2023.

In May 2020, the Governmental Accounting Standards Board issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, which defines SBITAs and provides accounting and financial reporting for SBITAs by governments. This statement requires a government to recognize a subscription liability and an intangible right-to-use subscription asset for SBITAs. The City is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the City's financial statements for the year ending June 30, 2023.

In April 2022, the Governmental Accounting Standards Board issued Statement No. 99, *Omnibus 2022*, which establishes or amends accounting and financial reporting requirements for specific issues related to financial guarantees, derivative instruments, leases, public-public and public-private partnerships (PPPs), subscription-based information technology arrangements, the transition from the London Interbank Offered Rate (LIBOR), the Supplemental Nutrition Assistance Program (SNAP), nonmonetary transactions, pledges of future revenue, the focus of government-wide financial statements, and terminology. The standard has various effective dates. The City does not believe this pronouncement will have a significant impact on its financial statements but is still making a full evaluation.

In June 2022, the Governmental Accounting Standards Board issued Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences under a unified model. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences. The provisions of this statement are effective for the City's financial statements for the year ending June 30, 2025.

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information

The annual budget is prepared by the city manager and adopted by the City Council; subsequent amendments are approved by the City Council. Unexpended appropriations lapse at year end; encumbrances are not included as expenditures. During the current year, the budget was amended in a legally permissible manner.

The budget has been prepared in accordance with accounting principles generally accepted in the United States of America.

The budget statements (budgetary combined schedules for the General Fund and major special revenue funds) are presented on the same basis of accounting used in preparing the adopted budget.

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

1. Prior to the first regular meeting in April, the city manager submits to the City Council a proposed operating budget for the fiscal year commencing on the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. As provided for by the city charter, no later than the second Monday in June, the budget is legally adopted through the passage of budget resolutions for each fund.
4. The city manager is authorized to transfer budgeted amounts within departments; however, any revisions that alter the total expenditure of any department and transfers between funds or departments or from contingency must be approved by the City Council.

The budget has been adopted on an activity basis; expenditures at this level in excess of amounts budgeted are a violation of Michigan law. A comparison of actual results of operations to the General Fund and major special revenue funds budgets adopted by the City Council is included in the required supplemental information. This comparison includes an expenditure overrun. A comparison of the actual results of operations to the nonmajor special revenue funds budgets adopted by the City Council is available at City Hall for inspection.

Excess of Expenditures Over Appropriations in Budgeted Funds

The City had one expenditure budget variance in the General Fund. The City manager department amended budget was \$418,750, compared to actual expenditures of \$454,889. The overage is primarily related to an increase in the City's required pension contribution.

Construction Code Fees

The City oversees building construction, in accordance with the State's Construction Code Act, including inspection of building construction and renovation to ensure compliance with the building codes. The City charges fees for these services. The law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs. A summary of the current year activity and the cumulative surplus or shortfall generated since January 1, 2000 is as follows:

Cumulative shortfall at July 1, 2021		\$ (2,053,618)
Current year permit revenue		198,594
Related expenses:		
Direct costs	\$ 334,362	-
Estimated indirect costs	33,408	(367,484)
Cumulative shortfall at June 30, 2022		<u>\$ (2,222,508)</u>

Note 2 - Stewardship, Compliance, and Accountability (Continued)

Fund Deficits

For the year ended June 30, 2022, the Land Preserve has a deficit in unrestricted net position of \$50,296,658 and a deficit in total net position of \$28,509,963. Additionally, the Golf Course and Practice fund has a deficit in unrestricted net position of \$4,460,214 and a deficit in total net position of \$1,936,656. Management believes both of these deficits will be eliminated over time as charges for services and other operating revenue for both funds return to historical trends.

Note 3 - Deposits and Investments

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The law also allows investments outside the state of Michigan when fully insured. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications that matures no more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions that are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The Employees' Retirement System is also authorized by Michigan Public Act 347 of 2012, as amended, to invest in certain reverse repurchase agreements, stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, debt or equity of certain small businesses, certain state and local government obligations, and certain other specified investment vehicles.

The City has designated one bank for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs but not the remainder of state statutory authority, as listed above. The City of Riverview, Michigan's deposits and investment policies are in accordance with statutory authority.

The City is not in compliance with PA 213 of 2007 of the State of Michigan, which requires quarterly investment reporting to the City Council.

The City's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. At year end, the City had bank deposits (checking and savings accounts) of \$12,236,895 that were uninsured and uncollateralized. The City believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the City evaluates each financial institution with which it deposits city funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories. To the extent that cash from various funds has been pooled, related investment income is allocated to each fund based on relative participation in the pool.

Note 3 - Deposits and Investments (Continued)

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The City's investment policy does not restrict investment maturities other than commercial paper, which can only be purchased with a 270-day maturity. The majority of the City's investments are recorded in the Land Preserve Fund. The Land Preserve Fund's investments hold longer maturities because the land preserve will not need these funds until it is closed sometime in the distant future. At year end, the average maturities of investments are as follows:

Primary Government	Fair Value	Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years
U.S. government agency securities	\$ 4,263,696	\$ -	\$ 3,472,478	\$ 572,794	\$ 218,424
U.S. Treasury notes	17,403,974	870,191	12,607,114	3,926,669	-
Total	\$ 21,667,670	\$ 870,191	\$ 16,079,592	\$ 4,499,463	\$ 218,424

Fiduciary Funds	Carrying Value	Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years
U.S. government agency securities	\$ 1,029,898	\$ -	\$ 28,545	\$ 279,861	\$ 721,492
U.S. Treasury notes	3,390,540	-	2,771,311	619,229	-
Corporate bonds	5,498,287	124,987	3,720,119	1,653,181	-
Total	\$ 9,918,725	\$ 124,987	\$ 6,519,975	\$ 2,552,271	\$ 721,492

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The City has no investment policy that would further limit its investment choices. As of year end, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Fair Value	Rating	Rating Organization
Primary Government			
U.S. government agency securities	\$ 4,263,695	Aaa	Moody's

Note 3 - Deposits and Investments (Continued)

Investment	Fair Value	Rating	Rating Organization
Fiduciary Funds			
U.S. government agency securities	\$ 28,544	AAA	Moody's
U.S. government agency securities	1,001,354	Unrated	N/A
Corporate bonds	521,733	A1	Moody's
Corporate bonds	638,323	A2	Moody's
Money market	639,076	A3	Moody's
Corporate bonds	45,971	AA2	Moody's
Corporate bonds	76,740	AA3	Moody's
Corporate bonds	692,305	AAA	Moody's
Corporate bonds	936,684	BAA1	Moody's
Corporate bonds	1,309,927	BAA2	Moody's
Corporate bonds	241,521	BAA3	Moody's
Corporate bonds	341,349	N/A	N/A
Corporate bonds	54,658	Unrated	N/A
Total	<u>\$ 6,528,185</u>		

Concentration of Credit Risk

The City places no limit on the amount it may invest in any one issuer. More than 5 percent of the City's investments are in U.S. government agencies and securities. U.S. government agencies and securities in the primary government include Federal National Mortgage Association at 9.90 percent and Federal Home Loan Mortgage Corporation at 5.31 percent.

Risks and Uncertainties

The City invests in various securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net position.

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

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

Note 3 - Deposits and Investments (Continued)

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

	Assets Measured at Carrying Value on a Recurring Basis at June 30, 2022			Balance at June 30, 2021
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Debt securities:				
U.S. Treasury securities	\$ 20,794,515	\$ -	\$ -	\$ 20,794,515
Mortgage-backed securities	-	25,907	-	25,907
Agency bonds	-	5,267,686	-	5,267,686
Asset-backed securities	-	969,679	-	969,679
Corporate bonds	-	4,528,608	-	4,528,608
Total debt securities	20,794,515	10,791,880	-	31,586,395
Equity securities:				
ETF - Equity	4,599,034	-	-	4,599,034
Mutual fund - Equity	16,260,915	-	-	16,260,915
Total equity securities	20,859,949	-	-	20,859,949
Total assets	\$ 41,654,464	\$ 10,791,880	\$ -	\$ 52,446,344

Equity securities and U.S. Treasury securities classified in Level 1 are valued using prices quoted in active markets for those securities.

The fair value of debt securities at June 30, 2022 was determined primarily based on Level 2 inputs. The City estimates the fair value of these investments using other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Note 4 - Interfund Receivables, Payables, and Transfers

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

Receivable Fund	Payable Fund	Amount
General Fund	Water and Sewer Fund	\$ 66,473
Internal service funds	Water and Sewer Fund	34,264
	General Fund	532,722
	Total internal service funds	566,986
Water and Sewer Fund	Land Preserve Fund	5,555,517
	Golf Course and Practice Fund	16,551
	Total Water and Sewer Fund	5,572,068
Land Preserve Fund	General Fund	630,000
Nonmajor fund - Community Development Block Grant	General Fund	45,687
	Total	\$ 6,881,214

June 30, 2022

Note 4 - Interfund Receivables, Payables, and Transfers (Continued)

These balances result from the time lag between the dates that goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

The City has made the following long-term advances between funds:

Fund Borrowed From	Fund Loaned To	Amount
Land Preserve Fund	Golf Course and Practice Fund	\$ 495,252
Water and Sewer Fund	Golf Course and Practice Fund	2,050,000

All long-term advances related to amounts borrowed to cover cash shortfalls and internally fund capital improvements. These amounts will be paid back to the receivable funds in future periods.

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

Paying Fund (Transfer Out)	Receiving Fund (Transfer In)	Amount
Major Streets Fund	Local Streets Fund (3)	\$ 374,785
Land Preserve Fund	General Fund (1)	1,707,764
	Nonmajor governmental fund - Capital Improvements and Equipment (1)(2)	467,548
	Total Land Preserve Fund	<u>2,175,312</u>
	Total	<u>\$ 2,550,097</u>

(1) Transfer of discretionary funds to be used for the benefit of the community

(2) Transfer of discretionary funds to offset debt payments

(3) Transfer allowed under state law Act 51 maintenance

Note 5 - Restricted Assets

At June 30, 2022, restricted assets are composed of the following:

Description	Water and Sewer Fund	Land Preserve Fund	Total Business-type Activities
Cash and investments	\$ -	\$ 20,384,837	\$ 20,384,837
Downriver Utility Wastewater Authority bonds - Assets held at the authority for future debt payments	387,322	-	387,322
Total	<u>\$ 387,322</u>	<u>\$ 20,384,837</u>	<u>\$ 20,772,159</u>

Water and Sewer

The City has assets of \$0 and \$387,322 held at Wayne County, Michigan and Downriver Utility Wastewater Authority, respectively, that are restricted for debt payments related to the Downriver Sewage Disposal System project. The restricted assets balance results from the debt service tax levy in excess of debt expenses for the Downriver Sewage Disposal System projects.

Note 5 - Restricted Assets (Continued)

Landfill - Closure and Postclosure Care Costs

State and federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of the closure and postclosure care costs as an operating expense in each period based on the acres of the entire permitted site used as of each statement of financial position date. The \$56,969,312 reported as landfill closure and postclosure liability at June 30, 2022 represents the cumulative amount reported to date based on the closure and postclosure costs related to the acres of the permitted site that have been used.

These amounts are based on what it would cost to perform all closure and postclosure care in current dollars. Engineers have estimated the remaining airspace will be filled by late 2030. On a volume basis versus site acreage basis, approximately 84.4 percent of landfill capacity is used as of June 30, 2022. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The City is required by local, state, and federal laws and regulations to make contributions to a trust to finance closure and postclosure care (see Note 8). The City is not in compliance with these requirements, and, at June 30, 2022, investments of \$20,384,837 are held for these purposes. The City is working with the State of Michigan to resolve this compliance matter. These investments are reported as restricted assets on the statement of net position. Net position has not been restricted since the total restricted assets of \$20,384,837 is less than the sum of the postclosure liability of \$56,969,312 and accounts payable with restricted assets of \$240,624. The City expects that future inflation costs will be paid from interest earnings and future contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or from future tax revenue.

The restricted assets are tracked in three accounts: perpetual care, financial assurance, and compliance. The perpetual care and financial assurance accounts total are required by the state and must be maintained for closure and postclosure care. Investment earnings on these accounts are restricted. The compliance account is funded voluntarily by the City and is not mandated by the State. Investment earnings on the compliance account are unrestricted. At June 30, 2022, the compliance account held \$2,981,569 that can be used for eligible land preserve projects.

Note 6 - Capital Assets

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

Governmental Activities

	Balance July 1, 2021	Additions	Disposals and Adjustments	Balance June 30, 2022
Capital assets not being depreciated:				
Land	\$ 11,631,020	\$ -	\$ (1,028)	\$ 11,629,992
Construction in progress	2,276	-	-	2,276
Subtotal	11,633,296	-	(1,028)	11,632,268
Capital assets being depreciated:				
Infrastructure	52,404,305	542,326	-	52,946,631
Buildings and improvements	11,284,953	10,250	-	11,295,203
Equipment and vehicles	8,550,188	125,487	(168,131)	8,507,544
Subtotal	72,239,446	678,063	(168,131)	72,749,378
Accumulated depreciation:				
Infrastructure	36,699,127	1,228,494	-	37,927,621
Buildings and improvements	10,501,670	162,866	-	10,664,536
Equipment and vehicles	7,154,128	666,598	(168,131)	7,652,595
Subtotal	54,354,925	2,057,958	(168,131)	56,244,752
Net capital assets being depreciated	17,884,521	(1,379,895)	-	16,504,626
Net governmental activities capital assets	<u>\$ 29,517,817</u>	<u>\$ (1,379,895)</u>	<u>\$ (1,028)</u>	<u>\$ 28,136,894</u>

June 30, 2022

Note 6 - Capital Assets (Continued)

Business-type Activities

	Balance July 1, 2021	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2022
Water and Sewer System					
Capital assets not being depreciated - Construction in progress	\$ 1,383,721	\$ (552,731)	\$ 236,060	\$ -	\$ 1,067,050
Capital assets being depreciated:					
Water and sewer lines	50,487,515	205,359	315,846	-	51,008,720
Buildings and improvements	764,711	-	-	-	764,711
Machinery and equipment	2,221,995	347,372	20,506	-	2,589,873
Vehicles	885,091	-	190,099	-	1,075,190
Subtotal	54,359,312	552,731	526,451	-	55,438,494
Accumulated depreciation:					
Water and sewer lines	27,520,190	-	1,100,210	-	28,620,400
Buildings and improvements	560,892	-	47,534	-	608,426
Furniture and equipment	2,117,231	-	107,199	-	2,224,430
Vehicles	885,091	-	63,366	-	948,457
Subtotal	31,083,404	-	1,318,309	-	32,401,713
Net capital assets being depreciated	23,275,908	552,731	(791,858)	-	23,036,781
Net water and sewer system capital assets	24,659,629	-	(555,798)	-	24,103,831
	Balance July 1, 2021	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2022
Golf Course and Practice					
Capital assets not being depreciated - Land	691,901	-	-	-	691,901
Capital assets being depreciated:					
Buildings and improvements	2,775,913	-	-	-	2,775,913
Machinery and equipment	3,513,638	-	7,519	-	3,521,157
Land improvements	1,939,913	-	62,498	-	2,002,411
Subtotal	8,229,464	-	70,017	-	8,299,481
Accumulated depreciation:					
Buildings and improvements	2,339,089	-	40,967	-	2,380,056
Machinery and equipment	2,566,123	-	308,414	-	2,874,537
Land improvements	954,153	-	44,335	-	998,488
Subtotal	5,859,365	-	393,716	-	6,253,081
Net capital assets being depreciated	2,370,099	-	(323,699)	-	2,046,400
Net golf course and practice capital assets	3,062,000	-	(323,699)	-	2,738,301

June 30, 2022

Note 6 - Capital Assets (Continued)

Business-type Activities (Continued)

	Balance July 1, 2021	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2022
Land Preserve					
Capital assets not being depreciated:					
Land	\$ 3,269,814	\$ -	\$ -	\$ -	\$ 3,269,814
Construction in progress	52,360	-	27,121	-	79,481
Subtotal	3,322,174	-	27,121	-	3,349,295
Capital assets being depreciated:					
Buildings and improvements	3,472,719	-	49,908	-	3,522,627
Furniture and equipment	10,472,234	-	9,899	(50,800)	10,431,333
Vehicles	344,786	-	-	-	344,786
Land improvements	56,669,989	-	831,825	-	57,501,814
Subtotal	70,959,728	-	891,632	(50,800)	71,800,560
Accumulated depreciation:					
Buildings and improvements	2,712,631	-	137,363	-	2,849,994
Furniture and equipment	7,774,989	-	1,822,689	(50,800)	9,546,878
Vehicles	344,786	-	-	-	344,786
Land improvements	34,941,189	-	3,485,976	-	38,427,165
Subtotal	45,773,595	-	5,446,028	(50,800)	51,168,823
Net capital assets being depreciated	25,186,133	-	(4,554,396)	-	20,631,737
Net land preserve capital assets	28,508,307	-	(4,527,275)	-	23,981,032
Net business-type activities capital assets	<u>\$ 56,229,936</u>	<u>\$ -</u>	<u>\$ (5,406,772)</u>	<u>\$ -</u>	<u>\$ 50,823,164</u>

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

Governmental activities:	
General government	\$ 1,242,024
Public safety	536,259
Public works	57,446
Economic development	8,381
Recreation and culture	213,848
Total governmental activities	<u>\$ 2,057,958</u>
Business-type activities:	
Water and sewer	\$ 1,318,309
Land preserve	5,446,028
Golf course and practice	393,716
Total business-type activities	<u>\$ 7,158,053</u>

June 30, 2022

Note 6 - Capital Assets (Continued)

Construction Commitments

At year end, the City had the following significant active construction projects:

	Spent to Date	Remaining Commitment
Water main replacement	\$ 183,676	\$ 601,135
Methane Flare	27,065	72,935
Treatment System	-	586,312
Lean lines	39,489	98,511
Sewer Lining	-	545,500
Street repair and sectioning	1,726,638	420,463
Total	<u>\$ 1,976,868</u>	<u>\$ 2,324,856</u>

Note 7 - Long-term Debt

Long-term debt activity for the year ended June 30, 2022 can be summarized as follows:

Governmental Activities

	Interest Rate Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable:						
Direct borrowings and direct placements - JPMorgan Chase equipment purchase agreement:						
Amount of issue - \$911,355						
Maturing through 2024	2.03%	\$ 689,025	\$ -	\$ (226,887)	\$ 462,138	\$ 231,516
Obligation Unlimited Tax bonds						
Amount of issue - \$7,725,000						
Maturing through 2025	2.00 - 3.00%	4,225,000	-	(800,000)	3,425,000	900,000
Unamortized bond discounts		108,452	-	(27,112)	81,340	-
Total bonds and contracts payable		5,022,477	-	(1,053,999)	3,968,478	1,131,516
Compensated absences		567,282	722,288	(728,488)	561,082	-
Total governmental activities long-term debt		<u>\$ 5,589,759</u>	<u>\$ 722,288</u>	<u>\$ (1,782,487)</u>	<u>\$ 4,529,560</u>	<u>\$ 1,131,516</u>

June 30, 2022

Note 7 - Long-term Debt (Continued)

Business-type Activities

	Interest Rate Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable - Direct borrowings and direct placements:						
Clean Water Program purchase agreement:						
Amount of issue - \$349,869						
Maturing through 2037	1.54%	\$ 458,510	\$ -	\$ (10,354)	\$ 448,156	\$ 24,723
Capital One equipment purchase agreement:						
Amount of issue - \$650,000						
Maturing through 2022	2.84%	169,437	-	(169,437)	-	-
JPMorgan Chase equipment purchase agreement:						
Amount of issue - \$1,561,364						
Maturing through 2024	2.03%	1,182,768	-	(386,320)	796,448	394,202
JPMorgan Chase equipment purchase agreement:						
Amount of issue - \$796,720						
Maturing through 2024	2.25%	506,274	-	(199,118)	307,156	203,623
JPMorgan Chase equipment purchase agreement:						
Amount of issue - \$957,000						
Maturing through 2025	1.82%	841,133	-	(234,906)	606,227	239,201
JPMorgan Chase equipment purchase agreement:						
Amount of issue - \$951,400						
Maturing through 2024	1.86%	720,114	-	(235,608)	484,506	240,011
State Revolving Funds Loan:						
Amount of issue - \$16,015,786						
Maturing through 2031	2.00-2.50%	1,115,907	-	(68,769)	1,047,138	98,093
Downriver Sewage Disposal System 2007 Bonds Series B:						
Amount of issue - \$1,421,841						
Maturing through 2027	4.18-5.04%	661,417	-	(81,045)	580,372	85,097
Downriver Utility Wastewater Authority Bonds:						
Original issue - Various						
Maturing through 2043	0-5%	1,835,367	96,150	(85,369)	1,846,148	41,789
Downriver Utility Wastewater Authority: WIFIA						
	1.73%	262,237	323,243	-	585,480	5,876
Wells Fargo - Golf cart equipment purchase agreement						
	1.56%	273,996	-	(59,253)	214,743	57,251
Total direct borrowings and direct placements principal outstanding		8,027,160	419,393	(1,530,179)	6,916,374	1,389,866
Compensated absences		3,910	108,848	(101,493)	11,265	-
Total business-type activities long-term debt		<u>\$ 8,031,070</u>	<u>\$ 528,241</u>	<u>\$ (1,631,672)</u>	<u>\$ 6,927,639</u>	<u>\$ 1,389,866</u>

Note 7 - Long-term Debt (Continued)

Debt Service Requirements to Maturity

Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

Years Ending June 30	Governmental Activities				Total	Business-type Activities		
	Direct Borrowings and Direct Placements		Other Debt			Direct Borrowings and Direct Placements		
	Principal	Interest	Principal	Interest		Principal	Interest	Total
2023	\$ 231,516	\$ 8,326	\$ 900,000	\$ 89,250	\$ 1,229,092	\$ 1,389,866	\$ 173,927	\$ 1,563,793
2024	230,623	3,603	900,000	62,250	1,196,476	1,436,920	170,209	1,607,129
2025	-	-	900,000	35,250	935,250	467,027	143,072	610,099
2026	-	-	725,000	10,875	735,875	413,625	135,052	548,677
2027-2031	-	-	-	-	-	1,141,972	778,551	1,920,523
2032-2036	-	-	-	-	-	778,551	640,989	1,419,540
2037-2041	-	-	-	-	-	640,989	174,046	815,035
2042-2046	-	-	-	-	-	647,424	62,298	709,722
Total	\$ 462,139	\$ 11,929	\$ 3,425,000	\$ 197,625	\$ 4,096,693	\$ 6,916,374	\$ 2,278,144	\$ 9,194,518

Future Revenue Pledged for Debt Payment

The Downriver Sewage Disposal System 2007 Bonds Series B reported in business-type activity represents a contractual agreement to Wayne County that is the result of Wayne County issuing bonds on the City's behalf. The City has pledged substantially all revenue of the Water and Sewer Fund, net of operating expenses, to repay the obligations; in addition, it has pledged to raise property taxes, to the extent permitted by law, if necessary, to fund the obligation to repay the county. Proceeds from the county bonds provided financing for the construction and upgrades for the Downriver Sewage Disposal System. The remaining principal to be paid on the bonds total \$580,372. During the current year, net operating income of the system was \$1,301,576, and property tax collections were \$10,807, compared to the annual debt requirements of \$112,761.

Downriver Utility Wastewater Authority: WIFIA

During the year ended June 30, 2022, the Downriver Utility Wastewater Authority (DUWA) continued work on major capital projects, including equipment replacement projects related to several deferred maintenance and critical long-term needs. The projects have costs of approximately \$36.4 million in total, which are being funded through DUWA reserves and through federal loan programs under the Water Infrastructure Finance and Innovation Act (WIFIA). The amounts due under WIFIA loans are allocated to the members of DUWA. As of June 30, 2022, DUWA had total draws of \$17,850,000 under the WIFIA loans, of which \$585,480 has been allocated to the City. The WIFIA loans are being repaid at an interest rate of 1.73 percent.

Assets Pledged as Collateral

The City's outstanding governmental debt for JPMorgan Chase equipment purchase agreement of \$462,138 at June 30, 2022 is secured with collateral of a firetruck capital asset.

Note 7 - Long-term Debt (Continued)

The City's outstanding business-type debt for JPMorgan Chase equipment purchase agreement of \$796,448 at June 30, 2022 is secured with the collateral of a bulldozer asset and a compactor asset. The City's outstanding business-type debt for JPMorgan Chase equipment purchase agreement of \$307,156 at June 30, 2022 is secured with the collateral of a bulldozer, excavator, and sweeper assets. The City's outstanding business-type debt for JPMorgan Chase equipment purchase agreement of \$606,227 at June 30, 2022 is secured with the collateral of a landfill compactor. The City's outstanding business-type debt for JPMorgan Chase equipment purchase agreement of \$484,506 at June 30, 2022 is secured with the collateral of a hauling truck and articulating truck. The City's outstanding business-type debt for the DeLage Landen Public Finance equipment purchase agreement of \$214,743 at June 30, 2022 is secured with the collateral of a golf cart fleet of 110 golf carts.

Note 8 - Commitments and Contingencies

State of Michigan Perpetual Care Fund

State of Michigan regulations require the operator of a land preserve to establish financial assurance for closure of the facility by utilizing the following options. The operator may satisfy the requirements for financial assurance for both closure and postclosure care for the facility by using a trust fund, surety bond, letter of credit, certificate of deposit and time deposit account, or insurance that meets the requirements of this part for both closure and postclosure care. The City has historically complied with this requirement by holding cash and investments in trust. At June, 30, 2022, the City was required to have \$18,864,809 in trust deposits and was not in compliance because actual deposits were \$17,403,217. The City is currently working with a financial institution on a letter of credit to rectify this matter.

Lawsuits

There are several lawsuits pending against the City. The estimated liabilities associated with these lawsuits, if any, cannot be determined, and management expects any settlements to be covered by the City's insurance; therefore, no liability has been recorded.

Note 9 - Risk Management

The City is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees.

The City has purchased commercial insurance for medical benefits, participates in the Michigan Municipal League risk pool program for workers' compensation, and participates in the Michigan Municipal Risk Management Authority (the "Authority") risk pool program for claims related to general and auto liability, auto physical damage, and property. The Authority operates as a claims servicing pool for amounts up to member retention limits and operates as a common risk-sharing management program for losses in excess of member retention amounts. Although funds are paid annually to the Authority, which the Authority uses to pay claims up to the retention limits, the ultimate liability for those claims remains with the City. Settled claims relating to commercial health insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

Risk Management (Continued)

The City estimates the liability for general and motor vehicle claims that have been incurred through the end of the fiscal year, including claims that have been reported and those that have not yet been reported. Changes in the estimated liability for the past two fiscal years were as follows:

	General Liability	
	2022	2021
Unpaid claims - Beginning of year	\$ 109,883	\$ 67,826
Incurred claims, including claims incurred but not reported	332,562	513,773
Claim payments	(408,252)	(471,716)
Unpaid claims - End of year	<u>\$ 34,193</u>	<u>\$ 109,883</u>

Note 10 - Pension Plan

Plan Description

The City of Riverview, Michigan administers the City of Riverview Employees' Retirement System - a single-employer defined benefit pension plan that provides pensions for all qualified general and police employees of the City. Benefit terms have been established by contractual agreements between the City and the various employee union representation; amendments are subject to the same process.

Management of the plan is vested in the retirement board of trustees, which consists of nine members: the city treasurer, four citizen representatives, and four employee representatives.

Benefits Provided

The City of Riverview Employees' Retirement System provides retirement, disability, and death benefits to plan members and their beneficiaries. Benefit terms are established by city ordinances and negotiations with the City's collective bargaining units and may be amended through negotiations with the City's collective bargaining units.

Employees Covered by Benefit Terms

At June 30, 2022, the following members were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	106
Inactive plan members entitled to but not yet receiving benefits	6
Active plan members	<u>22</u>
Total employees covered by the plan	<u><u>134</u></u>

Contributions

Article 9, Section 24 of the State of Michigan Constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, the retirement board retains an independent actuary to determine the annual contribution. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. Contribution requirements of plan members are established and may be amended by city ordinances and negotiations with the City's collective bargaining units. For the year ended June 30, 2022, the average active member contribution rate was 5 percent of annual pay for all plan members, except for police command employees, who contribute 6 percent of annual compensation, and the City's average contribution rate was 56 percent of covered payroll.

June 30, 2022

Note 10 - Pension Plan (Continued)

Net Pension Liability

The components of the net pension liability of the City at June 30, 2022 were as follows:

Total pension liability	\$ 37,839,382
Plan fiduciary net position	<u>(31,641,511)</u>
Net pension liability	<u>\$ 6,197,871</u>

The plan's fiduciary net position represents 83.6 percent of the total pension liability.

The City has chosen to use the June 30, 2022 measurement date as its measurement date for the net pension liability. The June 30, 2022 fiscal year end reported net pension liability was determined using a measure of the total pension liability and the pension net position as of the June 30, 2022 measurement date. The June 30, 2022 total pension liability was determined by an actuarial valuation performed as of June 30, 2021, which used update procedures to roll forward the estimated liability to June 30, 2022.

Changes in the net pension (asset) liability during the measurement year were as follows:

Changes in Net Pension (Asset) Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension (Asset) Liability
Balance at July 1, 2021	\$ 37,208,442	\$ 38,218,863	\$ (1,010,421)
Changes for the year:			
Service cost	298,193	-	298,193
Interest	2,513,325	-	2,513,325
Differences between expected and actual experience	725,218	-	725,218
Contributions - Employer	-	1,002,698	(1,002,698)
Contributions - Employee	-	86,310	(86,310)
Net investment loss	-	(4,734,782)	4,734,782
Benefit payments, including refunds	(2,905,796)	(2,905,796)	-
Administrative expenses	-	(25,782)	25,782
Net changes	<u>630,940</u>	<u>(6,577,352)</u>	<u>7,208,292</u>
Balance at June 30, 2022	<u>\$ 37,839,382</u>	<u>\$ 31,641,511</u>	<u>\$ 6,197,871</u>

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

For the year ended June 30, 2022, the City recognized pension expense of \$1,089,402.

At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 72,398	\$ -
Net difference between projected and actual earnings on pension plan investments	<u>2,648,750</u>	<u>-</u>
Total	<u>\$ 2,721,148</u>	<u>\$ -</u>

Note 10 - Pension Plan (Continued)

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

Years Ending June 30	Amount
2023	\$ 592,356
2024	425,935
2025	233,734
2026	1,469,123

Actuarial Assumptions

The total pension liability in the June 30, 2021 actuarial valuation was determined using an inflation assumption of 2.50 percent, assumed salary increases (including inflation) ranging from 3.0 to 7.0 percent, and using the RP-2000 Male (unadjusted) and Female (unadjusted) Healthy Life Mortality Table, adjusted for mortality improvements to 2020 using projection scale BB. The discount rate used to measure the total pension liability at June 30, 2021 was 7.0 percent, which is the same percentage used in the June 30, 2020 actuarial valuation.

Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that city contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

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

Investment Rate of Return

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	47.00 %	5.64 %
International equity	13.00	7.48
Fixed income	33.00	0.52
Real estate	5.00	5.10
Cash or cash equivalents	2.00	-

Note 10 - Pension Plan (Continued)

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

The following presents the net pension liability of the City, calculated using the discount rate of 7.0 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0 percent) or 1 percentage point higher (8.0 percent) than the current rate:

	1 Percentage Point Decrease (6.0%)	Current Discount Rate (7.0%)	1 Percentage Point Increase (8.0%)
Net pension liability of the City	\$ 9,882,331	\$ 6,197,871	\$ 3,045,678

Rate of Return

For the year ended June 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (12.8) percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Investment Policy

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the retirement board by a majority vote of its members. It is the policy of the retirement board to pursue an investment strategy that manages risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the board's adopted asset allocation policy as of June 30, 2022:

Asset Class	Target Allocation
Domestic equity	47.00 %
International equity	13.00
Fixed income	33.00
Real estate	5.00
Cash or cash equivalents	2.00
Total	100.00 %

Pension Plan Reserves

In accordance with plan documents, the following reserves are required to be set aside within the pension plan:

The retiree reserve is to be computed annually by the actuary as the present value of estimated benefit payments for all current retirees. The amounts reserved may be used solely to pay monthly retiree benefit payments.

The employee reserve is credited as employee contributions are received throughout the year; the plan maintains a record of the amount contributed by each employee and credits interest annually at a rate of 5.0 percent. For any employee who terminates before vesting in the pension plan, the employee's balance is returned to him or her; for those who stay until retirement, the balance is transferred into the retiree reserve.

The employer reserve account is used to account for the residual net position balance in the pension plan after funding the above two reserves.

Note 10 - Pension Plan (Continued)

The balances of the reserve accounts at June 30, 2022 are as follows:

	Required Reserve	Amount Funded
Retiree reserve	\$ 24,640,577	\$ 24,640,577
Employee reserve	2,945,334	2,945,334
Employer reserve	-	4,055,600

Receivable to the Pension Plan

At June 30, 2022, the City reported a receivable of \$443,640 for the outstanding amount of contributions to the plan required for the year ended June 30, 2022.

Note 11 - Other Postemployment Benefit Plan

Plan Description

The City provides retiree health care benefits to eligible employees and their spouses. The benefits are provided through the City of Riverview Retiree Health Care Program, a single-employer plan administered by the City of Riverview, Michigan's OPEB board of trustees.

The City and the plan have a trust that meets the criteria in paragraph 4 of GASB 75 to accumulate assets. The financial statements of the plan are included in these financial statements as a pension and other employee benefit trust fund (a fiduciary fund).

Management of the plan is vested in the OPEB board of trustees, which consists of three members - the mayor, the city manager, and the city finance director, who all serve as ex officio members.

Benefits Provided

The City of Riverview Retiree Health Care Program provides health care and vision benefits for retirees and their dependents. Benefits are provided through a third-party insurer, and the full cost of the benefits is covered by the plan. Benefit terms have been established by employer policy and contractual agreements authorized by city ordinance, which may be amended by city council actions. As of July 1, 2013, the plan was closed to new entrants.

Employees Covered by Benefit Terms

At June 30, 2022, the following members were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	81
Inactive plan members entitled to but not yet receiving benefits	5
Active plan members	33
	<hr/>
Total plan members	119
	<hr/> <hr/>

Contributions

Retiree health care costs are paid by the City on a pay-as-you-go basis. The City has no obligation to make contributions in advance of when the insurance premiums are due for payment. For the fiscal year ended June 30, 2022, the City made payments for postemployment health benefit premiums of \$1,243,967, plus it contributed \$200,000 into the trust, which is reported in these financial statements as a pension and other employee benefit trust fund type. For the fiscal year ended June 30, 2022, the employees contributed \$18,158.

Note 11 - Other Postemployment Benefit Plan (Continued)

Net OPEB Liability

The City has chosen to use the June 30 measurement date as its measurement date for the net OPEB liability. The June 30, 2022 fiscal year end reported net OPEB liability was determined using a measure of the total OPEB liability and the OPEB net position as of the June 30, 2022 measurement date. The June 30, 2022 total OPEB liability was determined by an actuarial valuation performed as of June 30, 2020, which used update procedures to roll forward the estimated liability to June 30, 2022.

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

Changes in Total OPEB Liability	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balance at June 30, 2021	\$ 28,182,597	\$ 466,304	\$ 27,716,293
Changes for the year:			
Service cost	414,296	-	414,296
Interest	1,666,067	-	1,666,067
Differences between expected and actual experience	(217,051)	-	(217,051)
Contributions - Employer	-	1,443,967	(1,443,967)
Contributions - Employee	-	18,158	(18,158)
Net investment loss	-	(94,855)	94,855
Benefit payments, including refunds	(1,243,967)	(1,243,967)	-
Net changes	619,345	123,303	496,042
Balance at June 30, 2022	\$ 28,801,942	\$ 589,607	\$ 28,212,335

The plan's fiduciary net position represents 2.01 percent of the total OPEB liability.

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

For the year ended June 30, 2022, the City recognized OPEB recovery of \$2,322,369.

At June 30, 2022, the City reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (749,673)
Changes in assumptions	83,436	-
Net difference between projected and actual earnings on OPEB plan investments	117,892	-
Total	\$ 201,328	\$ (749,673)

Note 11 - Other Postemployment Benefit Plan (Continued)

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

Years Ending June 30	Amount
2023	\$ (610,412)
2024	6,038
2025	30,153
2026	25,876
Total	<u>\$ (548,345)</u>

Actuarial Assumptions

The total OPEB liability in the June 30, 2022 actuarial report was determined using an inflation assumption of 3.5 percent; assumed salary increases (including inflation) of 3.0 to 7.0 percent; an investment rate of return (net of investment expenses) of 6.00 percent; a health care cost trend rate of 6.75 percent for the year ended June 30, 2022, decreasing to an ultimate rate of 3.5 percent for nine years later and after; and the RP-2000 Combined Healthy Mortality Table adjusted for mortality improvements to 2020 using projection scale BB. The discount rate used to measure the total OPEB liability is 6.00 percent.

Discount Rate

The discount rate used to measure the total OPEB liability was 6.00 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that city contributions will cover the retiree health care benefit costs.

Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Investment Rate of Return

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

Asset Class	Long-term Expected Real Rate of Return
Domestic equity	5.64 %
International equity	7.48
Fixed income	0.52
Real estate	5.10

Note 11 - Other Postemployment Benefit Plan (Continued)

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

The following presents the net OPEB liability of the City, calculated using the discount rate of 6.0 percent, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.0 percent) or 1 percentage point higher (7.0 percent) than the current rate:

	1 Percentage Point Decrease (5.00%)	Current Discount Rate (6.00%)	1 Percentage Point Increase (7.00%)
Net OPEB liability of the City of Riverview Retiree Health Care Program	\$ 31,649,183	\$ 28,212,335	\$ 25,333,571

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

The following presents the net OPEB liability of the City, calculated using the health care cost trend rate of 6.75 percent, as well as what the City's net OPEB liability would be if it were calculated using a health care cost trend rate that is 1 percentage point lower (5.75 percent) or 1 percentage point higher (7.75 percent) than the current rate:

	1 Percentage Point Decrease (5.75%)	Current Health Care Cost Trend Rate (6.75%)	1 Percentage Point Increase (7.75%)
Net OPEB liability of the City of Riverview Retiree Health Care Program	\$ 24,673,065	\$ 28,212,335	\$ 32,493,826

Assumption Changes

There were no changes to assumptions during the current year.

Investment Policy

The OPEB plan's policy in regard to the allocation of invested assets is established and may be amended by the OPEB board by a majority vote of its members. It is the policy of the OPEB board to pursue an investment strategy that manages risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The OPEB plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the OPEB board's adopted asset allocation policy as of June 30, 2022:

Asset Class	Target Allocation
Domestic equity	47.00 %
International equity	13.00
Fixed income	33.00
Real estate	5.00
Cash or cash equivalents	2.00
Total	100.00 %

Rate of Return

For the year ended June 30, 2022, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was (12.80) percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The trust was created at the end of the June 30, 2020 year, and the City has not currently invested the assets held in the trust.

Note 12 - Defined Contribution Pension Plan

The City established a defined contribution pension plan, known as City of Riverview 401a Plan, under Section 401(a) of the Internal Revenue Code and administered by ICMA for the following employees:

- Clerical (AFSCME Local 1882) members hired on or after January 1, 2005
- Public works (AFSCME Local 1590) members hired on or after July 1, 2003

In a defined contribution plan, investments are managed by a third party, and investment decisions are made by the individual employees. As established by the City of Riverview, Michigan through collective bargaining agreements for the employees listed above, the employee is ineligible for participation in the City's retirement system. Instead, the employee has the option of enrolling in the defined contribution plan and receiving a matching contribution by the City. The employees' contributions are limited to the maximum per the IRS, with the City matching up to 5 percent of their qualified earnings.

The City's contributions for each employee (plus interest allocated to the employee's account) are fully vested after five years of service.

In addition, the City has had a separate plan in place for its administrators and tech/pros, in which the City contributes a percentage of the employee's qualified earnings, regardless of whether the employee contributes. The range of contributions is from 2.5 percent to 7.5 percent and is based on years of service.

In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. In accordance with the requirements, the City expensed \$76,280 during the current year.

Employees are permitted, but not required, to make contributions up to the maximum allowed by law. For the year ended June 30, 2022, employee contributions were \$373,540.

Effective July 1, 2013, all new hires in the police department were placed in a 401(a) retirement plan known as Riverview Police Post 7/1/13 with ICMA instead of the City's defined benefit plan. The employee will contribute 2.5 percent and may also make a voluntary and unmatched after-tax contribution subject to limitations of the plan. The City will contribute 10 percent of earnings on behalf of each participant. For the year ended June 30, 2022, employee contributions were \$31,972. In accordance with the requirements, the City expensed \$51,365 during the current year.

In addition, all new hires under the police contracts will also be placed into a Retiree Health Savings Plan instead of being eligible for city-funded health care upon retirement. For this plan, the employee will contribute a reduction in salary based on 2.5 percent of earnings, and the City will contribute 2.5 percent of earnings. This plan is administered through ICMA. For the year ended June 30, 2022, employee contributions were \$22,619. In accordance with the requirements, the City expensed \$22,619 during the current year.

In addition, all new hires under the administrative contracts can elect to be placed into a 457 deferred compensation plan. For this plan, the employee can make voluntary contributions from earnings. The City will contribute 2.5 percent of earnings for the first year of service and 5 percent of earnings for the second year of service. After the second year of service, the City contributes 7.5 percent of earnings to a 401(a) plan. The 457 plan is administered through ICMA. For the year ended June 30, 2022, employee contributions were \$5,724. In accordance with the requirements, the City expensed \$85,371 during the current year.

Note 13 - Multiple-employer Defined Benefit Pension Plan

The City has land preserve employees who are members of the International Union of Operating Engineers, Local No. 324 Pension Fund. Under the collective bargaining agreement, employees' pensions shall be based and computed on total hours worked (including all overtime). The Local 324 board of trustees defines required contribution rates. As required contributions are defined by hours worked, there is no fixed amount of required contributions. For the year ended June 30, 2022, the City made \$439,592 of contributions to the pension plan. Local 324 members are subject to a collective bargaining agreement that became effective July 1, 2017. The International Union of Operating Engineers, Local 324 Pension Fund has notified the City that, as of April 30, 2017, an estimated \$5,893,815 in unfunded vested benefits would be allocable to the City of Riverview, Michigan if it were to withdraw from the fund in a complete withdrawal. More recent estimates are not available at this time.

Note 14 - Joint Venture

The City, along with 12 other communities, jointly participates in Downriver Utility Wastewater Authority (DUWA). Previously, this sewer system was operated by Wayne County, Michigan (the "County") and was known as the Downriver Sewage Disposal System (the "System"). On September 27, 2018, the System transferred from the County of Wayne, Michigan to the Downriver Utility Wastewater Authority. DUWA is a consortium formed in 2010 under Public Act 233 of 1955 to acquire and operate the sewer system. The same 12 communities that originally jointly participated in the System are now the members of DUWA and are effectively owners of the authority. The System's assets and all of System's debt, except for the judgment levy debt, were transferred to DUWA. The judgment levy debt from the System still remains as an obligation of the County and will continue to be paid from the communities to the County.

The City's share of capital assets, restricted cash (for debt service), and related debt is recorded in the Water and Sewer Fund. For DUWA, the City paid \$795,193 for operations of the authority and paid \$288,151 for debt service. The City is not aware of any circumstances that would cause additional benefit or burden to the participating governments in the near future. Financial statements for the joint venture, DUWA, can be obtained from the administrative offices at 25605 Northline Road, Taylor, MI 48180.

Required Supplemental Information

Required Supplemental Information
Budgetary Comparison Schedule
General Fund

Year Ended June 30, 2022

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 5,730,662	\$ 5,730,662	\$ 5,731,135	\$ 473
Charges to other funds	1,086,430	1,086,430	1,022,877	(63,553)
State and federal sources	1,642,536	1,767,227	1,864,564	97,337
Charges for services	685,700	850,700	786,141	(64,559)
Fines and forfeitures	83,500	94,000	10,222	(83,778)
Licenses and permits	291,200	350,456	369,509	19,053
Investment (loss) gains	500	500	(36,077)	(36,577)
Other revenue	216,292	204,292	190,993	(13,299)
Total revenue	9,736,820	10,084,267	9,939,364	(144,903)
Expenditures				
Current services:				
General government:				
City Council	86,425	91,425	75,437	15,988
City manager	418,750	418,750	454,889	(36,139)
Finance	422,350	446,850	417,379	29,471
Assessor/Purchasing	232,109	232,109	221,477	10,632
Information technology	211,496	211,496	177,339	34,157
City clerk	320,058	325,437	274,006	51,431
City attorney	512,500	512,500	468,291	44,209
Human resources	192,107	203,107	191,606	11,501
Employee benefits	37,634	37,634	31,507	6,127
Insurances and contingency	126,478	126,478	117,222	9,256
Public safety:				
Police/Sheriff	4,525,272	4,528,099	3,852,246	675,853
Fire	1,836,673	2,144,310	2,069,681	74,629
Public works:				
Public works	1,101,786	1,110,946	1,054,349	56,597
Building maintenance	432,514	436,648	319,042	117,606
Building and engineering	333,796	343,796	334,362	9,434
Motor vehicles	235,661	245,661	197,102	48,559
Community and economic development -				
Community and economic development opportunities	258,370	315,498	183,802	131,696
Recreation and culture:				
Recreation	750,174	750,712	711,895	38,817
Parks maintenance	90,045	90,045	64,062	25,983
Total expenditures	12,124,198	12,571,501	11,215,694	1,355,807
Excess of Expenditures Over Revenue	(2,387,378)	(2,487,234)	(1,276,330)	1,210,904
Other Financing Sources (Uses)				
Transfers in	2,650,000	2,650,000	1,370,000	(1,280,000)
Transfers out	(85,000)	(85,000)	(85,000)	-
Total other financing sources	2,565,000	2,565,000	1,285,000	(1,280,000)
Net Change in Fund Balance	177,622	77,766	8,670	(69,096)
Fund Balance - Beginning of year	1,583,546	1,583,546	1,583,546	-
Fund Balance - End of year	\$ 1,761,168	\$ 1,661,312	\$ 1,592,216	\$ (69,096)

City of Riverview, Michigan

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

Year Ended June 30, 2022

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
State and federal sources	\$ 862,471	\$ 862,471	\$ 871,593	\$ 9,122
Investment (loss) gains	-	-	(3,596)	(3,596)
Total revenue	862,471	862,471	867,997	5,526
Expenditures - Current - Public works	440,207	559,890	289,949	269,941
Other Financing Uses - Transfers out	(422,264)	(422,264)	(374,785)	47,479
Net Change in Fund Balance	-	(119,683)	203,263	322,946
Fund Balance - Beginning of year	957,287	957,287	957,287	-
Fund Balance - End of year	<u>\$ 957,287</u>	<u>\$ 837,604</u>	<u>\$ 1,160,550</u>	<u>\$ 322,946</u>

City of Riverview, Michigan

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

Year Ended June 30, 2022

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 256,119	\$ 256,119	\$ 238,324	\$ (17,795)
State and federal sources	409,813	409,813	428,723	18,910
Investment (loss) gains	-	-	(3,458)	(3,458)
Total revenue	665,932	665,932	663,589	(2,343)
Expenditures - Current - Public works	795,831	1,078,193	763,675	314,518
Excess of Expenditures Over Revenue	(129,899)	(412,261)	(100,086)	312,175
Other Financing Sources - Transfers in	422,264	422,264	374,785	(47,479)
Net Change in Fund Balance	292,365	10,003	274,699	264,696
Fund Balance - Beginning of year	968,762	968,762	968,762	-
Fund Balance - End of year	<u>\$ 1,261,127</u>	<u>\$ 978,765</u>	<u>\$ 1,243,461</u>	<u>\$ 264,696</u>

Required Supplemental Information
Schedule of Changes in the Net Pension Asset/Liability and Related Ratios

Last Nine Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service cost	\$ 298,193	\$ 332,639	\$ 364,102	\$ 396,956	\$ 446,393	\$ 539,931	\$ 507,352	\$ 544,571	\$ 567,439
Interest	2,513,325	2,569,443	2,595,479	2,580,923	2,642,245	2,623,193	2,604,451	2,543,261	2,471,492
Differences between expected and actual experience	725,218	(871,069)	(624,328)	(177,225)	(358,046)	(422,115)	(677,798)	(97,837)	-
Changes in assumptions	-	-	-	-	1,445,257	-	-	-	-
Benefit payments, including refunds	(2,905,796)	(2,725,147)	(2,657,798)	(2,494,769)	(2,526,691)	(2,276,987)	(2,200,570)	(2,110,468)	(2,030,696)
Net Change in Total Pension Liability	630,940	(694,134)	(322,545)	305,885	1,649,158	464,022	233,435	879,527	1,008,235
Total Pension Liability - Beginning of year	37,208,442	37,902,576	38,225,121	37,919,236	36,270,078	35,806,056	35,572,621	34,693,094	33,684,859
Total Pension Liability - End of year	\$ 37,839,382	\$ 37,208,442	\$ 37,902,576	\$ 38,225,121	\$ 37,919,236	\$ 36,270,078	\$ 35,806,056	\$ 35,572,621	\$ 34,693,094
Plan Fiduciary Net Position									
Contributions - Employer	\$ 1,002,698	\$ 1,136,346	\$ 1,156,564	\$ 1,140,203	\$ 1,018,391	\$ 1,103,381	\$ 1,227,038	\$ 1,377,176	\$ 1,477,292
Contributions - Member	86,310	98,165	102,638	120,874	132,698	149,335	155,264	164,844	175,192
Net investment (loss) income	(4,734,782)	8,321,902	1,201,009	1,667,313	2,388,365	2,686,928	(131,050)	1,486,481	3,846,197
Administrative expenses	(24,240)	-	-	-	(4,635)	-	-	-	-
Benefit payments, including refunds	(2,905,796)	(2,725,147)	(2,657,798)	(2,494,769)	(2,526,691)	(2,287,715)	(2,200,570)	(2,110,468)	(2,030,696)
Other	(1,542)	-	-	-	-	-	-	(90,576)	-
Net Change in Plan Fiduciary Net Position	(6,577,352)	6,831,266	(197,587)	433,621	1,008,128	1,651,929	(949,318)	827,457	3,467,985
Plan Fiduciary Net Position - Beginning of year	38,218,863	31,387,597	31,585,184	31,151,563	30,143,435	28,491,506	29,440,824	28,613,367	25,145,382
Plan Fiduciary Net Position - End of year	\$ 31,641,511	\$ 38,218,863	\$ 31,387,597	\$ 31,585,184	\$ 31,151,563	\$ 30,143,435	\$ 28,491,506	\$ 29,440,824	\$ 28,613,367
City's Net Pension Liability (Asset) - Ending	\$ 6,197,871	\$ (1,010,421)	\$ 6,514,979	\$ 6,639,937	\$ 6,767,673	\$ 6,126,643	\$ 7,314,550	\$ 6,131,797	\$ 6,079,727
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	83.62 %	102.72 %	82.81 %	82.63 %	82.15 %	83.11 %	79.57 %	82.76 %	82.48 %
Covered Payroll	\$ 1,859,135	\$ 2,041,733	\$ 2,219,115	\$ 2,501,677	\$ 2,729,291	\$ 2,933,126	\$ 3,139,326	\$ 3,301,336	\$ 3,995,805
City's Net Pension Liability (Asset) as a Percentage of Covered Payroll	333.37 %	(49.49)%	293.58 %	265.42 %	247.96 %	208.88 %	233.00 %	185.74 %	152.15 %

Note: in 2018, there was a change in the discount rate for the pension system. The City decrease the discount rate from 7.50 to 7.00 percent for the measurement of the total pension liability as of June 30, 2018. As a result, the total pension liability increased by \$1,445,257.

City of Riverview, Michigan

Required Supplemental Information Schedule of Pension Investment Returns

	Last Nine Fiscal Years Years Ended June 30								
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return - Net of investment expense	(12.80)%	28.73 %	3.95 %	5.69 %	8.32 %	9.87 %	(0.40)%	5.20 %	15.80 %

Required Supplemental Information
Schedule of Pension Contributions
Employees' Retirement System

Last Ten Fiscal Years
Years Ended June 30

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 1,002,698	\$ 1,136,346	\$ 1,156,564	\$ 1,140,203	\$ 1,018,391	\$ 1,092,653	\$ 1,227,038	\$ 1,377,176	\$ 1,477,292	\$ 1,494,746
Contributions in relation to the actuarially determined contribution	1,002,698	1,136,346	1,156,564	1,140,203	1,018,391	1,103,381	1,227,038	1,377,176	1,477,292	1,494,746
Contribution Deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,728	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 1,859,135	\$ 2,041,733	\$ 2,219,115	\$ 2,507,677	\$ 2,729,291	\$ 2,933,126	\$ 3,139,326	\$ 3,301,336	\$ 3,995,805	\$ 3,540,861
Contributions as a Percentage of Covered Payroll	53.93 %	55.66 %	52.12 %	45.47 %	37.31 %	37.62 %	39.09 %	41.72 %	36.97 %	42.21 %

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	General employees - 7 years, single equivalent period Police employees - 12 years, single equivalent period
Asset valuation method	4-year smoothed market
Inflation	2.50 percent price inflation, 3.00 percent wage inflation
Salary increase	3.0 to 7.0 percent, including inflation
Investment rate of return	7.00 percent
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2000 Male (unadjusted) and Female (unadjusted) Healthy Life Mortality Table, adjusted for mortality improvements to 2020 using projection scale BB
Other information	None

Required Supplemental Information
 Schedule of Pension Contributions
 Operating Engineers Local 324

**Last Ten Fiscal Years
 Years Ended June 30**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Local 324 required contribution	\$ 439,592	\$ 533,034	\$ 515,238	\$ 457,730	\$ 396,536	\$ 301,808	\$ 278,817	\$ 231,895	\$ 211,351	\$ 157,968

Note to Schedule of Contributions

Required contributions for the Local 342 Pension Plan are calculated based on hours worked and hourly contribution rates.

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

	Last Five Fiscal Years				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability					
Service cost	\$ 414,296	\$ 413,877	\$ 941,833	\$ 971,377	\$ 1,213,780
Interest	1,666,067	1,897,451	1,410,599	1,698,651	1,656,748
Changes in benefit terms	-	-	-	(205,630)	-
Differences between expected and actual experience	(217,051)	(5,628,311)	(126,462)	(7,643,790)	(30,024)
Changes in assumptions	-	746,940	(14,004,297)	4,833,940	-
Benefit payments, including refunds	(1,243,967)	(1,329,196)	(1,471,974)	(1,521,552)	(1,601,972)
Net Change in Total OPEB Liability	619,345	(3,899,239)	(13,250,301)	(1,867,004)	1,238,532
Total OPEB Liability - Beginning of year	28,182,597	32,081,836	45,332,137	47,199,141	45,960,609
Total OPEB Liability - End of year	<u>\$ 28,801,942</u>	<u>\$ 28,182,597</u>	<u>\$ 32,081,836</u>	<u>\$ 45,332,137</u>	<u>\$ 47,199,141</u>
Plan Fiduciary Net Position					
Contributions - Employer	\$ 1,443,967	\$ 1,529,196	\$ 1,671,974	\$ -	\$ -
Contributions - Employees	18,158	19,662	46,607	-	-
Net investment loss	(94,855)	-	(38)	-	-
Benefit payments, including refunds	(1,243,967)	(1,329,196)	(1,471,974)	-	-
Other	-	73	-	-	-
Net Change in Plan Fiduciary Net Position	123,303	219,735	246,569	-	-
Plan Fiduciary Net Position - Beginning of year	466,304	246,569	-	-	-
Plan Fiduciary Net Position - End of year	<u>\$ 589,607</u>	<u>\$ 466,304</u>	<u>\$ 246,569</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB Liability - Ending	<u>\$ 28,212,335</u>	<u>\$ 27,716,293</u>	<u>\$ 31,835,267</u>	<u>\$ 45,332,137</u>	<u>\$ 47,199,141</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	2.05 %	1.65 %	0.77 %	- %	- %
Covered-employee Payroll	\$ 2,377,645	\$ 2,754,871	\$ 2,872,941	\$ 3,150,032	\$ 3,344,742
Net OPEB Liability as a Percentage of Covered-employee Payroll	1,186.57 %	1,006.08 %	1,108.11 %	1,439.10 %	1,411.14 %

Changes in Assumptions

For the year ended June 30, 2021, the health care cost trend rate assumption was updated. As a result of this change, the total OPEB liability increased by \$746,940.

For the year ended June 30, 2020, the discount rate and investment rate of return used to measure the total OPEB liability increased to 6.00 percent. Total OPEB liability measured at June 30, 2019 was calculated using a discount rate and investment rate of return of 3.13 percent. This increase is because the City has established a trust in the current year, has started making contributions to the trust, and has set up an investment policy. As a result of the increase, the total OPEB liability decreased by \$14,004,297.

For the year ended June 30, 2019, the discount rate and investment rate of return used to measure the total OPEB liability decreased to 3.13 percent from 3.62 percent. As a result of the decrease, the total OPEB liability increased by \$4,833,940.

*Note that, in 2020, a trust was established for the Retiree Health Care Program. As a result, plan net position was first included on this schedule for the fiscal year ended June 30, 2020.

Required Supplemental Information
Schedule of OPEB Investment Returns

	Last Two Fiscal Years		
	Year Ended June 30		
	2022	2021	2020
Annual money-weighted rate of return - Net of investment expense	(12.80)%	- %	- %

*Note that an OPEB trust was first established in the fiscal year ended June 30, 2020.

June 30, 2022

Budgetary Information

A reconciliation of the budgetary comparison schedules to the fund-based statement of revenue, expenditures, and changes in fund balances is as follows:

General Fund	Total Revenue	Total Expenditures	Other Financing Sources	Fund Balance
Amounts per operating statement	\$ 10,609,539	\$ 12,290,944	\$ 1,707,764	\$ 2,017,953
Less Community Trust Fund, Inspections Fund, Cable Fund, Rubbish Fund, and Library Fund, reported within the General Fund in the operating statement, which was not budgeted as part of the General Fund	(670,175)	(1,075,250)	(422,764)	(425,737)
Amounts per budget statement	<u>\$ 9,939,364</u>	<u>\$ 11,215,694</u>	<u>\$ 1,285,000</u>	<u>\$ 1,592,216</u>

Other Supplemental Information

City of Riverview, Michigan

	Special Revenue Funds		Debt Service Funds		
	Community Development Block Grant	Drug and Law Enforcement	General Obligation	Building Authority	Street and Water Main Repair
Assets					
Cash and investments	\$ 114,879	\$ 341,642	\$ 62,271	\$ 63,671	\$ 46,385
Receivables:					
Property taxes receivable	-	-	53	-	-
Due from other governments	224	-	-	-	-
Due from other funds (Note 4)	45,687	-	-	-	-
Prepaid expenses and other assets	-	215	-	-	-
Total assets	\$ 160,790	\$ 341,857	\$ 62,324	\$ 63,671	\$ 46,385
Liabilities - Accounts payable	\$ -	\$ 4,321	\$ -	\$ -	\$ -
Fund Balances					
Nonspendable - Prepays	-	215	-	-	-
Restricted:					
Police	-	337,321	-	-	-
Debt service	-	-	-	-	46,385
CDBG	160,790	-	-	-	-
Assigned:					
Debt service	-	-	62,324	63,671	-
Capital projects	-	-	-	-	-
Total fund balances	160,790	337,536	62,324	63,671	46,385
Total liabilities and fund balances	\$ 160,790	\$ 341,857	\$ 62,324	\$ 63,671	\$ 46,385

Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2022

Capital Project Funds			
Parks and Recreation Construction	Capital Improvements and Equipment	Development and Revolving	Total Nonmajor Governmental Funds
\$ 16,245	\$ 1,033,660	\$ 16,450	\$ 1,695,203
-	-	-	53
-	-	-	224
-	-	-	45,687
-	-	-	215
\$ 16,245	\$ 1,033,660	\$ 16,450	\$ 1,741,382
\$ -	\$ 27,322	\$ -	\$ 31,643
-	-	-	215
-	-	-	337,321
-	-	-	46,385
-	-	-	160,790
-	-	-	125,995
16,245	1,006,338	16,450	1,039,033
16,245	1,006,338	16,450	1,709,739
\$ 16,245	\$ 1,033,660	\$ 16,450	\$ 1,741,382

City of Riverview, Michigan

	Special Revenue Funds		Debt Service Funds		
	Community Development Block Grant	Drug and Law Enforcement	General Obligation	Building Authority	Street and Water Main Repair
Revenue					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 919,284
State and federal sources:					
Federal grants	62,063	-	-	-	-
State sources	-	1,410	-	-	-
Investment (loss) gains	-	-	(3,209)	(2,124)	-
Total revenue	62,063	1,410	(3,209)	(2,124)	919,284
Expenditures					
Current services:					
Public safety	-	105,540	-	-	-
Community and economic development	5,137	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	800,000
Interest and fiscal charges	-	-	-	-	115,250
Total expenditures	5,137	105,540	-	-	915,250
Excess of Revenue Over (Under) Expenditures	56,926	(104,130)	(3,209)	(2,124)	4,034
Other Financing Sources - Transfers in	-	-	-	-	-
Net Change in Fund Balances	56,926	(104,130)	(3,209)	(2,124)	4,034
Fund Balances - Beginning of year	103,864	441,666	65,533	65,795	42,351
Fund Balances - End of year	\$ 160,790	\$ 337,536	\$ 62,324	\$ 63,671	\$ 46,385

Other Supplemental Information
Combining Statement of Revenue, Expenditures, and Changes in Fund
Balances
Nonmajor Governmental Funds

Year Ended June 30, 2022

Capital Project Funds			
Parks and Recreation Construction	Capital Improvements and Equipment	Development and Revolving	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 919,284
-	-	-	62,063
-	-	-	1,410
(781)	(8,412)	-	(14,526)
(781)	(8,412)	-	968,231
-	-	-	105,540
-	-	-	5,137
-	91,402	-	91,402
-	226,887	-	1,026,887
-	12,956	-	128,206
-	331,245	-	1,357,172
(781)	(339,657)	-	(388,941)
-	475,048	-	475,048
(781)	135,391	-	86,107
17,026	870,947	16,450	1,623,632
\$ 16,245	\$ 1,006,338	\$ 16,450	\$ 1,709,739

**Other Supplemental Information
Combining Statement of Net Position
Internal Service Funds**

June 30, 2022

	<u>Self-insurance</u>	<u>Retiree Health Care</u>	<u>Total Internal Service Funds</u>
Assets - Current assets			
Cash and investments	\$ 367,140	\$ 1,284,309	\$ 1,651,449
Receivables	-	739	739
Due from other funds	540,175	26,811	566,986
Prepaid expenses and other assets	-	95,305	95,305
Deposits	7,451	-	7,451
Total assets	914,766	1,407,164	2,321,930
Liabilities - Current liabilities			
Accounts payable	-	4,542	4,542
Provision for claims	34,193	-	34,193
Total liabilities	34,193	4,542	38,735
Net Position - Unrestricted	\$ 880,573	\$ 1,402,622	\$ 2,283,195

City of Riverview, Michigan

Other Supplemental Information
Combining Statement of Revenue, Expenses, and Changes in Net Position
Internal Service Funds

Year Ended June 30, 2022

	<u>Self-insurance</u>	<u>Retiree Health Care</u>	<u>Total Internal Service Funds</u>
Operating Revenue - Charges for services	\$ 390,737	\$ 1,678,109	\$ 2,068,846
Operating Expenses - Other services and charges	<u>408,252</u>	<u>1,224,870</u>	<u>1,633,122</u>
Operating (Loss) Income	(17,515)	453,239	435,724
Nonoperating Expense - Investment loss	<u>(24)</u>	<u>-</u>	<u>(24)</u>
Change in Net Position	(17,539)	453,239	435,700
Net Position - Beginning of year	<u>898,112</u>	<u>949,383</u>	<u>1,847,495</u>
Net Position - End of year	<u>\$ 880,573</u>	<u>\$ 1,402,622</u>	<u>\$ 2,283,195</u>

Other Supplemental Information
Combining Statement of Cash Flows
Internal Service Funds

Year Ended June 30, 2022

	Self-insurance	Retiree Health Care	Total Internal Service Funds
Cash Flows from Operating Activities			
Receipts from interfund services and reimbursements	\$ 451,357	\$ 1,689,636	\$ 2,140,993
Claims paid	(440,764)	(1,241,696)	(1,682,460)
Net cash provided by operating activities	10,593	447,940	458,533
Cash Flows Used in Investing Activities - Investment losses			
	(24)	-	(24)
Net Increase in Cash and Cash Equivalents - Net cash provided by operating and investing activities			
	10,569	447,940	458,509
Cash and Cash Equivalents - Beginning of year			
	356,571	836,369	1,192,940
Cash and Cash Equivalents - End of year			
	<u>\$ 367,140</u>	<u>\$ 1,284,309</u>	<u>\$ 1,651,449</u>
Combining Statement of Net Position Classification of Cash and Cash Equivalents - Cash and investments			
	<u>\$ 367,140</u>	<u>\$ 1,284,309</u>	<u>\$ 1,651,449</u>
Reconciliation of Operating (Loss) Income to Net Cash from Operating Activities			
Operating (loss) income	\$ (17,515)	\$ 453,239	\$ 435,724
Adjustments to reconcile operating (loss) income to net cash from operating activities - Changes in assets and liabilities:			
Due to and from other funds	60,620	11,527	72,147
Estimated claims liability	(32,512)	(16,826)	(49,338)
Total adjustments	28,108	(5,299)	22,809
Net cash and cash equivalents provided by operating activities	<u>\$ 10,593</u>	<u>\$ 447,940</u>	<u>\$ 458,533</u>

**Other Supplemental Information
Statement of Fiduciary Net Position
Fiduciary Funds**

June 30, 2022

	Pension and Other Employee Benefit Trust Funds		
	Employees' Retirement System	Retiree Health Care Program Trust	Total
Assets			
Cash and cash equivalents	\$ 894,047	\$ 13,990	\$ 908,037
Investments:			
U.S. government securities	4,420,438	-	4,420,438
Stocks and pooled equity investments	20,284,331	575,617	20,859,948
Corporate bonds	5,498,287	-	5,498,287
Receivables	544,408	-	544,408
Total assets	<u>31,641,511</u>	<u>589,607</u>	<u>32,231,118</u>
Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Net Position			
Restricted:			
Pension	31,641,511	-	31,641,511
Postemployment benefits other than pension	-	589,607	589,607
Total net position	<u><u>\$ 31,641,511</u></u>	<u><u>\$ 589,607</u></u>	<u><u>\$ 32,231,118</u></u>

**Other Supplemental Information
Statement of Changes in Fiduciary Net Position
Fiduciary Funds**

Year Ended June 30, 2022

	Pension and Other Employee Benefit Trust Funds		
	Employees' Retirement System	Retiree Health Care Program Trust	Total
Additions			
Investment income loss:			
Interest and dividends	\$ 1,229,984	\$ 22	\$ 1,230,006
Net decrease in fair value of investments	(5,857,312)	(87,158)	(5,944,470)
Investment costs	(133,237)	(7,719)	(140,956)
Net investment income	(4,760,565)	(94,855)	(4,855,420)
Contributions:			
Employer	1,002,698	1,443,967	2,446,665
Employee	86,311	18,158	104,469
Total contributions	1,089,009	1,462,125	2,551,134
Total additions - Net	(3,671,556)	1,367,270	(2,304,286)
Deductions - Benefit payments	2,905,796	1,243,967	4,149,763
Net (Decrease) Increase in Fiduciary Net Position	(6,577,352)	123,303	(6,454,049)
Net Position - Beginning of year	38,218,863	466,304	38,685,167
Net Position - End of year	\$ 31,641,511	\$ 589,607	\$ 32,231,118

City of Riverview, Michigan

**Other Supplemental Information
Combining Balance Sheet
Activities Reported in General Fund**

June 30, 2022

	<u>Rubbish</u>	<u>Cable TV</u>	<u>Library</u>	<u>Community Trust</u>	<u>Inspection</u>	<u>Total Activities Reported in the General Fund</u>
Assets						
Cash and investments	\$ 102,062	\$ 99,819	\$ 277,599	\$ 17,311	\$ 276,003	\$ 772,794
Receivables - Due from other governments	-	-	6,164	-	-	6,164
Prepaid expenses and other assets	-	520	2,013	-	-	2,533
Total assets	<u>\$ 102,062</u>	<u>\$ 100,339</u>	<u>\$ 285,776</u>	<u>\$ 17,311</u>	<u>\$ 276,003</u>	<u>\$ 781,491</u>
Liabilities						
Accounts payable	\$ 37,448	\$ 16,531	\$ 9,286	\$ -	\$ -	\$ 63,265
Refundable deposits, bonds, etc.	-	-	-	-	276,003	276,003
Accrued liabilities and other	-	2,090	6,152	8,244	-	16,486
Total liabilities	37,448	18,621	15,438	8,244	276,003	355,754
Fund Balances						
Nonspendable	-	520	2,013	-	-	2,533
Assigned	64,614	81,198	268,325	9,067	-	423,204
Total fund balances	64,614	81,718	270,338	9,067	-	425,737
Total liabilities and fund balances	<u>\$ 102,062</u>	<u>\$ 100,339</u>	<u>\$ 285,776</u>	<u>\$ 17,311</u>	<u>\$ 276,003</u>	<u>\$ 781,491</u>

City of Riverview, Michigan

Other Supplemental Information
Combining Statement of Revenue, Expenditures, and Changes in Fund
Balances
Activities Reported in General Fund

Year Ended June 30, 2022

	Rubbish	Cable TV	Library	Community Trust	Inspection	Total Activities Reported in the General Fund
Revenue						
Property taxes	\$ -	\$ -	\$ 272,295	\$ -	\$ -	\$ 272,295
State and federal sources	-	-	26,691	-	-	26,691
Licenses and permits	-	351,619	-	-	-	351,619
Investment (loss) gains	-	(323)	(5,695)	1	-	(6,017)
Other revenue	15,517	-	10,070	-	-	25,587
Total revenue	15,517	351,296	303,361	1	-	670,175
Expenditures						
Current services:						
General government	-	287,262	-	-	-	287,262
Public works	403,280	-	-	-	-	403,280
Recreation and culture	-	-	384,708	-	-	384,708
Total expenditures	403,280	287,262	384,708	-	-	1,075,250
Excess of Revenue (Under) Over Expenditures	(387,763)	64,034	(81,347)	1	-	(405,075)
Other Financing Sources (Uses)						
Transfers in	387,764	-	-	-	-	387,764
Transfers out	-	(50,000)	85,000	-	-	35,000
Total other financing sources (uses)	387,764	(50,000)	85,000	-	-	422,764
Net Change in Fund Balances	1	14,034	3,653	1	-	17,689
Fund Balances - Beginning of year	64,613	67,684	266,685	9,066	-	408,048
Fund Balances - End of year	\$ 64,614	\$ 81,718	\$ 270,338	\$ 9,067	\$ -	\$ 425,737