

# City of Mt. Pleasant Michigan

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## Annual Comprehensive Financial Report

Year Ended  
December 31, 2022

Issued by Mary Ann Kornexl, CPA, MiCPT  
Finance Director/Treasurer

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*Mt. Pleasant*

[meet here]

# City of Mt. Pleasant

## Annual Comprehensive Financial Report

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# City of Mt. Pleasant

## Annual Comprehensive Financial Report

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# City of Mt. Pleasant

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# City of Mt. Pleasant

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*City of Mt. Pleasant*

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# City of Mt. Pleasant, Michigan



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PUBLIC WORKS  
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May 2, 2023

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

Article VII, Section 15 of the City Charter and State law requires that the City of Mt. Pleasant publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) that are audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report of the City of Mt. Pleasant (the City) for the fiscal year ended December 31, 2022.

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

The City of Mt. Pleasant financial statements have been audited by Vredevel, Haefner LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Mt. Pleasant for the fiscal year ended December 31, 2022, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statements presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Mt. Pleasant financial statements are fairly presented in conformity with GAAP for the fiscal year ended December 31, 2022. The independent auditor's report is presented as the first component of the financial section of this report.

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

## **Profile of the Government**

The City of Mt. Pleasant, incorporated in 1889, is located in the central part of the State of Michigan at the intersection of US127 and M20. The City currently occupies 7.8 square miles and serves a population of 21,688. The City is governed by a charter that was last amended in 2015. A City's charter is like a local constitution, which spells out the basic form of government and lists the authority and responsibilities of all the players. The City of Mt. Pleasant is empowered to levy a property tax on both real and personal property located within the City.

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

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

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

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

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

## **Factors Affecting Economic Condition**

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



The City saw a population decrease of 4,328 in the last census. This was mainly due to the decrease in CMU's enrollment in the last decade. CMU is in the process of updating their strategic plan. The decrease in enrollment has also provided challenges in the student rental market for local landlords. CMU is the City's largest utility customer and keeping enrollment stable is vital to the City's utility funds.

**State of Michigan Budget** - The State's 2015-16 budget changed the nature of the revenue stream of a portion of the State Shared Revenue (sales tax) distribution to local units of government for City, Village and Township Revenue Sharing (CVTRS). The portion of the sales tax that was distributed to local units of government as part of the statutory process and driven by a formula was drastically changed in 2011. In order to receive CVTRS, the City must demonstrate compliance with the State's requirements for accountability and transparency. These requirements consist of five categories of reporting. The City has met all five categories. Due to the decrease in population, the annual revenue is expected to decrease \$200,000 annually. This is being offset by the increase in property tax revenue experienced in the City.

In December 2012, the Legislature approved laws to eliminate portions of the personal property tax in 2014 and identified mechanisms for partial revenue replacement. In 2014, the Legislature passed bills to replace local property tax revenue lost with the elimination of personal property taxes. In 2014, taxpayers were granted a Small Tax Payer Exemption for personal property with a taxable value of less than \$40,000. For 2023, this is raised to \$80,000. In 2016, the phase in of exemption of Eligible Manufacturing Personal Property (EMPP) began. The Legislature has created a State-wide essential services tax on this property that will be paid to local units of government to replace the EMPP tax lost that would have been used for police, fire and ambulance service. The City received reimbursement for a portion of the lost revenue in 2022.

The City receives funding for fire protection of state-owned facilities in the City. For decades, the appropriation from the State had not covered the reported costs to provide fire protection to these facilities. In 2018 legislation was passed to fully fund fire protection costs for state owned facilities. The City received an additional \$301,000 for the last four years. This increase is expected to continue as the funding for the reimbursement has been removed from the State's annual operating budget and is funded by Use Tax disbursed by another agency.

**Capital Improvement Planning** - The City Charter requires the preparation of a five-year Capital Improvement Plan. During 2019 to satisfy Michigan Economic Development requirements, the plan is for six-years. This plan is approved by the City Commission in the month of June preceding the upcoming six years so that adequate time exists for the Planning Commission and the public to have input into the plan prior to the operational budgeting process being started. Such strategic thinking allows infrastructure needs to be properly integrated and adequately financed.

In 1996, the City took a proactive approach in levying a separate capital improvement millage. The revenues generated from this millage are used for ongoing repairs and maintenance to roads, parks, and non-enterprise fund capital infrastructure. In addition to this dedicated millage, other funds support annual capital projects including the Water and Water Resource Recovery Enterprise Funds, tax capture districts, Act 51 street funds, and grants and donations throughout the entire organization. In 2018, the millage was reduced to 1.5 mills with .5 mills being added to the general operating mills. This was able to be accomplished due to funding new and replacement sidewalks from Major & Local Street funds. Act 51 has

decrease due to the decrease in the population. This along with the increase in construction costs has required the City to reprioritize road projects.

**Economic Initiatives** – New investment in the City is promoted through a variety of incentive programs for businesses that are willing to add to the quality, livability and vitality of our community. Incentives are typically offered in instances where a project financing gap exists and the return to the City from the investment is greater than the level of the incentive that is offered. Both the Central Business District and Mission/Pickard Street corridor are the primary target areas for incentive offerings due to their significant contribution to the City's economy. The City is positioned to provide some of the improvements to the Mission/Pickard corridor improvements identified in the Master Plan adopted in 2020 and parking lot improvements in the Central Business District.

**Planning** – During 2018, the City adopted a new Zoning Ordinance as a character-based code. The goal of a character-based code is to create a new city-wide zoning ordinance that emphasizes form and function while updating standards for development throughout the community. This type of code preserves and enhances the unique character of Mt. Pleasant and improves walkability, bikeability and safety along roads such as Mission Street.

During 2020, the new 2050 Master Plan was adopted. This process began in 2018 when McKenna was hired to serve as the project consultant. In April 2019, the City hosted a four-day Charrette event which brought the community together to provide feedback on the future direction of the City in a variety of areas including housing, transportation, parks and recreation, and services. This in-person outreach was supplemented by online surveys, which together resulted in hundreds of community members providing input. The Master Plan has a sub-area plan for the Mission Street corridor and a new Parks and Recreation Master Plan.

In early 2019, the City of Mt Pleasant was awarded the distinction as a Redevelopment Ready Community by Michigan Economic Development Corporation. A comprehensive assessment was conducted and the City was evaluated on transparency, predictability and efficiency in their economic practices. Mt. Pleasant is the first community in the Michigan Prosperity Region 5 (which includes Arenac, Bay, Clare, Gladwin, Gratiot, Isabella, Midland and Saginaw Counties) to receive this certification.

To achieve certification, the City undertook several notable projects, which include a new city-wide character, based zoning ordinance, an update to the City's economic development strategy, improvements to the development review process, a documented community engagement guide and formulation of a new community-wide brand and marketing strategy.

**Land Development** - In April 2011, the City took ownership of approximately 300 acres from the State of Michigan, which was previously used as a center for the developmentally disabled. The City purchase was based on a primary focus of re-development to be used for increased tax base and/or jobs within the City as the market is ready. The City hired a project management team comprised of Spicer Engineering, AKT Peerless and CBRE to oversee the planning and redevelopment of this land and thus far has been awarded almost \$2.1 million in grants and loans to assist with the demolition and environmental abatement of the existing infrastructure on the site.

The redevelopment of these 300 acres will be a multi-decade process as it was always anticipated to be. During 2013, the demolition and abatement of some buildings on the property began and was completed in 2014. In 2016, the City was awarded \$350,000 in grant

funds to assist in demolition of the remaining buildings. In 2016, the remaining buildings were demolished by financing the project with a state loan and internal financing from the General Fund “rainy day” fund, and other assigned fund balance. The balances have been paid back with the savings from the Building Authority Bonds that were paid off in 2016. The City now has approximately 290 vacant acres available to market and develop to increase the tax base of the City and provide jobs over the next couple of decades. Also in 2016, the City held a planning session with community members to receive input on preferred use of the land.

During 2018, the City of Mt. Pleasant and the Saginaw Chippewa Indian Tribe (SCIT) approved an agreement regarding the future development of the 300 acres of land, which previously housed the Mt. Pleasant Regional Center and the Mt. Pleasant Indian Industrial Boarding School. The land, which includes a Native American cemetery, possesses great historical significance for the SCIT and is now on the National Register of Historic Places. The City and the SCIT have worked together to preserve the appropriate archaeological resources while meeting the City’s long-term objective of developing the property to provide additional employment opportunities and/or enhance the tax base.

During 2021, a discrepancy was identified in the deed from the State to the City. Once the deed is cleared, the goal is to complete archeological surveys and then finalize a preferred development plan for the property and develop a marketing strategy to result in adding taxable value.

In 2019, the City approved a proposal for development on property owned by the City’s Economic Development Corporation. During 2020, the developer began the construction of a four-story 51,000 square foot building with a grocery store on the first floor and 47 units of affordable and workforce housing units. The development of this property, located in the Central Business District, will increase the tax base and vitality of the downtown. The project was essentially complete at the end of 2021. The Grocery Coop opened in November and the apartments were available for rent in early 2022 and are currently at near full occupancy.

**Medical Marihuana** - The Mt. Pleasant City Commission adopted ordinances related to the Michigan Medical Marihuana Facilities Licensing Act (MMMFLA) on June 11, 2018. These ordinances “opt in” to the state law allowing medical marihuana facilities to operate within the City subject to certain limitations. On February 14, 2019, a drawing was conducted at a public meeting to randomly select three applications for conditional authorization and to establish a waiting list for potential medical marihuana provisioning centers. Per City ordinance, no more than three provisioning centers were allowed. Currently there are two provisioning centers, one grower and one processor open. The City Ordinance was amended in May 2022 to allow for unlimited licensing for both medical and recreational licenses. Restrictions on locations are still in place.

**Recreational Marihuana** – The Mt. Pleasant City Commission adopted ordinances related to the Michigan Regulatory and Taxation of Marihuana Act (MRTMA) on September 9, 2019. This provides for the “opt in” to the state law subject to certain limitations. On August 21, 2020, a selection process was completed at a public meeting to select three applications for conditional authorization best suited to operate in compliance with the MRTMA in the City and to establish a waiting list for potential retailers. Per City ordinance, no more than three retailers were allowed. The City Ordinance was amended in May 2022 to allow for unlimited licensing for both medical and recreational licenses. Currently there are four retailer, two grow operations and one processor open. In addition, there are two microbusinesses and four retailers with

conditional authorization, which are continuing the process to become licensed to operate in the City.

**Grant Funding –** The City received \$2,605,885 in American Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Funds (SLFRF) to provide funding to allow the city to invest in our future by building community wealth. The US Treasury Final Rule for SLFRF provides for a standard allowance of \$10 million that can be deemed as revenue loss. The City has elected to implement the revenue replacement option. Therefore, the City can spend the funds on any normal government operation. The City has until 2024 to decide how to spend the funds and they must be spent by 2026. The City is currently evaluating how to spend the funds.

The City received three rounds of grants totaling \$2,004,960 from the State of Michigan for Childcare for the PEAK summer and after school program. The grant was used to fund March 2021-December 31, 2022 program costs, which created a balance to carryforward to enhance future programming and maintain, stable rates for the families that participate.

### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Mt. Pleasant for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2021. This Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. This marks the 35th consecutive year the City has received the award.

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

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

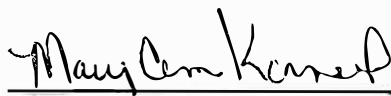
The preparation of the Annual Comprehensive Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the Department has our sincere appreciation for the contributions made in the preparation of this report. Thanks to Lisa Pety for editing and compiling the report. We would like to recognize the City Commission in general and the Audit Committee more specifically for its leadership and support.

Sincerely,



Aaron Desentz  
City Manager

Sincerely,



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



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Mount Pleasant  
Michigan**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2021

*Christopher P. Morill*

Executive Director/CEO

CITY OF MT. PLEASANT  
PRINCIPAL OFFICIALS  
DECEMBER 31, 2022

Mayor

Amy Perschbacher

Vice-Mayor

Mary Alsager

City Commission

Brian Assmann

Elizabeth Busch

Bryan Chapman

Maureen Eke

George Ronan

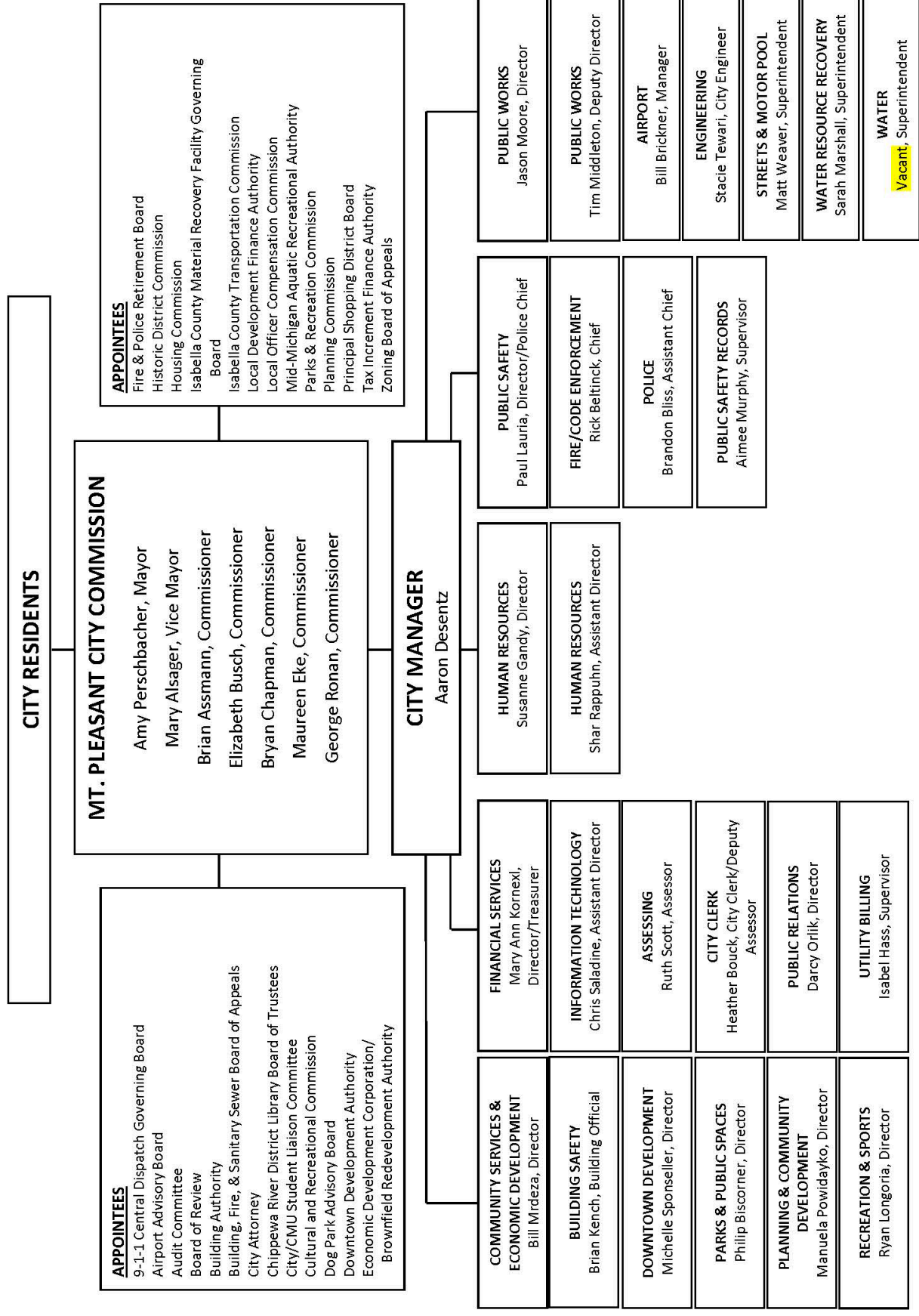
City Manager

Aaron M. Desentz

Finance Director /Treasurer

Mary Ann Kornexl

# CITY OF MT. PLEASANT 2022 ORGANIZATION CHART







## Vredevelde Haefner LLC

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Peter S. Haefner, CPA  
(616) 460-9388

### INDEPENDENT AUDITORS' REPORT

May 2, 2023

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

#### **Opinions**

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Mt. Pleasant (the City), as of and for the year ended December 31, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 these 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards, we:

- exercise professional judgement 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 12 through 27 and the other information on pages 114 through 135 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management and 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 financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*Urederold Haefner LLC*

# City of Mt. Pleasant

## Management's Discussion and Analysis

This section of the City of Mt. Pleasant's financial report presents our discussion and analysis of the City's financial performance during the fiscal year ended December 31, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1- 6 of this report.

### Financial Highlights

- ❖ The assets and deferred outflows of resources of the City of Mt. Pleasant exceeded its liabilities and deferred inflows of resources at December 31, 2022 by \$45.8. Of this amount, \$8.3 million is unrestricted and available for ongoing operations for citizens and obligations to creditors. Starting in 2015, this is significantly less than previous years due to recording the Net Pension Obligation and deferred items of \$15.7 million. Starting in 2017, this is significantly less than previous years due to recording the Net Other Post Employment Benefit Liability and deferred items of \$6.0 million.
- ❖ The City's total net position decreased by \$ 1.1 million.
- ❖ As of December 31, 2022, the City of Mt. Pleasant's governmental funds reported combined ending fund balances of \$15.6 million, a decrease of \$1.6 million in comparison with prior year.
- ❖ As of December 31, 2022, unassigned fund balance for the General Fund was \$4,861,912 or 30.7% of the 2023 operating budget. Assigned fund balance for the General Fund was \$4,789,966 or 30.2% of the 2023 operating budget.

### Overview of the Financial Statements

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

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

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

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenue

# City of Mt. Pleasant

## Management's Discussion and Analysis

and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

The government-wide financial statements include not only the City of Mt. Pleasant itself (known as the primary government), but also legally separate entities for which the City of Mt. Pleasant is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself. They are the Tax Increment Financing Authorities (TIFA), Downtown Development Authority (DDA), Local Development Finance Authority (LDFA) and Brownfield Redevelopment Authority (BRDA).

The government-wide financial statements can be found on pages 26-29 of this report.

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

**Governmental Funds** - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

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

The City of Mt. Pleasant has six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures, and changes in fund balances for the General fund and Major and Local Street funds. The General Fund is considered to be a major fund and the Major and Local Street funds have significant reporting value to the City and have been displayed as major funds. Data from the other

# City of Mt. Pleasant

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## Management's Discussion and Analysis

three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 30-41 of this report.

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

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

The proprietary fund financial statements can be found on pages 42-53.

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

The basic fiduciary fund financial statements can be found on pages 54-55 of this report.

**Notes to the Financial Statements** - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 60-113 of this report.

**Other Information** - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Mt. Pleasant's progress in funding its obligation to provide benefits to its employees and budget to actual presentation for the general fund and special revenue funds. Required supplementary information can be found on pages 114-135 of this report.

# City of Mt. Pleasant

## Management's Discussion and Analysis

The combining statements referred to earlier in connection with nonmajor governmental, proprietary and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 136-159 of this report.

### Government-wide Financial Analysis

The City's combined net position decreased 2.3% percent from a year ago, decreasing from \$46.9 million to \$45.8 million. A review of the governmental activities, separate from the business-type activities, shows an decrease of \$1,963,770 in net position or 10.1 percent during fiscal 2022. The business-type activities experienced a \$845,297 increase in net position. In a condensed format, the table below shows the net position (in millions of dollars) as of December 31, 2022 as compared to December 31, 2021.

	Government		Business		Total	
	2022	2021	2022	2021	2022	2021
<b>Assets</b>						
Current Assets	\$21.7	\$21.9	\$20.4	\$12.3	\$42.1	\$34.2
Non-Current Assets						
Nonrestricted	2.0	-	7.7	6.0	9.7	6.0
Capital Assets	19.6	19.0	14.4	14.6	34.0	33.6
Total Assets	43.3	40.9	42.5	32.9	85.8	73.8
Deferred Outflows	13.3	7.1	1.1	0.3	14.4	7.4
<b>Liabilities</b>						
Current Liabilities	4.7	3.6	2.2	1.1	6.9	4.7
Non-current Liabilities	25.0	13.4	13.0	4.0	38.0	17.4
Total Liabilities	29.7	17.0	15.2	5.1	44.9	22.1
Deferred Inflows	9.4	11.6	-	0.6	9.4	12.2
<b>Net Position</b>						
Net Invested in						
Capital Assets	19.6	18.7	13.7	12.7	33.3	31.4
Restricted	3.4	4.5	0.8	1.4	4.2	5.9
Unrestricted	(5.6)	(3.8)	13.9	13.4	8.3	9.6
Total Net Position	\$17.4	\$19.4	\$28.4	\$27.5	\$45.8	\$46.9

# City of Mt. Pleasant

## Management's Discussion and Analysis

The following table shows the changes in net position:

	Government		Business		Total	
	2022	2021	2022	2021	2022	2021
Program Revenue						
Charges for Services	\$3.1	\$3.0	\$8.1	\$7.5	\$11.2	\$10.5
Operating Grants	3.0	3.5	1.1	0.7	4.1	4.2
Capital Grants	-	-	0.2	0.4	0.2	0.4
Property Taxes	8.3	7.7	-	-	8.3	7.7
Revenue Sharing	3.2	3.4	-	-	3.2	3.4
Miscellaneous	1.0	0.4	0.3	0.1	1.3	0.5
<b>Total Revenue</b>	<b>18.6</b>	<b>18.0</b>	<b>9.7</b>	<b>8.7</b>	<b>28.3</b>	<b>26.7</b>
Expenses						
General Government	6.0	4.1	-	-	6.0	4.1
Public Safety	9.7	7.0	-	-	9.7	7.0
Public Works	0.8	0.9	-	-	0.8	0.9
Highways, Streets & Bridges	4.1	2.1	-	-	4.1	2.1
Interest on Long-Term Debt	-	-	-	-	-	-
Water Resource Recovery	-	-	2.6	2.2	2.6	2.2
Water	-	-	3.4	2.9	3.4	2.9
Recreation	-	1.1	1.6	1.0	1.6	2.1
Solid Waste	-	-	0.7	0.7	0.7	0.7
Land Development	-	-	-	-	-	-
Airport	-	-	0.5	0.4	0.5	0.4
<b>Total Expenses</b>	<b>20.6</b>	<b>15.2</b>	<b>8.8</b>	<b>7.2</b>	<b>29.4</b>	<b>22.4</b>
Excess (Deficiency) Before Transfers	(2.0)	2.8	0.9	1.5	(1.1)	4.3
Transfers	-	(0.2)	-	0.2	-	-
Increase (Decrease) in Net Position	(2.0)	2.6	0.9	1.7	(1.1)	4.3
Net Position - Beginning of Year (Restated)	19.4	16.8	27.5	25.8	46.9	42.6
Net Position - End of Year	<b>\$17.4</b>	<b>\$19.4</b>	<b>\$28.4</b>	<b>\$27.5</b>	<b>\$45.8</b>	<b>\$46.9</b>

# City of Mt. Pleasant

## Management's Discussion and Analysis

**Governmental Activities** - The City's total governmental revenue increased by approximately \$.6 million. Expenses increased by about \$5.4 million primarily due to a large street maintenance project in 2022 and an increase in pension expense recognized.

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

**Business-type Activities** - The City's business-type activities consist of the Water, Water Resource Recovery, Recreation, Solid Waste, Airport and Land Development. The City provides water, water resource recovery and solid waste disposal to all residents of the City. The number of customers remained steady. The usage for water and water resource recovery remained steady. The water and water resource recovery rates for demand increased based on meter size, for most customers \$0.61 and \$1.77 per month, respectively. The increase in water resource recovery was larger than typical to fund the debt for phase I of the plant upgrade. The bag/tag rates for solid waste and the monthly fee for curbside recycling remained the same.

The City provides recreation programming for residents and non-residents. A transfer from the General Fund covers the cost of administration of these programs. Fees are established to cover the direct costs of the recreation programs. The City also provides after-school and summer childcare for elementary children at Mt Pleasant Public Schools. These costs are partially covered by participants and subsidized by tribal 2% allocation and a multi-year grant from the State.

The Airport saw a slight increase in fuel sales revenue due to the increased volume of sales. The Land Development Fund includes the proceeds from the sale of acreage in Project 2000 and Center property acreage that is being prepared for development. Land formerly known as the Mt. Pleasant Center was purchased during 2011. Demolition of some of the buildings on the Center property began in 2013 and was completed in 2014. \$350,000 in grant funding was awarded, state loan and internal financing for the remaining costs allowed all the remaining buildings and infrastructure to be demolished in 2016. Now that the land is free of the hazardous buildings, future plans for the development of the site can be considered when the state issues with the deed are resolved.

Business-type activities increase in net position of \$.9 million includes depreciation expense of \$1.4 million. The increase was due to the utility rate increases for WRRF future capital projects and recreation grant received for PEAK program.

### Financial Analysis of the Government's Funds

The City's major fund's presentations begin on page 30, following the government-wide financial statements. The fund financial statements provide detailed information about the most significant funds, not the City as a whole. The City Commission creates funds to help manage money for specific purposes as well as to show accountability for certain activities, such as State of Michigan Act 51 major and local street revenue sharing and the debt retirement.

# City of Mt. Pleasant

## Management's Discussion and Analysis

**General Fund** - The General Fund receives all City revenue not designated for specific use by statutes or the City Charter and accounts for most of the services provided to residents. A comparison to the General Fund budget, is on pages 114-115. Information relative to the General Fund's revenue, expenditures and fund balance is shown below:

	2022 Amount	2022 Percent of Total	Increase (Decrease) 2022
REVENUE			
Taxes	\$ 8,080,639	49.8%	\$ 1,004,097
Licenses and Permits	508,698	3.1%	(17,259)
Intergovernmental	3,596,165	22.2%	(853,451)
Charges for Services and Sales	2,090,824	12.9%	18,174
Fines	39,332	0.2%	2,744
Interest	154,532	1.0%	113,367
Miscellaneous	515,948	3.2%	89,942
Subtotal	14,986,138	92.4%	357,614
Transfers from Other Funds	1,224,609	7.6%	101,001
Total	<u>\$ 16,210,747</u>	<u>100.0%</u>	<u>\$ 458,615</u>

The increase in Taxes is due to the increase in taxable value and the excise tax received from the state for recreational marijuana retailers in the City. The decrease in Intergovernmental is due to the decrease in grants and state shared revenue due to the 2020 census population decrease.



# City of Mt. Pleasant

## Management's Discussion and Analysis

	<u>2022 Amount</u>	<u>2022 Percent of Total</u>	<u>Increase (Decrease) 2022</u>
<b>EXPENDITURES</b>			
Current Operations			
General Government	\$ 6,645,990	40.5%	\$ 1,227,014
Public Safety	8,191,556	50.2%	568,626
Public Works	<u>841,312</u>	<u>5.1%</u>	<u>113,900</u>
Subtotal	15,678,858	95.8%	1,909,540
Transfers to Other Funds	<u>685,478</u>	<u>4.2%</u>	<u>(195,861)</u>
Total	<u>\$ 16,364,336</u>	<u>100.0%</u>	<u>\$ 1,713,679</u>

The increase in General Government is due to the \$1.2 million additional contribution to the MERS Defined Benefit Plan. The increase in Public Safety is due to repairs to the building and overall cost increases in the departments.

	<u>2022 Amount</u>	<u>2022 Percent of Total</u>	<u>Increase (Decrease) 2022</u>
<b>FUND BALANCE</b>			
Nonspendable			
Prepaid Expenditures	\$ 446,775	3.51%	\$(1,034,207)
Restricted for Donations	483,206	3.79%	100,669
Committed			
Special Assessments	337,101	2.65%	(20,833)
Capital Projects	1,824,700	14.32%	(308,655)
Assigned for			
Fire Truck Replacement	2,396,937	18.81%	1,260,000
Economic Initiatives	736,088	5.78%	(41,476)
Subsequent Year's Expenditures	1,050,651	8.24%	90,301
Appropriated Next Year's Budget	383,620	3.01%	383,620
CDBG Eligible Expenditures	222,670	1.75%	(41,301)
Unassigned	<u>4,861,912</u>	<u>38.15%</u>	<u>(541,707)</u>
Total	<u>\$ 12,743,660</u>	<u>100.0%</u>	<u>\$ (153,589)</u>

The decrease in Nonspendable-Prepaid Expenditures is due to the 2022 MERS contribution made in December 2021. The decrease in Unassigned is due to the additional \$1.2 million contribution to the MERS plan and additional \$1.2 million to the Fire Truck Assigned Fund Balance. The increase in assigned for Next Years Budget necessary for the 2023 Original Budget.

# City of Mt. Pleasant

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## Management's Discussion and Analysis

### General Fund Budgetary Highlights

Over the course of the year, the City administration and City Commission monitor and amend the budget to take into account unanticipated events that occur during the year. The original budget anticipated decreasing the fund balance by \$621,420, the final budget projected decreasing the fund balance by \$1,107,580 and fund balance actually decreased by 153,589 primarily due to increase in revenue due to Adult Use Marijuana excise tax received, MISHDA grant, increase in state shared revenue & fire protection. Expenditures were \$368,944 less than budgeted due to overall savings by divisions. The General Fund Unassigned Fund Balance of \$4,861,912 is in excess of the 15% fund balance policy set by the City Commission.

**Special Revenue Funds** - Special Revenue Funds are used to account for the proceeds of specific revenue sources or to finance specified activities as required by law or administrative regulation. A comparison to the budget for the nonmajor special revenue fund is on pages 142-143. The Special Revenue Funds of the City include:

**Major and Local Street Funds** - These are used to account for the receipt and expenditure of state shared gas and weight taxes under Act 51, P.A. 1951, as amended. Gas and weight taxes are distributed to cities and villages in Michigan based on population and the number of miles of streets. Revenue in the Major and Local Street funds increased due to a state grant received in 2022. Major and Local Street expenditures increased due to three construction projects. Major and Local Street Fund Balance decreased due to these projects.

**Downtown Special Assessment Fund** - In late 1977, the City Commission approved the removal of parking meters from streets and lots in the central business district. In 2003, a special assessment paid by property owners in the benefited area was established. The special assessment covers beautification, parking lot maintenance and snow removal from sidewalks around City parking lots. Revenue and Expenditures remained the same.

**Cemetery Perpetual Care Permanent Fund** - This fund is used to account for a portion of the burial fees charged that is held in trust to provide for perpetual care of the cemetery. Revenue increased slightly due to more sales in 2022.

**Borden Building Debt Service Fund** - This fund is used to account for the accumulation of resources and the repayment of the \$3,685,000 bond issue dated December 13, 2007. The bond proceeds were used to construct the Borden Building Project. Revenue is received in an amount sufficient to pay debt service from a property tax levy and captures of property tax from the Brownfield District. During 2016, the bonds were refunded to achieve an economic gain of \$75,473 in future interest savings. The bonds were paid off in 2022 and the fund closed out.

**Enterprise Funds** - Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the City is that providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the intent of the City is that periodic determination of net

# City of Mt. Pleasant

## Management's Discussion and Analysis

income is appropriate for accountability purposes. The City has the following Enterprise Funds. The Water Resource Recovery Fund is used to account for the costs of collecting and treating wastewater. The Water Fund is used to account for the costs of providing water services to City residents. The Recreation Fund is used to account for the recreation programs ran by the City. The Solid Waste Management Fund is used to account for the costs of collecting and disposing of solid waste. The Airport Fund is used to account for operating and maintenance costs of the municipal airport. Revenue is received from rentals of hanger space, fuel sales and a contribution from the General Fund. The Land Development Fund is used to account for the sale and development of residential and light industrial property on property purchased by the City and the Center property. The results of these funds for the year ended December 31, 2022 are as follows:

	Water Resoruce Recovery		Water		Recreation	
	2022	Increase (Decrease)	2022	Increase (Decrease)	2022	Increase (Decrease)
Operating Revenue	\$ 3,035,614	\$ 342,911	\$3,431,297	\$ 138,804	\$ 588,599	\$ 108,055
Operating Expenses	2,396,416	187,094	3,309,218	479,503	1,594,372	591,173
Net Income (Loss)	639,198	155,817	122,079	(340,699)	(1,005,773)	(483,118)
Nonoperating Revenue - Net	(115,478)	(112,503)	(181,442)	(131,086)	1,392,245	557,377
Change in Net Position	\$ 523,720	\$ 43,314	\$ (59,363)	\$ (471,785)	\$ 386,472	\$ 74,259
Net Position	\$ 10,931,797		\$8,827,720		\$ 656,823	
	Solid Waste		Land Development		Airport	
	2022	Increase (Decrease)	2022	Increase (Decrease)	2022	Increase (Decrease)
Operating Revenue	\$ 644,901	\$ (38,109)	\$ 15,739	\$ 1	\$ 370,026	\$ 68,917
Operating Expenses	735,795	81,284	33,849	(1,715)	547,904	80,145
Net Income (Loss)	(90,894)	(119,393)	(18,110)	1,716	(177,878)	(11,228)
Nonoperating Revenue - Net	24,951	70,840	78,169	(333,425)	153,105	(130,661)
Change in Net Position	\$ (65,943)	\$ (48,553)	\$ 60,059	\$ (331,709)	\$ (24,773)	\$ (141,889)
Net Position	\$1,006,637		\$5,350,059		\$1,165,660	

# City of Mt. Pleasant

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## Management's Discussion and Analysis

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

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

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

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

**Tax Collection Agency Fund** – This fund accounts for property tax collections for the City and other units of government.

# City of Mt. Pleasant

## Management's Discussion and Analysis

### Capital Assets

At the end of fiscal 2022 the City (including component units) had \$36.2 million invested in a wide range of capital assets, including land, construction in progress, building, police and fire equipment, computer equipment, and infrastructure. The City is reporting infrastructure assets, which include roads, bridges, sidewalks, and storm drains in which it has invested in since 1980. The value of the capital assets, net of depreciation contained in this report, is \$36.2 and \$35.0 million for fiscal 2022 and 2021, respectively (see Note 6 of the notes to the basic financial statements for additional information).

### Long-term Debt

At the end of fiscal 2022, the City had total long-term debt outstanding of \$10,907,839. Of this amount, \$8,500,000 of bonds is debt backed by the full faith and credit of the City. The remainder of the City's long-term debt is revenue bonds and compensated absences (see Note 7 of the notes to the basic financial statements for additional information).

	Governmental		Business		Total	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
General Obligation Bonds	\$ -	\$ 367,000	\$ -	\$ -	\$ -	\$ 367,000
Compensated Absences	882,664	785,148	-	-	882,664	785,148
EGLE Loan	-	-	597,175	674,477	597,175	674,477
WRRF GO Bonds	-	-	8,500,000	-	8,500,000	-
Revenue Bonds	-	-	928,000	1,448,000	928,000	1,448,000
Total Long-term Debt	<u>\$ 882,664</u>	<u>\$1,152,148</u>	<u>\$10,025,175</u>	<u>\$2,122,477</u>	<u>\$10,907,839</u>	<u>\$3,274,625</u>

The City's total long-term debt increased by \$7,633,214 due to issuance of \$8.5 million for Water Resource Recovery plant upgrades.

The City maintains an "A+" rating from Standard & Poors for revenue bonds and an "AA-" for general obligation bonds. The City maintains an Aa3 rating from Moody's for general obligation bonds.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of the state equalized value. The current debt limitation of the City is \$60,650,798, which is significantly in excess of the City's outstanding general obligation debt. The City sold \$8.5 million in General Obligation Bonds in May 2022 to finance upgrades to the Water Resource Recovery Facility. The sale was a negotiated sale with Isabella Bank for 2.77% interest over 20 years. Another \$18 million is anticipated in spring 2023 for phase II of the upgrade. The city has approval from Michigan Department of Environment, Great Lakes, and Energy (EGLE) Clean Water State Revolving fund for the bond issue at below market interest rate and a grant for \$9 million of loan forgiveness.

Additional information on the City's long-term debt can be found in Note 8 on pages 84-86 of this report.

# City of Mt. Pleasant

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## Management's Discussion and Analysis

### Economic Factors and Next Year's Budgets and Rates

The total City property tax millage currently is 16.25 mills, which is approximately five mills below the maximum allowed by Charter. Property tax revenues represent about 50% of the General Fund excluding component funds, revenue budget. The millage rate was 15.75 in 2013 and 16.25 every year after, with very little volatility in spite of the changes in funding from State Shared Revenue. This is offset by the state exemption of eligible manufacturing personal property and small personal property parcels. The City has been fortunate that real property taxable values have decreased only once (in 2010) over the last seventeen (17) years. It is expected that the State will reimburse the equivalent of taxes on the personal property tax exempted. In developing the 2023 budget, the City was conservative and projected no growth in taxable value. Following March Board of Review, the City actually showed a 4.3% increase mainly due to 5.0% CPI inflation factor and strong residential sales.

Based on State budget proposals when the City budget was developed, the City expected its 2023 fiscal year State Shared Revenue, which represents about 25% of the General Fund Revenue, to remain about the same as the 2022 amount.

The City expects to receive its proportional share of excise tax on Recreational Marijuana. In 2022 the City received \$207,434 from the State for the 4 retailers licensed as of September 2022. More have opened since so the excise tax will increase in 2023.

The rate for the Water Resource Recovery Facility is expected to increase in subsequent budgets to fund the upgrades at the facility. Phase II is expected to be financed and bid in 2023. The city has approval from State of Michigan Department of Environment, Great Lakes, and Energy (EGLE) Clean Water State Revolving fund for the bond issue at below market interest rate and a grant for \$9 million of loan forgiveness.

The City will continue to partner with Central Michigan University to make Mt Pleasant attractive for current and prospective students as our local economy is dependent on the University enrollment.

Inflation continues to be a concern for future budgets.

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

### Contacting the City's Management

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

*City of Mt. Pleasant*

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# City of Mt. Pleasant

	Primary Government	
	Governmental Activities	Business-type Activities
<b>ASSETS</b>		
Current Assets		
Cash and Investments	\$ 19,659,593	\$ 19,019,401
Receivables	3,823,266	887,021
Internal Balances	(439,689)	439,689
Other	614,722	96,507
Total Current Assets	23,657,892	20,442,618
Non-Current Assets		
Receivables	57,661	-
Development Costs	-	5,809,022
Non Depreciable Capital Assets	6,357,044	2,448,245
Capital Assets - Net of Accumulated Depreciation	13,274,760	13,863,530
Total Non-Current Assets	19,689,465	22,120,797
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Outflows Related to Pension	10,360,788	1,125,105
Deferred Outflows Related to OPEB	2,898,316	-
Deferred Charge on Refunding	-	9,225
<b>Total Assets and Deferred Outflows of Resources</b>	<b>56,606,461</b>	<b>43,697,745</b>
<b>LIABILITIES</b>		
Current Liabilities		
Accounts Payable and Other Liabilities	1,733,647	801,323
Unearned Revenue	2,929,951	524,130
Long-Term Debt Due within One Year	-	856,181
Total Current Liabilities	4,663,598	2,181,634
Non-Current Liabilities		
Other Liabilities	476,435	-
Net OPEB Liability	4,877,865	-
Net Pension Liability	19,736,809	3,881,529
Long-Term Debt Due in more than One Year	-	9,168,994
Total Non-Current Liabilities	25,091,109	13,050,523
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Inflows Related to Leases	1,982,865	-
Deferred Inflows Related to Pension	3,484,252	87,203
Deferred Inflows Related to OPEB	3,971,278	-
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>39,193,102</b>	<b>15,319,360</b>
<b>NET POSITION</b>		
Net Invested in Capital Assets	19,631,804	13,702,675
Restricted		
Donations	513,815	583,511
Grants/Bond/Other Requirements	2,871,895	200,000
Unrestricted	(5,604,155)	13,892,199
<b>Total Net Position</b>	<b>\$ 17,413,359</b>	<b>\$ 28,378,385</b>



# City of Mt. Pleasant

## Statement of Net Position December 31, 2022

Primary Government		Component Units	
Total			
\$ 38,678,994		\$ 1,418,439	
4,710,287		73,587	
-		-	
711,229		-	
44,100,510		1,492,026	
57,661		-	
5,809,022		-	
8,805,289		98,969	
27,138,290		120,525	
41,810,262		219,494	
11,485,893		-	
2,898,316		-	
9,225		-	
<b>100,304,206</b>		<b>1,711,520</b>	
2,534,970		6,995	
3,454,081		-	
856,181		-	
6,845,232		6,995	
476,435		-	
4,877,865		-	
23,618,338		-	
9,168,994		-	
38,141,632		-	
1,982,865		-	
3,571,455		-	
3,971,278		-	
<b>54,512,462</b>		<b>6,995</b>	
33,334,479		219,494	
1,097,326		42,437	
3,071,895		-	
8,288,044		1,442,594	
<b>\$ 45,791,744</b>		<b>\$ 1,704,525</b>	

The notes to the financial statements are an integral part of this statement.

# City of Mt. Pleasant

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental Activities				
General Government	\$ 6,034,216	\$ 1,095,355	\$ -	\$ -
Public Safety	9,703,931	1,754,776	76,027	-
Public Works	780,525	925	-	-
Highways, Streets & Bridges	4,075,084	114,532	2,916,022	-
Interest on Long-Term Debt	19,957	114,180	-	-
Total Governmental Activities	20,613,713	3,079,768	2,992,049	-
Business-type Activities				
Water Resource Recovery	2,545,295	3,035,614	-	200,000
Water	3,343,184	3,431,297	45,462	-
Recreation	1,601,611	588,599	1,083,307	-
Solid Waste	703,163	644,901	-	-
Land Development	36,360	15,739	-	-
Airport	544,452	370,026	13,000	-
Total Business-type Activities	8,774,065	8,086,176	1,141,769	200,000
Total Primary Government	\$ 29,387,778	\$ 11,165,944	\$ 4,133,818	\$ 200,000
<b>Component Units</b>				
TIFA	1,008,519	-	-	-
DDA	65,713	-	-	-
LDFA	153,836	-	-	-
Brownfield	174,940	-	-	-
Total Component Units	\$ 1,403,008	\$ -	\$ -	\$ -
<b>General Revenue</b>				
Taxes				
Captured Tax Increments				
Revenue Sharing, Unrestricted				
Interest Earnings				
Miscellaneous				
Total General Revenue				
<b>Transfers</b>				
Total General Revenue and Transfers				
Change in Net Position				
Net Position - January 1 (Restated)				
Net Position - December 31				

# City of Mt. Pleasant

## Statement of Activities Year ended December 31, 2022

Changes in Net Assets			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (4,938,861)	\$ -	\$ (4,938,861)	
(7,873,128)	-	(7,873,128)	
(779,600)	-	(779,600)	
(1,044,530)	-	(1,044,530)	
94,223	-	94,223	
(14,541,896)	-	(14,541,896)	
-	690,319	690,319	
-	133,575	133,575	
-	70,295	70,295	
-	(58,262)	(58,262)	
-	(20,621)	(20,621)	
-	(161,426)	(161,426)	
-	653,880	653,880	
(14,541,896)	653,880	(13,888,016)	
			(1,008,519)
			(65,713)
			(153,836)
			(174,940)
			(1,403,008)
8,273,963	-	8,273,963	-
-	-	-	512,063
3,161,616	-	3,161,616	-
211,210	149,929	361,139	16,541
868,577	104,248	972,825	-
12,515,366	254,177	12,769,543	528,604
62,760	(62,760)	-	-
12,578,126	191,417	12,769,543	528,604
(1,963,770)	845,297	(1,118,473)	(874,404)
19,377,129	27,533,088	46,910,217	2,578,929
\$ 17,413,359	\$ 28,378,385	\$ 45,791,744	\$ 1,704,525

The notes to the financial statements are an integral part of this statement.

# City of Mt. Pleasant

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	General	Major Street
<b>ASSETS</b>		
Common Cash and Investments	\$ 14,660,394	\$ 1,219,514
Other Cash and Investments	29,196	6,963
Receivables		
Taxes	330,264	-
Special Assessments	80,487	-
Accounts	189,432	-
Accrued Interest	60,400	-
Leases	1,982,865	-
Due From Other Governmental Units	739,082	335,732
Prepaid Items	446,775	100,000
Total Assets	<u>\$ 18,518,895</u>	<u>\$ 1,662,209</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>		
<b>LIABILITIES</b>		
Accounts Payable	\$ 286,819	\$ 2,192
Contractor Retainage	20,064	6,963
Accrued Liabilities	497,875	27,872
Unearned Revenue	2,899,951	-
Total Liabilities	3,704,709	37,027
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Non-Current Receivable	2,070,526	-
Total Liabilities and Deferred Inflows of Resources	5,775,235	37,027

# City of Mt. Pleasant

## Governmental Funds Balance Sheet December 31, 2022 (Continued)

Local Street	Other Nonmajor Governmental	Total Governmental
\$ 794,191	\$ 343,202	\$ 17,017,301
-	-	36,159
-	41,700	371,964
-	-	80,487
-	-	189,432
-	-	60,400
-	-	1,982,865
120,965	-	1,195,779
-	-	546,775
<u>\$ 915,156</u>	<u>\$ 384,902</u>	<u>\$ 21,481,162</u>
\$ 3,267	\$ 5,645	\$ 297,923
-	-	27,027
13,257	567	539,571
-	-	2,899,951
16,524	6,212	3,764,472
-	-	2,070,526
16,524	6,212	5,834,998

The notes to the financial statements are an integral part of this statement.

# City of Mt. Pleasant

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	General	Major Street
<b>FUND BALANCE</b>		
Nonspendable		
Prepaid Expenditures	\$ 446,775	\$ 100,000
Perpetual Care	-	-
Restricted		
General Fund - Donations	483,206	-
Special Revenue Funds - Donations/Grants/Bond	-	1,525,182
Committed		
General Fund	2,161,801	-
Assigned		
General Fund	4,789,966	-
Unassigned		
General Fund	4,861,912	-
	<hr/>	<hr/>
Total Fund Balance	12,743,660	1,625,182
	<hr/>	<hr/>
Total Liabilities, Deferred Inflows and Fund Balance	\$ 18,518,895	\$ 1,662,209
	<hr/>	<hr/>

# City of Mt. Pleasant

## Governmental Funds Balance Sheet December 31, 2022 (Continued)

Local Street	Other Nonmajor Governmental	Total Governmental
\$ -	\$ -	\$ 546,775
-	237,072	237,072
-	-	483,206
898,632	141,618	2,565,432
-	-	2,161,801
-	-	4,789,966
-	-	4,861,912
898,632	378,690	15,646,164
<u>\$ 915,156</u>	<u>\$ 384,902</u>	<u>\$ 21,481,162</u>

The notes to the financial statements are an integral part of this statement.

*City of Mt. Pleasant*

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# City of Mt. Pleasant

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## **Governmental Funds Reconciliation of Balance Sheet - Governmental Funds to the Government-wide Statement of Net Position December 31, 2022**

Total fund balance for governmental funds	\$ 15,646,164
Amount reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources, and are not reported in the funds	18,221,679
Certain receivables are expected to be collected over several years in governmental funds and are not available to pay for current year expenditures	57,661
Long-term liabilities, deferred bond issue cost and accrued interest not due and payable in the current period are not reported in the funds	
Long-term Liabilities	(143,388)
Accrued Compensated Absences	(739,275)
OPEB Liability	(4,877,865)
Net Pension Liability	(19,736,809)
Deferred Outflows Related to Pension	10,360,788
Deferred Outflows Related to OPEB	2,898,316
Deferred Inflows Related to Pension	(3,484,252)
Deferred Inflows Related to OPEB	(3,971,278)
Capital assets used in Internal Service Funds are included as part of governmental activities	1,410,125
Internal Service Funds are included as part of governmental activities	<u>1,771,493</u>
Net Position of governmental activities	<u>\$ 17,413,359</u>

The notes to the financial statements are an integral part of this statement.

# City of Mt. Pleasant

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	General	Major Street
<b>REVENUE</b>		
Taxes	\$ 8,022,456	\$ -
Special Assessments	58,183	-
Licenses and Permits	508,698	-
Intergovernmental		
Grants	76,027	374,836
Revenue Sharing	3,161,616	1,868,030
Other	358,522	28,856
Charges for Service and Sales	2,090,824	1,305
Fines	39,332	-
Interest	154,532	23,453
Miscellaneous	515,948	2,000
Total Revenue	14,986,138	2,298,480
<b>EXPENDITURES</b>		
Current Operations		
General Government	6,645,990	-
Public Safety	8,191,556	-
Public Works	841,312	-
Highways, Streets and Bridges	-	2,610,753
Debt Service		
Principal	-	-
Interest	-	-
Total Expenditures	15,678,858	2,610,753
Excess of Revenue Over (Under) Expenditures	(692,720)	(312,273)

# City of Mt. Pleasant

## Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balance Year ended December 31, 2022 (Continued)

Local Street	Other Nonmajor Governmental	Total Governmental
\$ -	\$ 250,783	\$ 8,273,239
-	104,700	162,883
-	-	508,698
-	-	450,863
673,156	-	5,702,802
-	15,715	403,093
82,371	119,805	2,294,305
-	-	39,332
9,612	3,859	191,456
-	-	517,948
765,139	494,862	18,544,619
-	70,964	6,716,954
-	-	8,191,556
-	35,139	876,451
1,475,571	-	4,086,324
-	367,000	367,000
-	7,157	7,157
1,475,571	480,260	20,245,442
(710,432)	14,602	(1,700,823)

The notes to the financial statements are an integral part of this statement.

# City of Mt. Pleasant

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	General	Major Street
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers In	\$ 1,224,609	\$ -
Transfers Out	(685,478)	(880,051)
Total Other Financing Sources (Uses)	539,131	(880,051)
Net Change in Fund Balances	(153,589)	(1,192,324)
Fund Balance - January 1	12,897,249	2,817,506
Fund Balance - December 31	<u>\$ 12,743,660</u>	<u>\$ 1,625,182</u>

# City of Mt. Pleasant

## Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balance Year ended December 31, 2022 (Continued)

Local Street	Other Nonmajor Governmental	Total Governmental
\$ 616,378 (121,190)	\$ - (41,858)	\$ 1,840,987 (1,728,577)
495,188	(41,858)	112,410
(215,244)	(27,256)	(1,588,413)
1,113,876	405,946	17,234,577
<u>\$ 898,632</u>	<u>\$ 378,690</u>	<u>\$ 15,646,164</u>

The notes to the financial statements are an integral part of this statement.

# City of Mt. Pleasant

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Net change in fund balance - Total Governmental Funds \$ (1,588,413)

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

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

Capital Outlay	1,930,578
Depreciation	(1,279,000)

In the General fund delinquent personal property taxes receivable is recorded as revenue when collected rather than when the tax was levied. In the current year, more was collected than earned. 725

Special assessment revenue is recorded in the Statement of Activities when the assessment is earned (i.e. work is substantially complete); they are recorded in the governmental funds when received. In the current year, less was received than earned. 22,086

# City of Mt. Pleasant

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## **Governmental Funds Reconciliation of Statement of Revenue, Expenditures, and Changes in Fund Balance - Governmental Funds to the Statement of Activities Year ended December 31, 2022**

Repayment of bond principal is an expenditure in the governmental funds, but not in the Statement of Activities (where it reduces long-term debt).	367,000
Accumulated employee sick & vacation pay, is recorded when earned in the Statement of Activities.	49,064
GASB #75 increase in net OPEB liability is not recorded as an expenditure in the governmental funds.	61,979
GASB #68 increase in Net Pension Liability is not recorded as an expenditure in the governmental funds.	(1,409,584)
Interest payable on long-term debt is recorded when due in the Statement of Activities and when paid in governmental funds.	(12,801)
Internal Service Funds are included as part of governmental activities.	<u>(105,404)</u>
Change in Net Assets of Governmental Activities	<u><u>\$ (1,963,770)</u></u>

The notes to the financial statements are an integral part of this statement.

# City of Mt. Pleasant

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	Enterprise Funds		
	Water Resource Recovery	Water	Recreation
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalents			
Common Cash and Investments	\$ 4,456,926	\$ 3,550,358	\$ 1,823,102
Other Cash	7,049,998	-	5,004
Restricted Common Cash and Investments	325,583	25,000	20,401
Total Cash and Cash Equivalents	11,832,507	3,575,358	1,848,507
Accounts Receivable	403,601	393,907	140
Prepaid Items	21,766	21,226	1,200
Inventory	-	-	-
Total Current Assets	12,257,874	3,990,491	1,849,847
Noncurrent Assets			
Economic Development Property	-	-	-
Capital Assets	42,718,242	28,439,737	-
Less: Accumulated Depreciation	(34,060,079)	(21,541,811)	-
Total Noncurrent Assets	8,658,163	6,897,926	-
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows Related to Pensions	339,454	407,481	233,374
Deferred Charge on Refunding	-	9,225	-
<b>Total Assets and Deferred Outflows of Resources</b>	<b>21,255,491</b>	<b>11,305,123</b>	<b>2,083,221</b>



# City of Mt. Pleasant

## Proprietary Funds Statement of Net Position December 31, 2022 (Continued)

Enterprise Funds			Internal
Land Development	Nonmajor	Total	Service Funds
\$ 87,694	\$ 1,262,708	\$ 11,180,788	\$ 954,846
-	100	7,055,102	1,651,287
50,000	362,527	783,511	-
137,694	1,625,335	19,019,401	2,606,133
1,312	88,061	887,021	-
-	3,805	47,997	67,947
-	48,510	48,510	-
139,006	1,765,711	20,002,929	2,674,080
5,809,022	-	5,809,022	-
-	3,815,783	74,973,762	4,910,933
-	(3,060,097)	(58,661,987)	(3,500,808)
5,809,022	755,686	22,120,797	1,410,125
-	144,796	1,125,105	-
-	-	9,225	-
<b>5,948,028</b>	<b>2,666,193</b>	<b>43,258,056</b>	<b>4,084,205</b>

The notes to the financial statements are an integral part of this statement.

# City of Mt. Pleasant

	Enterprise Funds		
	Water Resource Recovery	Water	Recreation
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	\$ 368,724	\$ 31,289	\$ 11,295
Contractor Retainage Payable	82,686	-	-
Accrued Expenses	114,765	78,587	33,049
Unearned Revenue	-	741	488,259
Bonds and Loans Payable	325,000	452,000	-
Total Current Liabilities	891,175	562,617	532,603
Noncurrent Liabilities			
Net Pension Liability	1,229,463	1,400,492	877,745
Bonds and Loans Payable	8,175,000	476,000	-
Total Noncurrent Liabilities	9,404,463	1,876,492	877,745
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows Related to Pension	28,056	38,294	16,050
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>10,323,694</b>	<b>2,477,403</b>	<b>1,426,398</b>
<b>NET POSITION</b>			
Net Invested in Capital Assets	6,967,838	5,979,151	-
Restricted for:			
Donations	325,583	25,000	20,401
Grants/Bond/Other Requirements	-	-	-
Unrestricted	3,638,376	2,823,569	636,422
Total Net Position	<u>\$ 10,931,797</u>	<u>\$ 8,827,720</u>	<u>\$ 656,823</u>

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

Changes in Net Assets of Business-Type Activities on the Statement of Activity

# City of Mt. Pleasant

## Proprietary Funds Statement of Net Position December 31, 2022 (Continued)

Enterprise Funds			Internal Service Funds
Land Development	Nonmajor	Total	
\$ -	\$ 62,436	\$ 473,744	\$ 33,758
-	-	82,686	-
684	17,808	244,893	429,140
110	35,020	524,130	-
79,181	-	856,181	-
79,975	115,264	2,181,634	462,898
-	373,829	3,881,529	-
517,994	-	9,168,994	-
517,994	373,829	13,050,523	-
-	4,803	87,203	-
<b>597,969</b>	<b>493,896</b>	<b>15,319,360</b>	<b>462,898</b>
-	755,686	13,702,675	1,410,125
50,000	162,527	583,511	-
-	200,000	200,000	-
5,300,059	1,054,084	13,452,510	2,211,182
<u>\$ 5,350,059</u>	<u>\$ 2,172,297</u>	27,938,696	<u>\$ 3,621,307</u>
		<u>439,689</u>	
		<u>\$ 28,378,385</u>	

The notes to the financial statements are an integral part of this statement.

# City of Mt. Pleasant

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	Enterprise Funds		
	Water Resource Recovery	Water	Recreation
<b>OPERATING REVENUE</b>			
Charges for Service and Sales	\$ 2,987,730	\$ 3,371,934	\$ 588,599
Miscellaneous	47,884	59,363	-
Total Operating Revenue	3,035,614	3,431,297	588,599
<b>OPERATING EXPENSES</b>			
Compensation	1,064,968	1,164,282	1,192,942
Supplies	276,656	366,558	197,440
Professional Services	81,994	(660,731)	197,264
Training	12,084	10,635	-
Utilities	216,714	221,578	6,726
Insurance Claims	-	-	-
Other Expenses	122,868	1,456,802	-
Depreciation/Cost of Land Sold	621,132	750,094	-
Total Operating Expenses	2,396,416	3,309,218	1,594,372
Operating Income (Loss)	639,198	122,079	(1,005,773)

# City of Mt. Pleasant

## Proprietary Funds Statement of Revenue, Expenses, and Changes in Net Position Year ended December 31, 2022 (Continued)

Land Development	Enterprise Funds		Internal Service Funds
	Nonmajor	Total	
\$ 15,739	\$ 1,014,927	\$ 7,978,929	\$ 3,649,741
-	-	107,247	-
15,739	1,014,927	8,086,176	3,649,741
-	315,615	3,737,807	128,082
-	394,203	1,234,857	197,617
7,543	502,776	128,846	523,457
-	-	22,719	-
-	23,068	468,086	21,501
-	-	-	2,609,563
-	-	1,579,670	1,113
26,306	48,037	1,445,569	218,791
33,849	1,283,699	8,617,554	3,700,124
(18,110)	(268,772)	(531,378)	(50,383)

The notes to the financial statements are an integral part of this statement.

# City of Mt. Pleasant

	Enterprise Funds		
	Water Resource Recovery	Water	Recreation
<b>NON-OPERATING REVENUE (EXPENSES)</b>			
Interest Income	\$ 89,650	\$ 41,983	\$ 49
Miscellaneous Revenue	9,500	-	21,479
Interest Expense	(144,538)	(16,392)	-
Federal/State Operating Grant	-	45,462	1,083,307
Other	-	(18,195)	-
<b>Total Non-Operating Revenue (Expenses)</b>	<b>(45,388)</b>	<b>52,858</b>	<b>1,104,835</b>
Income (Loss) Before Contributions and Transfers	593,810	174,937	99,062
Capital Grant	190,500		
Transfers In	-	-	350,870
Transfers Out	(260,590)	(234,300)	(63,460)
Change in Net Position	523,720	(59,363)	386,472
<b>Net Position - January 1</b>	<b>10,408,077</b>	<b>8,887,083</b>	<b>270,351</b>
<b>Net Position - December 31</b>	<b>\$ 10,931,797</b>	<b>\$ 8,827,720</b>	<b>\$ 656,823</b>

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

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

# City of Mt. Pleasant

**Proprietary Funds**  
**Statement of Revenue, Expenses, and**  
**Changes in Net Position**  
**Year ended December 31, 2022**  
**(Continued)**

Enterprise Funds			Internal
Land Development	Non-major	Total	Service Funds
\$ -	\$ 18,247	\$ 149,929	\$ 19,754
-	82,769	113,748	-
(2,511)	-	(163,441)	-
-	13,000	1,141,769	-
-	-	(18,195)	-
(2,511)	114,016	1,223,810	19,754
(20,621)	(154,756)	692,432	(30,629)
-	-	190,500	-
80,680	145,460	577,010	-
-	(81,420)	(639,770)	(49,650)
60,059	(90,716)	820,172	(80,279)
5,290,000	2,263,013		3,701,586
<u>\$ 5,350,059</u>	<u>\$ 2,172,297</u>		<u>\$ 3,621,307</u>
		<u>25,125</u>	
		<u>\$ 845,297</u>	

The notes to the financial statements are an integral part of this statement.

# City of Mt. Pleasant

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	<u>Enterprise Funds</u> <u>Water Resource</u> <u>Recovery</u>
<b>Cash Flows from Operating Activities</b>	
Receipts from Customers	\$ 2,949,766
Miscellaneous Revenue	9,500
Operating Grant	-
Payments to Employees	(940,389)
Payments to Suppliers and Contractors	(252,153)
Claims Paid	-
Other Payments	<u>(122,868)</u>
Net Cash Provided (Used) by Operating Activities	1,643,856
<b>Cash Flows from Non-Capital Financing Activities</b>	
Transfers from Other Funds	-
Transfers to Other Funds	<u>(260,590)</u>
Net Cash Provided (Used) by Non-Capital Financing Activities	(260,590)
<b>Cash Flows from Capital and Related Financing Activities</b>	
Bond Proceeds	8,500,000
Capital Grant	190,500
Sale of Capital Asset	-
Purchase of Capital Assets	(2,108,059)
Transfer from other Funds	-
Principal and Amortization of Loans and Costs	-
Interest Paid on Loans & Paying Agent Fees	<u>(203,398)</u>
Net Cash Provided (Used) by Capital Financing Activities	6,379,043



# City of Mt. Pleasant

## Proprietary Funds Statement of Cash Flows Year ended December 31, 2022 (Continued)

Enterprise Funds					Internal Service Funds
Water	Recreation	Land Development	Non-major	Total	
\$ 3,358,644	\$ 1,525,956	\$ 15,719	\$ 1,041,059	\$ 8,891,144	\$ 3,649,741
-	21,479	-	82,769	113,748	-
45,462	1,083,307	-	105,549	1,234,318	-
(1,173,449)	(1,176,637)	-	(310,975)	(3,601,450)	(126,876)
23,492	(404,723)	(7,573)	(931,318)	(1,572,275)	(825,211)
-	-	-	-	-	(2,528,782)
(1,456,802)	-	-	-	(1,579,670)	(1,113)
797,347	1,049,382	8,146	(12,916)	3,485,815	167,759
-	350,870	-	145,460	496,330	-
(234,300)	(63,460)	-	(81,420)	(639,770)	(49,650)
(234,300)	287,410	-	64,040	(143,440)	(49,650)
-	-	-	-	8,500,000	-
-	-	-	-	190,500	-
-	-	-	-	-	384,333
(850,950)	-	-	-	(2,959,009)	(551,902)
-	-	80,680	-	80,680	-
(520,000)	-	(77,302)	-	(597,302)	-
(33,192)	-	(3,373)	-	(239,963)	-
(1,404,142)	-	5	-	4,974,906	(167,569)

The notes to the financial statements are an integral part of this statement.

# City of Mt. Pleasant

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	Enterprise Funds
	Water Resource Recovery
<b>Cash Flow from Investing Activities</b>	
Interest Income	\$ 89,650
Net Cash Provided (Used) by Non-Capital Investing Activities	89,650
Net Increase (Decrease) in Cash and Cash Equivalents	7,851,959
<b>Cash and Cash Equivalents - January 1</b>	3,980,548
<b>Cash and Cash Equivalents - December 31</b>	\$ 11,832,507
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities</b>	
Operating Income (Loss)	\$ 639,198
Operating Grant	-
Miscellaneous Income	9,500
<b>Adjustments to Reconcile Operating Income to Net Cash Provided by Operations</b>	
Depreciation/Cost of Development Property Sold	621,132
Maintenance Costs Related to Federal/State Grant	-
<b>Changes in Assets and Liabilities</b>	
Accounts Receivable	(85,848)
Due from Other Governmental Unit	-
Contract Receivable	-
Prepaid Expense	(2,304)
Inventory	-
Deferred Outflows Related to Pension	(233,271)
Accounts Payable	254,913
Contractor Retainage Payable	82,686
Accrued Expenses	121,368
Unearned Revenue	-
Deferred Inflows Related to Pension	(211,107)
Net Pension Liability	447,589
Net Cash Provided (Used) by Operating Activities	\$ 1,643,856

# City of Mt. Pleasant

## Proprietary Funds Statement of Cash Flows Year ended December 31, 2022 (Continued)

Enterprise Funds					Internal Service Funds
Water	Recreation	Land Development	Nonmajor	Total	
\$ 41,983	\$ 49	\$ -	\$ 18,247	\$ 149,929	\$ 19,754
41,983	49	-	18,247	149,929	19,754
(799,112)	1,336,841	8,151	69,371	8,467,210	(29,706)
4,374,470	511,666	129,543	1,555,964	10,552,191	2,635,839
<u>\$ 3,575,358</u>	<u>\$ 1,848,507</u>	<u>\$ 137,694</u>	<u>\$ 1,625,335</u>	<u>\$ 19,019,401</u>	<u>\$ 2,606,133</u>
\$ 122,079	\$ (1,005,773)	\$ (18,110)	\$ (268,772)	\$ (531,378)	\$ (50,383)
45,462	1,083,307	-	13,000	1,141,769	-
-	21,479	-	82,769	113,748	-
750,094	-	26,306	48,037	1,445,569	218,791
-	-	-	-	-	-
(72,653)	(140)	-	26,897	(131,744)	7,180
-	449,238	-	114,308	563,546	-
-	-	-	-	-	-
(2,786)	(1,200)	-	(691)	(6,981)	(329)
-	-	-	(2,950)	(2,950)	-
(277,099)	(164,180)	-	(116,394)	(790,944)	-
(7,580)	(2,093)	(30)	(29,389)	215,821	(83,318)
(28,102)	-	-	-	54,584	-
(13,072)	14,133	-	3,358	125,787	75,818
-	488,259	(20)	(765)	487,474	-
(263,501)	(136,464)	-	(61,140)	(672,212)	-
544,505	302,816	-	178,816	1,473,726	-
<u>\$ 797,347</u>	<u>\$ 1,049,382</u>	<u>\$ 8,146</u>	<u>\$ (12,916)</u>	<u>\$ 3,485,815</u>	<u>\$ 167,759</u>

The notes to the financial statements are an integral part of this statement.

# City of Mt. Pleasant

## Fiduciary Funds Statement of Fiduciary Net Position December 31, 2022

	Pension and Other Employee Benefit Trust Funds	Tax Collections
<b>ASSETS</b>		
Common Cash	\$ -	\$ 2,040
Cash	294,801	2,022,570
Investments, at Fair Value:		
Mutual Funds	29,398,089	-
Money Market Funds	1,406,151	-
Taxes Receivable	-	3,092,913
Total Assets	31,099,041	5,117,523
<b>LIABILITIES</b>		
Taxes Payable	-	5,117,523
<b>NET POSITION</b>		
Restricted for OPEB	2,129,367	-
Restricted for Pensions	28,969,674	-
Total Net Position	\$31,099,041	\$ -

The notes to the financial statements are an integral part of this statement.

# City of Mt. Pleasant

## Fiduciary Funds Statement of Changes in Fiduciary Net Position Year ended December 31, 2022

	Pension and Other Employee Benefit Trust Funds	Tax Collections
<b>ADDITIONS</b>		
Contributions		
Employer	\$ 941,024	\$ -
Employee	208,593	-
Total Contributions	1,149,617	-
Investment Income		
Net Increase in Fair Value of Investments	(7,181,003)	-
Interest	8,481	-
Dividends	1,356,068	-
Total Investment Income	(5,816,454)	-
Property taxes collected for other governments	-	20,519,530
Total Additions	(4,666,837)	20,519,530
<b>DEDUCTIONS</b>		
Benefit Payments	2,198,001	-
Property taxes distributed to other governments	-	20,519,530
Administration Expense	52,826	-
Total Deductions	2,250,827	20,519,530
<b>CHANGE IN NET POSITION</b>	(6,917,664)	-
<b>NET POSITION- JANUARY 1</b>	38,016,705	-
<b>NET POSITION - DECEMBER 31</b>	<u>\$ 31,099,041</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

# City of Mt. Pleasant

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	Tax Increment Finance Authority
<b>ASSETS</b>	
Common Cash and Investments	\$ 259,841
Taxes Receivable	-
Land and Other Non-Depreciable Assets	92,869
Other Capital Assets, Net of Depreciation	106,425
<b>Total Assets</b>	<b>459,135</b>
<b>LIABILITIES</b>	
Accounts Payable	-
<b>Net Position</b>	
Net Invested in Capital Assets	199,294
Restricted for Donations	42,437
Unrestricted	217,404
<b>Total Net Position</b>	<b>\$ 459,135</b>

# City of Mt. Pleasant

## Component Units Statement of Net Position December 31, 2022

Downtown Development Authority	Local Development Finance Authority	Brownfield Redevelopment Authority	Total
\$ 1,158,598	\$ -	\$ -	\$ 1,418,439
51,656	-	21,931	73,587
6,100	-	-	98,969
14,100	-	-	120,525
<b>1,230,454</b>	<b>-</b>	<b>21,931</b>	<b>1,711,520</b>
<b>338</b>	<b>-</b>	<b>6,657</b>	<b>6,995</b>
20,200	-	-	219,494
-	-	-	42,437
1,209,916	-	15,274	1,442,594
<b>\$ 1,230,116</b>	<b>\$ -</b>	<b>\$ 15,274</b>	<b>\$ 1,704,525</b>

The notes to the financial statements are an integral part of this statement.

# City of Mt. Pleasant

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	Expenses
<b>TIFA</b>	
TIFA Operations	937,124
Administration	35,618
Depreciation	35,777
Total TIFA	1,008,519
<b>DDA</b>	
DDA Operations	26,873
Administration/Marketing	33,200
Depreciation	5,640
Total DDA	65,713
<b>LDFA</b>	
LDFA Operations	60,000
Administration/Marketing	93,836
Total LDFA	153,836
<b>Brownfield Redevelopment Authority</b>	
BRDA Operations	166,190
Administration	8,750
Total BRDA	174,940
Total Component Units	\$ 1,403,008
General Revenue:	
Captured Tax Increments	
Investment Earnings	
Total General Revenue	
Change in Net Position	
Net Position - January 1	
Net Position - December 31	



# City of Mt. Pleasant

## Component Units Statement of Activities Year ended December 31, 2022

Program Revenue				
Tax Increment Finance Authority	Downtown Development Authority	Local Development Finance Authority	Brownfield Redevelopment Authority	Total
(937,124)	-	-	-	(937,124)
(35,618)	-	-	-	(35,618)
(35,777)	-	-	-	(35,777)
(1,008,519)	-	-	-	(1,008,519)
-	(26,873)	-	-	(26,873)
-	(33,200)	-	-	(33,200)
-	(5,640)	-	-	(5,640)
-	(65,713)	-	-	(65,713)
-	-	(60,000)	-	(60,000)
-	-	(93,836)	-	(93,836)
-	-	(153,836)	-	(153,836)
-	-	-	(166,190)	(166,190)
-	-	-	(8,750)	(8,750)
-	-	-	(174,940)	(174,940)
(1,008,519)	(65,713)	(153,836)	(174,940)	(1,403,008)
-	337,029	-	175,034	512,063
3,286	12,287	738	230	16,541
3,286	349,316	738	175,264	528,604
(1,005,233)	283,603	(153,098)	324	(874,404)
1,464,368	946,513	153,098	14,950	2,578,929
\$ 459,135	\$ 1,230,116	\$ -	\$ 15,274	\$ 1,704,525

The notes to the financial statements are an integral part of this statement.

# City of Mt. Pleasant

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# City of Mt. Pleasant

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# City of Mt. Pleasant

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## Notes to Financial Statements Year Ended December 31, 2022

### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

#### **A. Reporting Entity**

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

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

The members of the LDFA are all appointed by the City Commission. The LDFA is responsible for the creation and promotion of the Center for Applied Research and Technology. The budget and expenditures of the LDFA must be approved by the City Commission. The LDFA was terminated as all items in the plan were completed or there wouldn't be enough funding to complete them before the plan expired.

The members of the BRDA, TIFA and DDA boards are appointed by the City Commission. The City is responsible for compliance with federal grants, if any, received in conjunction with the TIFA/DDA projects. The City Commission must approve the budget and expenditures of the TIFA/DDA/BRDA.

# City of Mt. Pleasant

## Notes to Financial Statements Year Ended December 31, 2022

### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **B. Government-wide and Fund Financial Statements**

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

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

# City of Mt. Pleasant

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Notes to Financial Statements  
Year Ended December 31, 2022

## **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

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

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

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

# City of Mt. Pleasant

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Notes to Financial Statements  
Year Ended December 31, 2022

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The City reports the following major governmental funds:

- The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- Major and Local Streets are used to account for the receipt and expenditures of state shared gas and weight taxes under P.A. 51 of 1951, as amended.

The City reports the following major enterprise funds:

- The Water Resource Recovery Fund accounts for the cost of collecting and treating waste water.
- The Water Fund accounts for the costs of providing water services to City residents and businesses.
- The Recreation Fund accounts for the costs of providing recreation and afterschool childcare.
- The Land Development Fund accounts for the land purchased and improved for future development.

Additionally, the government reports the following fund types:

- Special revenue funds account for specific revenues that are legally restricted to expenditure for particular purposes.
- Permanent funds account for the resources accumulated for perpetual care of the cemetery.
- Debt service funds account for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.
- Enterprise funds are used to account for business type activities where the cost of providing the services is covered through fees and charges.
- Internal service funds account for major machinery and equipment purchases and maintenance, as well as the City's Self Insurance activities for medical and liability coverage.

# City of Mt. Pleasant

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Notes to Financial Statements  
Year Ended December 31, 2022

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

#### Fiduciary Funds

- The pension and other employee benefits trust fund accounts for the activities of the police and fire employees' retirement system which accumulates resources for pension benefit payments to qualified police and fire employees and for medical benefits provided to qualified police employees during retirement.
- Tax Collection fund is used to account for monies collected for property taxes for other governmental units that are later disbursed to them.

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

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

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



# City of Mt. Pleasant

## Notes to Financial Statements Year Ended December 31, 2022

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### D. Assets, Liabilities, and Net Position or Equity

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

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

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

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

**Development Costs** – Development costs are recorded in the proprietary fund to capture the costs of purchase and development of land held for economic development.

**Capital Assets** – Capital assets, which include property, plant, equipment, art and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of more than \$20,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are valued at acquisition value (the price that would be paid to acquire an asset with an equivalent service potential in an orderly market transaction) on the date received.

# City of Mt. Pleasant

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Notes to Financial Statements  
Year Ended December 31, 2022

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

**Deferred Outflows/Inflows of Resources** – In addition to assets, the statement of financial position has a separate section for deferred outflows of resources. This section represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. The City has two types of balances that qualifies for reporting in this category. One is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its requisition price. This amount is deferred and amortized over the life of the bonds. The second type of balance reported in this category is related to the net pension/OPEB liability which is discussed in Notes 10 & 11.

In addition to liabilities, the statement of financial position and governmental fund balance sheet has a separate section for deferred inflows of resources. On the statement of net position, this section represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. The city also has a category related to the net pension/OPEB liability which is discussed in Notes 10 & 11. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: long-term contracts and special assessments. These amounts are recognized as inflow of resources in the period that they become available.

# City of Mt. Pleasant

Notes to Financial Statements  
Year Ended December 31, 2022

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

1. Non-spendable - the related asset’s form does not allow expenditure of the balance. The assets are either (a) not in a spendable form or (b) legally or contractually required to be maintained intact. Nonspendable fund balance would be equal to inventory, prepaid items, non-current financial assets, and the nonspendable portion of endowments.
2. Restricted - the related assets can only be spent for the specific purposes stipulated by constitution, external resource providers, or as identified in enabling legislation.
3. Committed - the related assets can only be spent for a specific purpose identified by formal action of the governing board’s highest level of decision-making authority. The governing board can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance or rescind or modify a prior commitment of fund balance.
4. Assigned - the related assets can only be spent for a specific purpose identified by management as authorized by the governing board.

# City of Mt. Pleasant

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Notes to Financial Statements  
Year Ended December 31, 2022

## **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

5. Unassigned - is the residual classification and includes all spendable amounts not contained in the other classifications. The general fund is the only fund that reports a positive unassigned fund balance. In other governmental funds it is not appropriate to report a positive unassigned fund balance. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

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

It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

### **E. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to the MERS pension, and pension expense; information about the fiduciary net position of the Retirement Systems and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the Retirement Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

# City of Mt. Pleasant

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Notes to Financial Statements  
Year Ended December 31, 2022

## **NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

The budget is adopted in accordance with Public Act 493. In accordance with this Act, budgets are adopted on an annual basis for General and Special Revenue funds. Informational Summaries are adopted for Debt Service and Proprietary Funds as a management control device. The budgets for all funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The budget and approved appropriations lapse at the end of the fiscal year.

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

# City of Mt. Pleasant

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## Notes to Financial Statements Year Ended December 31, 2022

### NOTE 3 - DEPOSITS AND INVESTMENTS

#### A. Deposits and Investments

Following is a reconciliation of deposit and investment balances (including both pooled cash and investments as well as pension trust fund balances, see Note 3-B) as of December 31, 2022:

##### **Statement of Net Position**

###### Cash and Investments:

Primary Government	\$ 38,678,994
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Component Unit	1,418,439
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##### **Statement of Fiduciary Net Position**

###### Pension Trust funds

Cash	294,801
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Investments	30,804,240
-------------	------------

###### Tax Collection Fund:

Cash	<u>2,024,610</u>
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<b>Total</b>	<u><u>\$ 73,221,084</u></u>
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##### **Deposits and Investments**

###### Bank Deposits:

Checking/Savings Accounts	\$ 3,715,892
---------------------------	--------------

Insured Cash Sweep	15,400,357
--------------------	------------

Money Market Accounts	5,040,183
-----------------------	-----------

###### Investments in Securities and Mutual Funds:

Municipal Bonds	3,088,531
-----------------	-----------

Commercial Paper	2,940,084
------------------	-----------

US Treasuries	1,445,425
---------------	-----------

Pooled Investments	8,855,738
--------------------	-----------

Pension and OPEB Investments	29,398,089
------------------------------	------------

Government Agencies	3,334,285
---------------------	-----------

Cash on Hand	<u>2,500</u>
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<b>Total</b>	<u><u>\$73,221,084</u></u>
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# City of Mt. Pleasant

## Notes to Financial Statements Year Ended December 31, 2022

### NOTE 3 - DEPOSITS AND INVESTMENTS

#### A. Deposits and Investments (Continued)

As of December 31, 2022 the City had the following investments and maturities.

Investment Type	Fair Value	Investment Maturities	
		Less Than 1 Year	More Than 1 Year
Government Agencies	\$ 3,334,285	\$ 300,000	\$ 3,034,285
Commercial Paper	2,940,084	2,940,084	-
US Treasuries	1,445,425	528,903	916,522
Municipal Bonds	3,088,531	1,545,000	1,543,531

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

	Carrying Amount (Fair Value)	Credit Rating
Mutual and Cash Management Funds (MBIA Class)	\$8,855,738	AAAm

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

**Credit Risk** - Public Act 196 of 1997 authorizes the City to deposit and invest in bonds, securities and other obligations of the United States, or any agency or instrumentality of the United States, in accounts of a financial institution, commercial paper with specific maximum maturities and ratings when purchased, repurchase agreements, bankers acceptances of United States banks, obligations of the State of Michigan or any of its political subdivisions, mutual funds composed of investment vehicles that are legal for direct investment by a public corporation and investments in Michigan government pools. The City's investment policy does not have specific limits in excess of state law on investment credit risk. Credit risk ratings, where applicable, are above the allowable level for each investment. The Commercial Paper is rated A1P1. The Government agencies are debt of corporations established by the United States Government. \$3,334,285 of government agencies are rated AA+. The Municipal Bonds are rated AA+ and are also backed by the State of Michigan.

# City of Mt. Pleasant

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## Notes to Financial Statements Year Ended December 31, 2022

### NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

#### A. Deposits and Investments (Continued)

**Custodial Credit Risk – Deposits** - Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. State law does not require and the City does not have a policy for deposit credit risk. As of year-end, \$5,037,298 of the City's bank balance of \$24,539,296 was exposed to custodial credit risk because it was uninsured and uncollateralized.

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

**Custodial Credit Risk – Investments** - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require a policy for investment custodial credit risk. To minimize custodial credit risk, the City investment policy requires all brokered investments be held in safekeeping by a third party safekeeping company. Of the above pooled/mutual fund investments the City's custodial credit risk exposure cannot be determined because the pooled/mutual funds do not consist of specifically identifiable securities.

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

#### B. Deposits and Investments – Pension and OPEB Trust Funds

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

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



# City of Mt. Pleasant

## Notes to Financial Statements Year Ended December 31, 2022

### NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

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

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

The investments of each pension trust fund are held in a bank-administered trust fund. Following is a summary of pension investments as of December 31, 2022:

	Police and Fire Pension Fund	Police Retiree Health Care Fund	Total
Investments at fair value, as determined by quoted market value			
Domestic Bond Mutual Funds	\$ 5,107,193	\$ 622,740	\$ 5,729,933
Domestic Equity Mutual Funds	18,562,279	925,426	19,487,705
Foreign Equity Mutual Funds	3,952,344	228,107	4,180,451
Total Investments	<u>\$ 27,621,816</u>	<u>\$ 1,776,273</u>	<u>\$29,398,089</u>

**Credit Risk** - The Fire and Police Pension and Police Retiree Health Care board's investment policy provide that safety is the foremost objective of the investment program. To achieve this objective, the board invests predominately in mutual funds. Before purchasing mutual funds the board reviews the prospectus for the fund, the rating of the money manager and the beta for the fund. The bond mutual fund investments are rated three and four by Morningstar Rating Agency.

**Interest Rate Risk** - Public Act 314 of 1965 authorizes the pension trust fund investments in various interest bearing investments. The Fire and Police Pension and Police Retiree Health Care board has chosen to use mutual funds for this type of investment to help mitigate interest rate risk. Approximately 51% of the bond mutual funds are invested in short term (0-3 year maturities), 49% intermediate (4-10 years) and 0% long term (10+ years).

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

# City of Mt. Pleasant

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Notes to Financial Statements  
Year Ended December 31, 2022

## NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

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

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

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

### C. Fair Value Measurement

The City has the following recurring fair value measurements as of year-end:

- The City's Pension and OPEB trust funds investments of domestic equity mutual funds and foreign equity mutual funds are valued using quoted market prices (Level 1 inputs).
- The City's government agencies and the City's Pension and OPEB trust funds investments domestic bond mutual funds are valued using a pricing model utilizing observable fair value measures of fund/pool investments and other observable inputs to determining the fair value of the securities making up the of investments fund/pool (Level 2 inputs).
- The City does not have any investments that report fair value based on significant unobservable inputs (Level 3 inputs).

# City of Mt. Pleasant

## Notes to Financial Statements Year Ended December 31, 2022

### NOTE 4 – RECEIVABLES AND PAYABLES

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

	Governmental Activities	Business-type Activities	Component Units
Taxes	\$ 371,964	\$ -	\$ 73,587
Special Assessments	80,487	-	-
Accounts	189,432	887,021	-
Leases	1,982,865	-	-
Interest	60,400	-	-
Intergovernmental	1,195,779	-	-
Total Receivables	<u>\$ 3,880,927</u>	<u>\$ 887,021</u>	<u>\$ 73,587</u>

Of the \$369,617 Taxes Receivable, \$2,533 is not expected to be collected in one year. Of the \$80,487 Special Assessments, \$55,128 is not expected to be collected in one year. All of the Leases Receivable are not expected to be collected in one year.

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

	Governmental Activities	Business-type Activities	Component Units
Accounts	\$ 337,412	\$ 473,744	\$ 6,995
Contractor Retainage	27,027	82,686	-
Compensated Absences	882,664	71,553	-
Accrued Liabilities	821,547	104,516	-
Accrued Interest	-	68,824	-
Intergovernmental	141,432	-	-
Total Payables	<u>\$ 2,210,082</u>	<u>\$ 801,323</u>	<u>\$6,995</u>

Of the \$882,664 of Compensated Absences, \$476,435 is not expected to be paid in one year.

# City of Mt. Pleasant

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Notes to Financial Statements  
Year Ended December 31, 2022

## NOTE 5 – LEASES

### A. Unregulated leases

The City has entered into three leasing arrangements for areas on and around the City's water towers and other facilities for installation of cellular equipment. Terms for the lease agreements generally provide for consistent fixed monthly payments with an initial 5-year term and an option to the lessee of 4 additional 5-year terms with a 3% rate increase. Current year payments under these lease agreements included principal of approximately \$181,758.

### B. Regulated leases

The City has entered into multiple exclusive leasing arrangements for facilities and areas on and around the City's airport. Monthly fixed payments under these lease agreements during the year were approximately \$22,807. Terms for the lease agreements generally provide for consistent fixed quarterly. Future minimum payments under regulated lease agreements are as follows:

December 31,	
2023	\$17,557
2024	9,091
2025	4,250
2026	1,840
2027-2038	12,480
2039-2040	360
Total	<u>\$45,578</u>

# City of Mt. Pleasant

## Notes to Financial Statements Year Ended December 31, 2022

### NOTE 6 – INTERFUND TRANSFERS

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

<u>Fund Transferred From</u>	<u>Fund Transferred To</u>	<u>Amount</u>
General Fund	Local Street Fund	\$ 172,328
	Land Development Fund	80,680
	Recreation Fund	350,870
	Nonmajor Proprietary Fund	81,600
	Total General Fund	685,478
Major Street Fund	General Fund	412,591
	Local Street	444,050
	Nonmajor Proprietary Fund	23,410
	Total Major Street Fund	880,051
Local Street Fund	General Fund	80,740
	Nonmajor Proprietary Fund	40,450
	Total Local Street Fund	121,190
Nonmajor Governmental Funds	General Fund	41,858
Water Resource Recovery Fund	General Fund	260,590
Water Fund	General Fund	234,300
Recreation Fund	General Fund	63,460
Nonmajor Proprietary Funds	General Fund	81,420
Internal Service Funds	General Fund	49,650
Total		<u>\$2,417,997</u>

# City of Mt. Pleasant

## Notes to Financial Statements Year Ended December 31, 2022

### NOTE 7 – CAPITAL ASSETS

Capital assets balances and activities were as follows:

#### A. Governmental Activities

	Balance December 31, 2021	Additions	Disposals	Balance December 31, 2022
<b>Capital Assets not being depreciated:</b>				
Land	\$ 1,238,848	\$ 275,000	\$ -	\$ 1,513,848
Purchase Buyback Vehicles	573,351	481,868	416,923	638,296
Right of Way	4,204,900	-	-	4,204,900
Net capital assets - non-depreciable	6,017,099	756,868	416,923	6,357,044
<b>Capital Assets being depreciated:</b>				
Land Improvements	6,345,571	191,764	-	6,537,335
Buildings	12,385,478	214,439	-	12,599,917
Building Improvements	1,073,214	-	-	1,073,214
Vehicles	5,958,766	-	-	5,958,766
Equipment	4,047,452	445,877	8,068	4,485,261
Infrastructure	35,464,621	906,123	-	36,370,744
Subtotal	65,275,102	1,758,203	8,068	67,025,237
<b>Accumulated depreciation:</b>				
Land Improvements	4,532,397	184,554	-	4,716,951
Buildings	8,632,490	405,094	-	9,037,584
Building Improvements	903,065	3,623	-	906,688
Vehicles	4,543,135	296,122	-	4,839,257
Equipment	3,421,399	238,902	8,068	3,652,233
Infrastructure	30,228,268	369,496	-	30,597,764
Subtotal	52,260,754	1,497,791	8,068	53,750,477
Net capital assets - being depreciated	13,014,348	260,412	-	13,274,760
Net governmental capital assets	\$ 19,031,447	\$ 1,017,280	\$ 416,923	\$ 19,631,804

# City of Mt. Pleasant

## Notes to Financial Statements Year Ended December 31, 2022

### NOTE 7 – CAPITAL ASSETS (CONTINUED)

#### B. Business-type Activities

	Balance December 31, 2021	Additions	Disposals	Balance December 31, 2022
<b>Capital Assets not being depreciated:</b>				
Land	\$ 543,926	\$ -	\$ -	\$ 543,926
Construction in Progress	164,545	1,739,774	-	1,904,319
Net capital assets - Non-Depreciable	708,471	1,739,774	-	2,448,245
<b>Capital Assets being depreciated:</b>				
Land Improvements	1,389,538	-	-	1,389,538
Buildings	1,740,169	-	-	1,740,169
Equipment	2,747,881	76,048	-	2,823,929
Infrastructure	65,428,694	1,143,187	-	66,571,881
Subtotal	71,306,282	1,219,235	-	72,525,517
<b>Accumulated depreciation:</b>				
Land Improvements	1,339,037	13,524	-	1,352,561
Buildings	1,370,956	33,311	-	1,404,267
Equipment	2,609,509	39,569	-	2,649,078
Infrastructure	51,923,221	1,332,860	-	53,256,081
Subtotal	57,242,723	1,419,264	-	58,661,987
Net capital assets - being depreciated	14,063,559	(200,029)	-	13,863,530
Net business-type capital assets	\$ 14,772,030	\$1,539,745	\$ -	\$ 16,311,775

# City of Mt. Pleasant

## Notes to Financial Statements Year Ended December 31, 2022

### NOTE 7 – CAPITAL ASSETS (CONTINUED)

#### C. Component Units

	Balance December 31, 2021	Additions	Disposals	Balance December 31, 2022
<b>Capital Assets not being depreciated:</b>				
Land	\$ 281,101	\$ -	\$ 275,001	\$ 6,100
Art	92,869	-	-	92,869
Net capital assets - non-depreciable	373,970	-	275,001	98,969
<b>Capital Assets being depreciated:</b>				
Land Improvements	2,056,585	-	168,853	1,887,732
Infrastructure	1,301,638		635,139	666,499
Subtotal	3,358,223	-	803,992	2,554,231
<b>Accumulated depreciation:</b>				
Land Improvements	1,816,819	10,805	-	1,827,624
Infrastructure	727,816	30,612	152,346	606,082
Subtotal	2,544,635	41,417	152,346	2,433,706
Net capital assets - being depreciated	813,588	(41,417)	651,646	120,525
Net component units capital assets	<u>\$ 1,187,558</u>	<u>\$ (41,417)</u>	<u>\$ 926,647</u>	<u>\$ 219,494</u>



# City of Mt. Pleasant

Notes to Financial Statements  
Year Ended December 31, 2022

## NOTE 7 – CAPITAL ASSETS (CONTINUED)

### D. Depreciation Expense

Depreciation expense was charged to the primary government as follows:

#### Governmental Activities:

General Government	\$ 651,360
Public Safety	467,377
Highways, Streets & Bridges	160,263
Internal Service Fund depreciation is charged back to the various funds based on their usage of the assets	<u>218,791</u>

Total Governmental Activities	<u><u>\$ 1,497,791</u></u>
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#### Business-Type Activities:

Water Resource Recovery	\$ 621,132
Water	750,094
Solid Waste Management	5,760
Airport	<u>42,277</u>

Total Business-Type Activities	<u><u>\$ 1,419,263</u></u>
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# City of Mt. Pleasant

## Notes to Financial Statements Year Ended December 31, 2022

### NOTE 8 – LONG-TERM DEBT

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

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

#### A. Governmental Activities

	Interest Rate Range	Principal Maturity Range	Beginning Balance	Additions (Reductions)	Ending Balance	Due Within One Year
<u>General Obligation Bonds</u>						
2016 Refunding Capital Improvements Bond						
Amount of Issue \$1,696,000	1.25% -	\$350,000 -				
Maturing thru 2022	1.95%	\$367,000	\$ 367,000	\$(367,000)	\$-	\$-
<u>Other Long-term Obligations</u>						
Compensated Absences						
Vacation			503,172	471,236		
				(356,217)	618,191	356,217
Sick			281,976	114,989		
				(132,492)	264,473	50,012
Compensated Absences			785,148	97,516	882,664	406,229
Total Governmental Activities			\$1,152,148	\$(269,484)	\$882,664	\$406,229

The sick portion of compensated absences balance considered payable within one year is for the balances of employees who have formally indicated their intent to retire in 2023. The vacation portion of compensated absences balance considered payable within one year is an estimate based on 2022 usage. For governmental activities, compensated absences are generally liquidated by the General Fund. For governmental activities Pension and OPEB liabilities are generally liquidated by the General and Major/Local Street Funds.

# City of Mt. Pleasant

## Notes to Financial Statements Year Ended December 31, 2022

### NOTE 8 – LONG-TERM DEBT (CONTINUED)

#### B. Business-Type Activities

	Interest Rate Ranger	Principal Maturity Range	Beginning Balance	Additions (Reductions)	Ending Balance	Due Within One Year
<u>Revenue Bonds</u>						
2007 Water Refunding Bonds						
Amount of Issue \$5,195,000	4.00% -	\$420,000 -				
Maturing thru 2022	5.00%	\$520,000	\$ 520,000	\$(520,000)	\$ -	\$ -
2016 Water Refunding Bonds						
Amount of Issue \$926,000	2.4%	\$452,000-				
Maturing 2023 & 2024		\$476,000	928,000	-	928,000	452,000
2022 WRRF Bonds						
Amount of Issue \$8,500,000	2.77%	\$325,000-				
Maturing 2042		\$545,000	-	8,500,000	8,500,000	325,000
<u>Other Long-Term Liabilities</u>						
EGLE Loan Payable *	.25%	\$69,515 -				
Maturing 2030		\$80,673	674,477	(77,302)	597,175	79,181
Total Business-Type Activities			2,122,477	7,902,698	10,025,175	856,181
			<u>\$3,274,625</u>	<u>\$7,633,214</u>	<u>\$10,907,839</u>	<u>\$1,262,410</u>

All of the City's outstanding debt has been financed through private placement. The City has pledged its limited faith and credit within legal limits for the repayment of the General Obligation Bonds.

# City of Mt. Pleasant

## Notes to Financial Statements Year Ended December 31, 2022

### NOTE 8 – LONG-TERM DEBT (CONTINUED)

#### C. Debt Service Requirements

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

##### Primary Government:

Year Ended December 31,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2023	-	-	\$ 856,181	\$253,791
2024	-	-	890,379	233,455
2025	-	-	419,578	218,264
2026	-	-	429,776	208,648
2027	-	-	439,976	198,753
Thereafter	-	-	6,989,285	1,601,818
Total	\$-	\$ -	\$10,025,175	\$2,714,729

#### D. Conduit Debt Obligation

During 2000, the City of Mt. Pleasant issued bonds, in the amount of \$2,400,000, for Crisis Center, Inc. to obtain the necessary funding to construct 40 units of low and moderate-income housing. The bonds do not constitute a charge, lien or encumbrance, legal or equitable, upon any property within the City except the housing project constructed. The bonds clearly state that under no circumstances will the City, the County, the State or any of its taxpayers or citizens ever be required to pay any of the principal or interest on the bonds, or any costs relating to the issuance thereof from any tax revenues. The outstanding balance on the debt as of December 31, 2022 is \$404,103.

# City of Mt. Pleasant

## Notes to Financial Statements Year Ended December 31, 2022

### NOTE 9 – RESTRICTED NET POSITION

Specific net position have been restricted as follows:

#### Governmental Activities

General Fund	
Unspent Donations	\$ 483,206
Major Street	
Unspent Donations	15,400
Unspent Act 51	1,609,782
Local Street	
Unspent Donations	15,209
Unspent Act 51	883,423
Other Nonmajor Governmental Funds	
Downtown Special Assessment	141,618
Permanent Fund	
Cemetery Perpetual Care	<u>237,072</u>
 Total Governmental Activities	 <u><u>\$3,385,710</u></u>

#### Business Type Activities

Water Resource Recovery Fund	
Unspent Donation	\$ 325,583
Water Fund	
Unspent Donation	25,000
Land Development Fund	
Unspent Donation	50,000
Recreation Fund	
Unspent Donation	20,401
Nonmajor Proprietary Funds	
Unspent Donation	162,527
Legal Requirements – County Agreement	<u>200,000</u>
 Total Business-Type Activities	 <u><u>\$ 783,511</u></u>

#### Component Units

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

## Notes to Financial Statements Year Ended December 31, 2022

### NOTE 10 - RISK MANAGEMENT

#### A. Property/Liability

The City is exposed to various risks related to civil suits, property protection, errors and omissions and natural disasters. The City participates in a risk pool with other local units of government in the Michigan Municipal Risk Management Authority. This self-insurance plan provides members with loss protection for property damage, general liability, automobile damage, machinery damage and errors and omissions. The City pays an annual contribution to provide for the procurement of re-insurance, risk management, underwriting, establishment of loss reserves, and other related expenses. The City also makes contributions to its member retention fund. When a claim is incurred and or paid, the individual member retention fund is charged up to the \$185,000 annual self-retention limits; individual claims for liability and sewage overflow in excess of \$100,000 are paid by the reinsurance. The City has no obligation for payment of another member's losses.

The City carries Airport liability insurance from a commercial carrier.

There have been no reductions in insurance coverage of any type from December 31, 2020. For the past three years, settlement of insurance claims has not exceeded insurance coverage.

#### B. Medical Claims

The City provides group health insurance to its employees through a self-funded health plan. TrustMark administers the plan under contractual agreement with the City. The plan is accounted for in the City's Self Insurance Fund. The City has stop-loss insurance coverage for all claims in excess of \$150,000 per individual plus corridor for first individual claim. A liability for claims incurred but not yet reported (IBNR Claims) of \$302,000 has also been recorded in the Self Insurance Fund. The IBNR Claims reported consist of projected claims to be paid in 2023 based on the plan's previous two years history.

#### C. Schedule of Claims

	Property/Liability		Medical	
	2022	2021	2022	2021
IBNR Claims Payable Beginning of Year	\$ 75,080	\$194,950	\$ 139,900	\$ 223,740
Claims Incurred	(33,829)	(42,348)	2,776,104	1,834,939
Claims Paid	(34,751)	(77,522)	(2,614,004)	(1,918,779)
IBNR Claims Payable End of Year	<u>\$6,500</u>	<u>\$ 75,080</u>	<u>\$ 302,000</u>	<u>\$ 139,900</u>

# City of Mt. Pleasant

## Notes to Financial Statements Year Ended December 31, 2022

### NOTE 11 – POST-EMPLOYMENT BENEFITS

#### A. Employer Paid Healthcare

Following are the financial statements for the individual pension and other post-employment benefit plans for the year ended December 31, 2022.

#### Statement of Plan Net Position

	Pension Benefits	Retiree Health Benefits	Total Trust Funds
<b>ASSETS</b>			
Other Cash	\$ -	\$ 294,802	\$ 294,802
Investments, at Fair Value:			
Mutual Funds	27,621,816	1,776,272	29,398,088
Money Market Funds	1,347,858	58,293	1,406,151
Total Assets	<u>\$ 28,969,674</u>	<u>\$ 2,129,367</u>	<u>\$ 31,099,041</u>
<b>LIABILITIES</b>			
Accounts Payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>NET POSITION</b>			
Restricted for Pensions	<u>\$ 28,969,674</u>	<u>\$ 2,129,366</u>	<u>\$ 31,099,041</u>

# City of Mt. Pleasant

## Notes to Financial Statements Year Ended December 31, 2022

### NOTE 11 – POST-EMPLOYMENT BENEFITS (CONTINUED)

#### A. Employer Paid Healthcare (Continued)

##### Statement of Changes in Plan Net Position

	Pension Benefits	Retiree Health Benefits	Total Trust Funds
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 757,805	\$ 183,219	\$ 941,024
Employee	182,083	26,510	208,593
Total Contributions	939,888	209,729	1,149,617
Investment Income			
Decrease in Fair Value of Investments	(6,784,342)	(396,661)	(7,181,003)
Interest	7,797	684	8,481
Dividends	1,294,788	61,280	1,356,068
Total Investment Income	(5,481,757)	(334,697)	(5,816,454)
Total Additions	(4,541,869)	(124,968)	(4,666,837)
<b>DEDUCTIONS</b>			
Benefit Payments	2,114,423	83,578	2,198,001
Administration Expense	34,499	18,327	52,826
Total Deductions	2,148,922	101,905	2,250,827
<b>CHANGE IN NET POSITION</b>	(6,690,791)	(226,873)	(6,917,664)
<b>NET POSITION - JANUARY 1</b>	35,660,465	2,356,240	38,016,705
<b>NET POSITION - DECEMBER 31</b>	<u>\$ 28,969,674</u>	<u>\$ 2,129,367</u>	<u>\$ 31,099,041</u>

The combined expense for the two Other Post Employment Benefit plans was \$(61,979). The combined expense for the two Pension plans was combined \$1,420,152.



# City of Mt. Pleasant

Notes to Financial Statements  
Year Ended December 31, 2022

## NOTE 11 – POST-EMPLOYMENT BENEFITS (CONTINUED)

### A. Employer Paid Healthcare (Continued)

**Plan Description** -City of Mt. Pleasant Police Officers Post-Retirement Health Care Plan (the “Police Plan”) is a single employer plan established and administered by the City and can be amended at its discretion. The Police Plan is included as an other post-employment benefits trust fund in the City’s financial statements; a stand-alone financial report of the Plan has not been issued, but a legal trust has been established for the plan.

**Benefits Provided** -In accordance with POAM and COAM union agreements, in addition to providing pension benefits, the City provides all police and command officers who were hired prior to January 2010 and who retire with Act 345 pension benefits after January 1, 2002 with paid health care benefits for the retiree only.

Membership of the Plan consisted of the following at the date of the latest actuarial valuation (December 31, 2022):

Retirees Receiving Benefits	14
Active Plan Members	<u>16</u>
Total	<u>30</u>

**Contributions** -The Police Plan was established and is being funded under the authority of the City Commission and under agreements with unions representing various classes of employees. The Plan’s funding policy is that the employer will contribute any required amounts as determined by an annual actuarial valuation. There are no long-term contracts for contributions to the Plan. The plan has no legally required reserves.

**Net OPEB Liability** - The employer’s net OPEB liability was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an annual actuarial valuation as of that date.

# City of Mt. Pleasant

## Notes to Financial Statements Year Ended December 31, 2022

### NOTE 11 – POST-EMPLOYMENT BENEFITS (CONTINUED)

#### A. Employer Paid Healthcare (Continued)

The total OPEB liability in the December 31, 2022 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: Implicit in expected payroll increases and asset return

Salary Increases: 3.0%

Investment rate of return: 5.50%, net of investment expense, including inflation

Healthcare cost trend rates: pre-65 medical 7.5% in 2021 graded down 0.25% per year to 4.5%, Medicare eligible medical 5.75% in 2021 graded down by 0.25% per year to 4.5%.

Mortality rates: Public General and Public Safety 2010 Employee and Healthy Retiree, Headcount weighted

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Rate of Return</u>
Domestic Equity	50.4%	7.35%
International Equity	12.4%	6.64%
Fixed Income	34%	2.83%
Cash	3.2%	0.38%

The City, as plan sponsor and investment fiduciary, has chosen for the Plan an asset mix intended to meet or exceed a long-term rate of return of 5.5%.

# City of Mt. Pleasant

## Notes to Financial Statements Year Ended December 31, 2022

### NOTE 11 – POST-EMPLOYMENT BENEFITS (CONTINUED)

#### A. Employer Paid Healthcare (Continued)

Concentrations: The plan held the following investments which were greater than 5% of the Plan's fiduciary net position of \$2,129,366:

<u>Investment</u>	<u>Percent</u>
Admiral Vanguard Intl Stock Index Fund	5.4%
Admiral Vanguard US Growth Fund	5.5%
Admiral Vanguard Primecap Fund	6.2%
Admiral Vanguard Ttl Bond Mkt Index Fund	6.4%
Admiral Vanguard Equity Income Fund	7.6%
Dodge and Cox Income Fund	11.5%
Federated Total Return Bond Fund	11.48%
Admiral Vanguard 500 Index Fund	21.6%

Rate of return: For the year ended December 31, 2022 the annual money-weighted rate of return on investments, net of investment expense, was -17.65%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount rate: The discount rate used to measure the total OPEB liability is 5.54%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

# City of Mt. Pleasant

## Notes to Financial Statements Year Ended December 31, 2022

### NOTE 11 – POST-EMPLOYMENT BENEFITS (CONTINUED)

#### A. Employer Paid Healthcare (Continued)

##### Changes in the Net OPEB Liability

		Increase (Decrease)	
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balance at December 31, 2021	\$3,589,809	\$2,356,240	\$1,233,569
Changes for the Year:			
Service cost	24,134	-	24,134
Interest	197,897	-	197,897
Differences Between Expected and Actual Experience	(9,611)	-	(9,611)
Change in Assumptions	20,731	-	20,731
Contributions: Employer	-	183,219	(183,219)
Contributions: Employee	-	26,510	(26,510)
Net Investment Income	-	(334,697)	334,697
Benefit Payments	(83,578)	(83,578)	-
Administrative Expense	-	(18,327)	18,327
Net Changes	149,573	(226,873)	376,446
Balance at December 31, 2022	\$3,739,382	\$2,129,367	\$1,610,015

#### Sensitivity of the Net OPEB Liability to changes in the discount rate

The following presents the net OPEB liability of the employer, calculated using the discount rate of 5.54%, as well as what the employer's net OPEB liability would be using a discount rate that is 1 percentage point lower (4.54%) or 1% higher (6.54%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	\$4,322,007	\$3,739,382	\$3,270,676
Fiduciary Net Position	(2,129,367)	(2,129,367)	(2,129,367)
Net OPEB Liability	\$2,192,640	\$1,610,015	\$1,141,309
Plan Fiduciary Position as a Percentage of the Total OPEB Liability		56.9%	

# City of Mt. Pleasant

## Notes to Financial Statements Year Ended December 31, 2022

### NOTE 11 – POST-EMPLOYMENT BENEFITS (CONTINUED)

#### A. Employer Paid Healthcare (Continued)

##### **Sensitivity of the Net OPEB Liability to changes in the healthcare cost trend rates**

The following presents the net OPEB liability of the employer, calculated using the healthcare cost trend rate, as well as what the employer's net OPEB liability would be using a healthcare cost trend rate that is 1 percentage point lower or 1% higher than the current rate.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	\$3,214,852	\$3,739,382	\$4,392,595
Fiduciary Net Position	(2,129,367)	(2,129,367)	(2,129,367)
Net OPEB Liability	<u>\$1,085,485</u>	<u>\$ 1,610,015</u>	<u>\$2,263,228</u>

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

For the year ended December 31, 2022 the employer recognized OPEB expense of \$347,710. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in Experience	\$330,454	\$(165,975)
Differences in Assumptions	416,421	-
Excess(Deficit) Investment Returns	229,130	-
Total	<u>\$976,005</u>	<u>\$(165,975)</u>

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

2023	\$ 415,293
2024	203,065
2025	114,905
2026	76,767
2026	-
Thereafter	-
Total	<u>\$ 810,030</u>

# City of Mt. Pleasant

Notes to Financial Statements  
Year Ended December 31, 2022

## NOTE 11 – POST-EMPLOYMENT BENEFITS (CONTINUED)

### B. Other Post-Employment Benefits

**Plan Description** -City of Mt. Pleasant Post-Employment Health Care Plan (the “Plan”) is a single employer plan established and administered by the City and can be amended at its discretion.

**Benefits Provided** -In accordance with the collective bargaining agreements, retirees may purchase insurance at established rates for the self-funded health plan.

Membership of the Plan consisted of the following at the date of the latest actuarial valuation (December 31, 2021):

Retirees and Beneficiaries Receiving Benefits	51
Active Plan Members	<u>122</u>
Total	<u>173</u>

**Contributions** -The Plan was established and is being funded under the authority of the City Commission and under agreements with unions representing various classes of employees. The Plan’s funding policy is that the employer will fund the plan on a pay-as-you-go basis. That is, benefit payments will be made from general operating funds. There are no long-term contracts for contributions to the Plan. The plan has no legally required reserves.

**Net OPEB Liability** -The employer’s net OPEB liability at December 31, 2022 was determined by rolling forward the total OPEB liability from the actuarial valuation performed as of December 31, 2021

The total OPEB liability in the December 31, 2021 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: Implicit in expected payroll increases  
Salary Increases: 2.7%  
Investment rate of return: N/A; plan is not funded

# City of Mt. Pleasant

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Notes to Financial Statements  
Year Ended December 31, 2022

## **NOTE 11 – POST-EMPLOYMENT BENEFITS (CONTINUED)**

### **B. Other Post-Employment Benefits (Continued)**

20 year Aa Municipal Bond Rate: 2.25%

Healthcare cost trend rates: pre-65 medical 7.25% in 2022 graded down 0.5% per year to 4.5%, Medicare eligible medical 5.5% in 2022 graded down .25% per year thereafter to 4.5%

Mortality rates: RP 2010 Headcount weighted, annuitant and non-annuitant, sex distinct  
Mortality with MP-2018 improvement scale

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

As this plan is not pre-funded, no long-term expected rate of return on Plan investments was determined.

Discount rate: The discount rate used to measure the total OPEB liability is 2.25%. Because the plan does not have a dedicated OPEB trust, there are not assets projected to be sufficient to make projected future benefit payments of current plan members. For projected benefits that are covered by projected assets, the long-term expected rate would be used to discount the projected benefits. From the year projected benefits are not projected to be covered by the projected assets (the “depletion date”), projected benefits would be discounted at a discount rate reflecting a 20 year AA/Aa tax exempt municipal bond yield. A single equivalent discount rate that yields the same present value of benefits is calculated. This discount rate is used to determine the Total OPEB Liability. As of December 31, 2022 the discount rate used to value the OPEB liabilities was 2.25%.

# City of Mt. Pleasant

## Notes to Financial Statements Year Ended December 31, 2022

### NOTE 11 – POST-EMPLOYMENT BENEFITS (CONTINUED)

#### B. Other Post-Employment Benefits (Continued)

##### Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balance at December 31, 2021	\$3,725,985	\$ -	\$3,725,985
Changes for the Year:			
Service Cost	133,065	-	133,065
Interest	84,127	-	84,127
Differences Between Expected and Actual Experience	50,194	-	50,194
Change in Assumptions	(605,433)	-	(605,433)
Contributions: Employer	-	120,088	(120,088)
Contributions: Employee	-	-	-
Net Investment Income	-	-	-
Benefit Payments	(120,088)	(120,088)	-
Administrative Expense	-	-	-
Net Changes	(458,135)	-	(458,135)
Balance at December 31, 2022	\$3,267,850	\$ -	\$3,267,850

#### Sensitivity of the Net OPEB Liability to changes in the discount rate

The following presents the net OPEB liability of the employer, calculated using the discount rate of 2.25%, as well as what the employer's net OPEB liability would be using a discount rate that is 1 percentage point lower (1.25%) or 1% higher (3.25%) than the current rate.

	1% Decrease	Current Discount rate	1% Increase
Total OPEB liability	\$3,546,724	\$3,267,850	\$3,015,356
Fiduciary net position	-	-	-
Net OPEB liability	\$3,546,724	\$3,267,850	\$3,015,356
Plan fiduciary position as a percentage of the total OPEB liability		0%	



# City of Mt. Pleasant

## Notes to Financial Statements Year Ended December 31, 2022

### NOTE 11 – POST-EMPLOYMENT BENEFITS (CONTINUED)

#### B. Other Post-Employment Benefits (Continued)

Sensitivity of the Net OPEB Liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the employer, calculated using the healthcare cost trend rate, as well as what the employer's net OPEB liability would be using a healthcare cost trend rate that is 1 percentage point lower or 1% higher than the current rate.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	\$2,942,739	\$3,267,850	\$3,640,049
Fiduciary Net Position	-	-	-
Net OPEB Liability	<u>\$2,942,739</u>	<u>\$3,267,850</u>	<u>\$3,640,049</u>

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

For the year ended December 31, 2022 the employer recognized OPEB expense of \$(409,689). The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in Experience	\$ 740,484	\$(892,451)
Differences in Assumptions	1,181,827	(2,912,852)
Excess(Deficit) Investment Returns	-	-
Total	<u>\$1,922,311</u>	<u>\$(3,805,303)</u>

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

2023	\$(506,793)
2024	(506,793)
2025	(590,471)
2026	(278,935)
Thereafter	<u>-</u>
Total	<u><u>\$(1,882,992)</u></u>

# City of Mt. Pleasant

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## Notes to Financial Statements Year Ended December 31, 2022

### NOTE 12 - EMPLOYEE RETIREMENT SYSTEMS

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

#### A. Municipal Employees Retirement System of Michigan

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

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

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

Membership of the defined benefit plan consisted of the following at the date of the latest actuarial valuation (December 31, 20201):

Active Plan Members	83
Inactive Employees Entitled But Not Yet Receiving Benefits	16
Inactive Employees or Beneficiaries Currently Receiving Benefits	<u>127</u>
Total	<u><u>226</u></u>

# City of Mt. Pleasant

## Notes to Financial Statements Year Ended December 31, 2022

### NOTE 12 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

#### A. Municipal Employees Retirement System of Michigan (Continued)

**Contributions** - The City is required to contribute at an actuarially determined rate. The employer makes an annual contribution the first of the year and the credit is applied monthly to the liability for the month. During 2019 an additional contributions of \$240,000 in 2019, \$100,000 in 2020 and \$1,200,000 in 2022 have been made. Participating employees are required to contribute from 4.0% to 5.0% percent of gross wages to the Plan based on position and classification. The contribution requirements of the City are established and may be amended by the MERS Retirement Board. The contribution requirements of employees are established and may be amended by labor agreements.

**Net Pension Liability** - The employer's Net Pension Liability was measured as of December 31, 2022.

The total pension liability in the December 31, 2021 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation: 2.5%.
- Salary Increases: 3.0% in the long-term (plus merit and longevity from 0 to 11% based on age)
- Investment rate of return: 6.75%, net of investment expense, including inflation
- Mortality rates used for non-disabled plan member were based on a weighted blend of RP-2014 mortality tables of a 50% Male and 50% Female blend. Mortality rates used for disabled plan member were based on a blend of RP-2014 disabled retire mortality tables of a 50% Male and 50% Female blend of disabled retirees.

The actuarial assumptions used in valuation were based on the results of the 2021 actuarial experience study.

# City of Mt. Pleasant

## Notes to Financial Statements Year Ended December 31, 2022

### NOTE 12 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

#### A. Municipal Employees Retirement System of Michigan (Continued)

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Expected Money Weighted Rate of Return</u>
Global Equity	60.0%	4.50%	2.70%
Global Fixed Income	20.0%	2.00%	0.40%
Private Investments	20.0%	7.00%	1.40%
Inflation			2.5%
Administrative fee			<u>0.25%</u>
Investment rate of return			<u>7.25%</u>

Discount rate: The discount rate used to measure the total pension liability is 7.25% which changed from the prior year (7.6%). The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

# City of Mt. Pleasant

## Notes to Financial Statements Year Ended December 31, 2022

### NOTE 12 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

#### A. Municipal Employees Retirement System of Michigan (Continued)

##### Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at December 31, 2021	\$36,648,196	\$27,066,046	\$9,582,150
Changes for the Year:			
Service Cost	561,112	-	561,112
Interest	2,499,826	-	2,499,826
Change in Benefits	-	-	-
Differences Between Expected and Actual	183,251	-	183,251
Change in Assumptions	1,337,295	-	1,337,295
Contributions: Employer	-	2,730,183	(2,730,183)
Contributions: Employee	-	195,951	(195,951)
Net Investment Income	-	(2,886,428)	2,886,428
Benefit Payments, including Refunds	(2,433,913)	(2,433,913)	-
Administrative Expense	-	(51,705)	51,705
Other Changes	126,259	-	126,259
Net Changes	2,273,830	(2,445,912)	4,719,742
Balance at December 31, 2022	\$38,922,026	\$24,620,134	\$14,301,892

For the year ended December 31, 2022 the employer recognized pension expense of \$2,760,753. This includes an additional \$1.2 million over the actuarial determined contribution. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contribution After Measurement Date	\$ -	\$ -
Differences in Experience	122,167	(287,423)
Differences in Assumptions	1,307,097	-
Excess (Deficit) Investment Returns	2,155,388	-
Total	\$3,584,652	\$ (287,423)

# City of Mt. Pleasant

Notes to Financial Statements  
Year Ended December 31, 2022

## NOTE 12 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

### A. Municipal Employees Retirement System of Michigan (Continued)

Amounts reported as deferred outflows/inflows of resources from investment returns and differences in experience and assumptions related to pensions will be recognized in pension expense as follows:

2023	\$ 798,787
2024	908,843
2025	630,305
2026	959,294
	<hr/>
Total	\$ 3,297,229

**Sensitivity of the Net Pension Liability to changes in the discount rate** – The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.25%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower (6.25%) or 1% higher (8.25%) than the current rate.

	6.25%	Current Discount rate	7.25%
Total Pension Liability	\$42,888,147	\$38,922,026	\$35,562,701
Fiduciary Net Position	(24,620,134)	(24,620,134)	(24,620,134)
Net Pension Liability	<hr/> \$18,268,013	<hr/> \$14,301,892	<hr/> \$ 10,942,567

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

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

# City of Mt. Pleasant

Notes to Financial Statements  
Year Ended December 31, 2022

## NOTE 12 – EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

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

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

At December 31, 2022 membership in the System is as follows:

<u>Group</u>	<u>Membership</u>
Active Members	38
Retirees and Beneficiaries	
Currently Receiving Benefits	53
Inactive, Vested Members	1

The system provides retirement, disability and death benefits to plan members and their beneficiaries. The following brief description of the Fire and Police Pension System plan is provided for general information purposes only. Participants should refer to the Plan agreement for more complete information. Fire retirees' hired before December 31, 2019, straight life pension equals 2.75% of 3-year average final compensation (AFC) times the first 25 years of service plus 1% of AFC times years of service in excess of 25 years with an 80% of AFC maximum benefit. Fire retirees' hired after December 31, 2019 straight life pension equals 2.5% of 3-year average final compensation for all years of service with a 75% of AFC maximum benefit. Police retirees' hired prior to January 1, 2019 straight life pension equals 2.75% of 3-year AFC times the greater of 25 years of service or years of service to age 50, plus 1% of AFC times years of service to which 2.75% multiplier didn't apply with a 75% of AFC maximum benefit. Police retirees' hired after January 1, 2019 straight life pension equals 2.5% of 3-year average final compensation for all years of service with a 75% of AFC maximum benefit. All members are eligible for non-duty disability upon 5 years of service and for duty disability upon hire. Non-duty death benefits are eligible to a surviving spouse upon 10 years of service and duty death upon hire and expiration of workers' compensation benefits. A plan member who leaves service may withdraw their contributions, plus any accumulated interest.

The union agreements for Police and Fire provide for a 13<sup>th</sup> check provided the plan is greater than 84% funded. Police 13<sup>th</sup> check for officers retired before January 1, 2002 is 7.5% of payments to eligible retirees divided by the number of eligible police retirees and beneficiaries. Fire 13<sup>th</sup> check is 5% for firefighters retired prior to 2000 and 7.5% for firefighters retired before December 31, 2022 and after 2000.

# City of Mt. Pleasant

## Notes to Financial Statements Year Ended December 31, 2022

### NOTE 12 – EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

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

Plan member benefits and member contributions are determined based on negotiations with the three bargaining units covering members. Police plan members hired prior to January 1, 2019 are required to contribute 5% of their annual covered payroll. Police plan members hired after January 1, 2019 are required to contribute 4% of their annual covered payroll if the plan is 84% or greater funded and 5% if not. Fire plan members are required to contribute 5% of their annual covered payroll. Employer contributions to the plan provide for an annual contribution at an actuarially determined rate. The City levies a voted millage to cover the contribution. Administrative costs of the plan are financed through investment earnings.

#### Trend Information

	<u>2020</u>	<u>2021</u>	<u>2022</u>
Annual Pension Cost (APC)	\$ 744,611	\$ 779,317	\$ 757,805
Percentage of APC to Cover Payroll	23.0%	24.3%	24.0%
Percentage of APC Contributed	100%	100%	100%

#### Investments

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

For the year ended December 31, 2022, the annual money-weighted rate of return on pension lan investments, net of pension plan investment expense, was (21.0)%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.



# City of Mt. Pleasant

## Notes to Financial Statements Year Ended December 31, 2022

### NOTE 12 – EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

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

##### Reserves

The system is required to maintain reserves for employees' contributions and retired benefit payments. At December 31, 2022 these reserves equal 100% of non-retired employee contributions plus interest and 100% of the actuarial determined reserve for retiree benefit payments. Reserve balances at December 31, 2022 are:

Reserve for Employee Contribution	\$ 1,719,108
Reserve for Retiree Benefit Payment	25,172,423

##### Net Pension Liability of the City

The components of the net pension liability of the City at December 31, 2021 were as follows:

Total Pension Liability	\$ 38,286,121
Plan Fiduciary Net Position	(28,969,674)
City's Net Pension Liability	\$ 9,316,447

Plan Fiduciary net position as a percentage of total pension liability 75.67%

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experiences study dated March 27, 2022. Significant actuarial assumptions used include (a) a 7.25% net investment yield, (b) projected salary increases of 3.25% to 6.25% including a percentage based in an age-related scale to reflect merit, longevity and promotional salary increases per year and (c) inflation of 3.25%. Mortality rates were based on the RP2000 Group Annuity Mortality Table for males and females projected to 2017 using scale BB with a 3-year set forward for males.

The long-term expected rate of return on pension plan investments was determined to be 6.75% a year, compounded annually. The assumptions consist of 2.75% for real rate of return and 4% in recognition of wage inflation.

# City of Mt. Pleasant

## Notes to Financial Statements Year Ended December 31, 2022

### NOTE 12 – EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

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

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at the current contributions rate and that the City contributions will be made at rates equal to the difference between actuarially determined contributions and the member rates. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension benefit liability.

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

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at December 31, 2021	\$36,475,496	\$35,660,465	\$815,031
Service Cost	710,339	-	710,339
Interest on Total Pension Liability	2,414,708	-	2,414,708
Changes in Benefits	-	-	-
Differences between Expected and Actuarial Experience	800,001	-	800,001
Assumption Changes	-	-	-
Employer Contributions	-	757,805	(757,805)
Employee Contributions	-	182,083	(182,083)
Net Investment Income	-	(5,481,757)	5,481,757
Benefit Payments	(2,114,423)	(2,114,423)	-
Administration Expense	-	(34,499)	34,499
Net Changes	1,810,625	(6,690,791)	8,501,416
Balance at December 31, 2022	<u>\$38,286,121</u>	<u>\$28,969,674</u>	<u>\$9,316,447</u>

# City of Mt. Pleasant

## Notes to Financial Statements Year Ended December 31, 2022

### NOTE 12 – EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

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

The following presents the net pension liability to the City, calculated using the discount rate of 6.75%, as well as the City's net pension liability would be if it were calculated using a discount rate that is 1% lower (5.75%) and 1% higher (7.75%) than the current rate;

<u>5.75%</u>	Current Discount Rate <u>6.75%</u>	<u>7.75%</u>
\$13,945,267	\$9,316,447	\$5,634,808

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

For the year ended December 31, 2022 the City recognized pension expense of \$1,386,308. At December 31, 2022, the City reported pension-related deferred outflows of resources from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contribution After Measurement Date	\$ -	\$ -
Differences in Experience	698,654	(36,225)
Differences in Assumptions	924,164	-
Excess (Deficit) Investment Returns	6,278,426	(3,247,807)
Total	<u>\$7,901,244</u>	<u>\$(3,284,032)</u>

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

<u>Year Ended December 31,</u>	<u>Amount</u>
2023	\$ 673,220
2024	1,237,702
2025	1,136,685
2026	1,569,605
Total	<u>\$4,617,212</u>

# City of Mt. Pleasant

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## Notes to Financial Statements Year Ended December 31, 2022

### **NOTE 13 – JOINT VENTURE**

The City of Mt. Pleasant is a participant in the Mid-Michigan Area Cable Consortium. The Consortium is comprised of several Mid-Michigan governmental units who are provided cable service from the same cable provider. The Consortium is organized as a non-profit organization with a 501c (3) designation from the Internal Revenue Service. On December 31, 2022 the Consortium had a cash and investment balance of \$276,677. The Consortium does not issue an annual financial report.

### **NOTE 14 – CONTINGENCIES**

#### **A. Grants**

The City receives significant financial assistance from federal and state governmental agencies in the form of grants. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2022.

#### **B. Litigation**

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

### **NOTE 15 – COMMITTED FUND EQUITY**

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

#### Governmental Activities

##### General Fund

Special Assessments

\$ 337,101

Capital Project Millage

1,824,700

Total Governmental Activities

\$ 2,161,801

# City of Mt. Pleasant

## Notes to Financial Statements Year Ended December 31, 2022

### NOTE 16 – ASSIGNED FUND EQUITY

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

	General	Water/Water Resource Recovery Fund	Non-Major Proprietary	Component Unit
Assigned for:				
Fire Truck Replacement	\$ 2,396,937	\$ -	\$ -	\$ -
Economic Initiatives	736,088	-	-	-
Next Years Budget	383,620			
Subsequent Years' Expenditures	1,050,651	-	82,519	1,348,935
Recreation	-	-	504,100	-
PEAK Sustainability	-		792,745	
Community Development Block				
Grant Eligible Expenditures	222,670	-	-	-
Plant/Line Replacement	-	3,864,590	-	-
Total Assigned	<u>\$ 4,789,966</u>	<u>\$ 3,864,590</u>	<u>\$ 1,379,364</u>	<u>\$ 1,348,935</u>

# City of Mt. Pleasant

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## Notes to Financial Statements Year Ended December 31, 2022

### NOTE 17 – TAX ABATEMENTS

As of December 31, 2022, the City provides property tax abatements as defined by Governmental Standards Board through three programs, Payment in Lieu of Taxes, Industrial Facilities Tax Exemption and Brownfield Tax Capture. Payment in Lieu of Taxes is set by Ordinance of the City Commission to allow apartment complexes that provide housing to elderly and/or low income tenants. These taxpayers pay a service fee based on net rent rather than ad valorem taxes. Industrial Facilities Tax Exemptions are provided for by the State of Michigan Public Act 198 of 1974. Commercial Facilities Tax Exemptions are provided for by the State of Michigan Public Act 25 of 1978. Exemptions approved by the City Commission allow Commercial & Industrial Tax payers to pay  $\frac{1}{2}$  of the tax rate for a set period of years for real or personal property. Brownfield Tax Capture is provided for by the State of Michigan Public Act 381 of 1996. The Brownfield Redevelopment Authority has approved reimbursement agreements with six tax payers that provide for a portion of the taxes they pay be captured and paid to the developer to cover eligible costs under the Brownfield Act.

<u>Tax Abatement Program</u>	<u>Taxes Abated</u>
Payment in Lieu of Taxes	\$129,954
Commercial Facilities Exemption	5,614
Industrial Facilities Tax Exemption	11,939
Brownfield Tax Capture	82,727

# City of Mt. Pleasant

## Notes to Financial Statements Year Ended December 31, 2022

### NOTE 18 – SUBSEQUENT EVENT

#### Water Resource Recovery Upgrade

The City is in the process of upgrading the Water Resource Recovery Facility. The estimate for the upgrade is \$30.5 million dollars. The upgrade is planned in two phases of \$8.5 million in 2022-23 and \$22 million in 2023-24. The City awarded a construction contract of \$7.8 million in 2022. As of December 31, 2022, the City has expended \$1,904,319 in costs that are reported as Construction in Progress.

Bonds for phase one were sold on May 20, 2022 in the amount of \$8.5 million. The bonds were a negotiated sale with Isabella Bank at a 2.77% interest rate for 20 years. The City has been awarded \$18 million in Clean Water State Revolving Funds thru the State of Michigan. This award includes \$9 million ARP Grant and a \$9 million bond issue at a discounted rate of 1.875%. These bonds are expected to be sold in July and construction bids awarded at that time.

#### Purchase Contract

The City entered into a purchase contract in 2022 for subsequent year projects/delivery. Sufficient funds are budgeted in the 2023 budget for these.

Sewer Vactor \$347,257  
Pickard Street Improvements \$633,000  
Backhoe \$139,900

### NOTE 19 – PRIOR PERIOD ADJUSTMENT

During 2022 the City converted to the State of Michigan Revised Chart of Accounts as required. This conversion resulted in the following changes to the beginning net position:

	Governmental Activities	Business-Type Activities	Total
Balance December 31, 2021	\$19,647,480	\$27,262,737	\$46,910,217
Recreation Fund – Special Revenue to Enterprise Fund	<u>(270,351)</u>	<u>270,351</u>	<u>-</u>
Balance January 1, 2022	<u>\$19,377,129</u>	<u>\$27,533,088</u>	<u>\$46,910,217</u>

# City of Mt. Pleasant

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	Budgeted Amounts	
	Original	Final
<b>Fund Balance - January 1</b>	\$ 11,543,532	\$ 12,897,252
<b>Resources (Inflows)</b>		
Taxes	7,538,300	7,819,980
Special Assessments	20,140	-
Licenses and Permits	485,800	496,070
Intergovernmental		
Grants	5,400	6,370
Revenue Sharing	3,092,350	3,092,350
Other	208,000	358,510
Charges for Service and Sales	1,834,550	1,919,260
Fines	48,000	32,760
Interest	41,450	82,350
Miscellaneous	58,200	504,710
Transfers from Other Funds	2,193,810	1,236,590
Transfers from Component Units	46,580	76,750
Amount Available for Appropriation	27,116,112	28,522,952
<b>Charges to Appropriations (Outflows)</b>		
Legislative Division	1,340,340	1,215,470
Financial Services Division	1,716,180	3,003,590
Public Safety Division	7,699,910	8,286,720
Community Services Division	2,683,400	2,642,570
Public Works Division	839,870	899,450
Transfers to Other Funds	1,914,300	685,480
Total Charges to Appropriations	16,194,000	16,733,280
<b>Fund Balance - December 31</b>	<u>\$ 10,922,112</u>	<u>\$ 11,789,672</u>



# City of Mt. Pleasant

## Required Supplemental Information Budgetary Comparison Schedule - General Fund Year ended December 31, 2022

Actual Amounts	Variance With Final Budget Positive (Negative)
\$ 12,897,249	\$ (3)
8,022,456	202,476
58,183	58,183
508,698	12,628
76,027	69,657
3,161,616	69,266
358,522	12
2,010,920	91,660
39,332	6,572
154,532	72,182
515,948	11,238
1,224,609	(11,981)
79,904	3,154
29,107,996	585,044
1,184,683	30,787
2,936,288	67,302
8,191,556	95,164
2,525,019	117,551
841,312	58,138
685,478	2
16,364,336	368,944
\$ 12,743,660	\$ 953,988

# City of Mt. Pleasant

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	Budgeted Amounts	
	Original	Final
<b>Fund Balance - January 1</b>	\$ 2,558,786	\$ 2,817,506
<b>Resources (Inflows)</b>		
Intergovernmental		
Revenue Sharing	2,237,000	1,850,220
Grant	375,000	375,000
Other	33,060	28,860
Charges for Service and Sales	1,000	1,000
Interest	19,200	21,000
Miscellaneous	-	-
Amount Available for Appropriation	5,224,046	5,093,586
<b>Charges to Appropriations (Outflows)</b>		
Highways, Streets and Bridges	2,707,080	2,661,020
Transfers to Other Funds	998,220	879,960
Total Charges to Appropriations	3,705,300	3,540,980
<b>Fund Balance - December 31</b>	<u>\$ 1,518,746</u>	<u>\$ 1,552,606</u>

# City of Mt. Pleasant

## Required Supplemental Information Budgetary Comparison Schedule - Major Street Fund Year ended December 31, 2022

Actual Amounts	Variance With Final Budget Positive (Negative)
\$ 2,817,506	\$ -
1,868,030	17,810
374,836	(164)
28,856	(4)
1,305	305
23,453	2,453
2,000	2,000
5,115,986	22,400
2,610,753	50,267
880,051	(91)
3,490,804	50,176
<u>\$ 1,625,182</u>	<u>\$ 72,576</u>

# City of Mt. Pleasant

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	Budgeted Amounts	
	Original	Final
<b>Fund Balance - January 1</b>	\$ 915,869	\$ 1,113,877
<b>Resources (Inflows)</b>		
Intergovernmental		
Revenue Sharing	746,000	616,740
Charges for Service and Sales	93,000	82,370
Interest	8,250	6,000
Transfers In	774,880	616,380
Amount Available for Appropriation	2,537,999	2,435,367
<b>Charges to Appropriations</b>		
Highways, Streets and Bridges	1,651,250	1,540,120
Transfers Out	118,770	114,190
Total Appropriations	1,770,020	1,654,310
<b>Fund Balance - December 31</b>	<u>\$ 767,979</u>	<u>\$ 781,057</u>

# City of Mt. Pleasant

## Required Supplemental Information Budgetary Comparison Schedule - Local Street Fund Year ended December 31, 2022

Actual Amounts	Variance With Final Budget Positive (Negative)
\$ 1,113,876	\$ (1)
673,156	56,416
82,371	1
9,612	3,612
616,378	(2)
2,495,393	60,026
1,475,571	64,549
121,190	(7,000)
1,596,761	57,549
\$ 898,632	\$ 117,575

# City of Mt. Pleasant

<b>Total Pension Liability</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Service Cost	\$ 710,339	\$ 640,003	\$ 603,312
Interest on the Total Pension Liability	2,414,708	2,358,050	2,286,949
Benefit Changes	-	-	(1,708)
Difference between Expected and Actual Experience	800,001	228,440	(142,812)
Assumption Changes	-	1,968,714	-
Benefit Payments	(2,114,423)	(1,849,064)	(1,717,704)
Refunds	-	-	-
<b>Net Change in Total Pension Liability</b>	<b>1,810,625</b>	<b>3,346,143</b>	<b>1,028,037</b>
<b>Total Pension Liability - Beginning</b>	<b>36,475,496</b>	<b>33,129,353</b>	<b>32,101,316</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 38,286,121</b>	<b>\$ 36,475,496</b>	<b>\$ 33,129,353</b>
<b>Plan Fiduciary Net Position</b>			
Employer Contributions	\$ 757,805	\$ 779,317	\$ 744,611
Employee Contributions	182,083	167,807	161,985
Pension Plan Net Investment Income	(5,481,757)	5,128,403	3,932,645
Benefit Payments	(2,114,423)	(1,849,064)	(1,717,704)
Refunds	-	-	-
Pension Plan Administration Expense	(34,499)	(34,917)	(31,934)
Other	-	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	<b>(6,690,791)</b>	<b>4,191,546</b>	<b>3,089,603</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>35,660,465</b>	<b>31,468,919</b>	<b>28,379,316</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 28,969,674</b>	<b>\$ 35,660,465</b>	<b>\$ 31,468,919</b>
<b>Net Pension Liability - Ending (a) - (b)</b>	<b>\$ 9,316,447</b>	<b>\$ 815,031</b>	<b>\$ 1,660,434</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	<b>75.67%</b>	<b>97.77%</b>	<b>94.99%</b>
<b>Covered Payroll</b>	<b>\$ 3,164,487</b>	<b>\$ 3,202,611</b>	<b>\$ 3,060,945</b>
<b>Net Pension Liability as a Percentage of Covered Employee Payroll</b>	<b>294.41%</b>	<b>25.45%</b>	<b>54.25%</b>

## Notes to Schedule

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

# City of Mt. Pleasant

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

2019	2018	2017	2016	2015	2014
\$ 598,470	\$ 593,684	\$ 606,010	\$ 628,907	\$ 561,402	\$ 456,949
2,150,143	2,043,029	1,940,501	1,871,409	1,776,165	1,733,919
(11,600)	-	-	-	(2,983)	-
763,817	-	27,839	(33,144)	319,393	(284,911)
-	287,923	234,096	(120,536)	-	-
(1,514,844)	(1,384,361)	(1,391,838)	(1,372,555)	(1,375,483)	(1,375,483)
-	-	-	-	-	-
1,985,986	1,540,275	1,416,608	974,081	1,278,494	530,474
30,115,330	28,575,055	27,158,447	26,184,366	24,905,872	24,375,398
<u>\$ 32,101,316</u>	<u>\$ 30,115,330</u>	<u>\$ 28,575,055</u>	<u>\$ 27,158,447</u>	<u>\$ 26,184,366</u>	<u>\$ 24,905,872</u>
\$ 696,614	\$ 708,754	\$ 732,666	\$ 665,727	\$ 708,175	\$ 747,621
129,907	136,739	147,158	128,768	128,490	110,532
5,038,331	(1,372,262)	3,749,101	1,799,045	(47,845)	1,404,074
(1,514,844)	(1,384,361)	(1,391,838)	(1,372,555)	(1,375,483)	(1,375,483)
-	-	-	-	-	-
(31,520)	(29,860)	(28,294)	(24,437)	(21,873)	(19,547)
-	-	-	-	-	-
4,318,488	(1,940,990)	3,208,793	1,196,548	(608,536)	867,197
24,060,828	26,001,818	22,793,025	21,596,477	22,205,013	21,337,816
<u>\$ 28,379,316</u>	<u>\$ 24,060,828</u>	<u>\$ 26,001,818</u>	<u>\$ 22,793,025</u>	<u>\$ 21,596,477</u>	<u>\$ 22,205,013</u>
<u>\$ 3,722,000</u>	<u>\$ 6,054,502</u>	<u>\$ 2,573,237</u>	<u>\$ 4,365,422</u>	<u>\$ 4,587,889</u>	<u>\$ 2,700,859</u>
88.41%	79.90%	90.99%	83.93%	82.48%	89.16%
\$ 3,060,945	\$ 3,089,673	\$ 3,063,384	\$ 2,986,743	\$ 3,025,045	\$ 2,723,924
121.60%	195.96%	84.00%	146.16%	151.66%	99.15%

*City of Mt. Pleasant*

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# City of Mt. Pleasant

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

Year Ended December 31,	Annual Determined Contribution	Percent Contributed	Covered Payroll	Percentage of Covered Payroll
2013	\$ 537,388	100%	\$ 2,757,689	19.49%
2014	747,621	100%	2,723,924	27.45%
2015	708,175	100%	3,025,045	23.41%
2016	665,727	100%	2,986,743	22.29%
2017	732,666	100%	3,063,384	23.92%
2018	708,754	100%	3,089,673	22.94%
2019	696,614	100%	3,060,945	22.76%
2020	744,611	100%	3,227,447	23.07%
2021	779,317	100%	3,202,611	24.33%
2022	757,805	100%	3,164,487	23.95%

## Schedule of Investment Returns Year Ended December 31,

Year Ended	Money Weighted Investment Return
2013	12.1%
2014	9.4%
2015	7.4%
2016	9.3%
2017	10.2%
2018	-12.3%
2019	14.1%
2020	10.0%
2021	8.9%
2022	-21.0%

### Notes to schedule

Actuarial cost method	Entry Age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	30 years
Asset valuation method	5 year smoothed market
Inflation	3.25%
Salary increases	3.25 to 6.25%
Investment rate of return	7.25%
Retirement age	Varies depending on plan adoption
Mortality	RP2000 Group Annuity Table Annuity Mortality Table

# City of Mt. Pleasant

<b>Total Pension Liability</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Service Cost	\$ 561,112	\$ 515,568	\$ 548,644
Interest on the Total Pension Liability	2,499,826	2,629,968	2,496,667
Benefit Changes		-	-
Difference between Expected and Actual Experience	183,251	(862,270)	50,385
Assumption Changes	1,337,295	1,246,701	915,888
Benefit Payments	(2,433,913)	(2,297,770)	(2,248,118)
Other	126,259	(79,935)	31,845
<b>Net Change in Total Pension Liability</b>	<b>2,273,830</b>	<b>1,152,262</b>	<b>1,795,311</b>
<b>Total Pension Liability - Beginning</b>	<b>36,648,196</b>	<b>35,495,934</b>	<b>33,700,623</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 38,922,026</b>	<b>\$ 36,648,196</b>	<b>\$ 35,495,934</b>
<b>Plan Fiduciary Net Position</b>			
Employer Contributions	\$ 2,730,183	\$ 1,465,951	\$ 1,360,309
Employee Contributions	195,951	182,852	200,974
Pension Plan Net Investment Income	(2,886,428)	3,464,820	2,802,430
Benefit Payments	(2,433,913)	(2,297,770)	(2,248,118)
Refunds	-	-	-
Pension Plan Administration Expense	(51,705)	(39,815)	(45,503)
Other		-	-
<b>Net Change in Plan Fiduciary Net Position</b>	<b>(2,445,912)</b>	<b>2,776,038</b>	<b>2,070,092</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>27,066,046</b>	<b>24,290,008</b>	<b>22,219,916</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 24,620,134</b>	<b>\$ 27,066,046</b>	<b>\$ 24,290,008</b>
<b>Net Pension Liability - Ending (a) - (b)</b>	<b>\$ 14,301,892</b>	<b>\$ 9,582,150</b>	<b>\$ 11,205,926</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	<b>63.26%</b>	<b>73.85%</b>	<b>68.43%</b>
<b>Covered Payroll</b>	<b>\$ 4,527,504</b>	<b>\$ 4,251,024</b>	<b>\$ 4,445,917</b>
<b>Net Pension Liability as a Percentage of Covered Employee Payroll</b>	<b>315.89%</b>	<b>225.41%</b>	<b>252.05%</b>

## Notes to Schedule

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

# City of Mt. Pleasant

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

2019	2018	2017	2016	2015
\$ 534,448	\$ 519,330	\$ 548,111	\$ 538,313	\$ 497,479
2,563,167	2,466,107	2,408,128	2,178,222	2,165,742
-	-	-	-	-
7,901	265,957	(349,994)	314,640	(75,752)
-	-	-	1,575,634	-
(2,105,031)	(1,919,008)	(1,750,575)	(1,664,880)	(1,598,175)
(124,733)	(33,686)	(32,333)	(30,156)	-
875,752	1,298,700	823,337	2,911,773	989,294
32,824,871	31,526,171	30,702,834	27,791,061	26,801,767
<u>\$ 33,700,623</u>	<u>\$ 32,824,871</u>	<u>\$ 31,526,171</u>	<u>\$ 30,702,834</u>	<u>\$ 27,791,061</u>
\$ 1,276,609	\$ 998,265	\$ 1,094,894	\$ 793,235	\$ 825,664
179,847	171,859	205,894	172,212	168,884
2,774,469	(840,891)	2,638,416	2,100,942	(285,280)
(2,105,031)	(1,919,008)	(1,750,575)	(1,664,880)	(1,598,175)
-	-	-	-	-
(47,713)	(42,625)	(41,852)	(41,502)	(42,508)
-	-	-	-	-
2,078,181	(1,632,400)	2,146,777	1,360,007	(931,415)
20,141,735	21,774,135	19,627,358	18,267,351	19,198,766
<u>\$ 22,219,916</u>	<u>\$ 20,141,735</u>	<u>\$ 21,774,135</u>	<u>\$ 19,627,358</u>	<u>\$ 18,267,351</u>
<u>\$ 11,480,707</u>	<u>\$ 12,683,136</u>	<u>\$ 9,752,036</u>	<u>\$ 11,075,476</u>	<u>\$ 9,523,710</u>
65.93%	61.36%	69.07%	63.93%	65.73%
\$ 4,640,474	\$ 4,417,914	\$ 4,237,697	\$ 4,253,413	\$ 4,233,808
247.40%	287.08%	230.13%	260.39%	224.94%

*City of Mt. Pleasant*

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# City of Mt. Pleasant

## Required Supplementary Information MERS - Defined Benefit Plan - Schedule of Contributions

Year Ended December 31,	Annual Determined Contribution	Percent Contributed	Covered Payroll	Percentage of Covered Payroll
2015	\$ 825,663	100%	\$ 4,233,808	19.50%
2016	793,235	100%	4,253,413	18.65%
2017	1,094,894	100%	4,237,697	25.84%
2018	998,265	100%	4,417,914	22.60%
2019	1,036,609	123%	4,640,474	22.34%
2020	1,260,309	108%	4,445,917	28.35%
2021	1,465,951	100%	4,251,024	34.48%
2022	1,530,183	176%	4,527,504	33.80%

### Notes to schedule

Actuarial cost method	Entry Age
Amortization method	Level percentage of payroll, open
Remaining amortization period	17 years
Asset valuation method	5 year smoothed market value (10 year smoothing 2014)
Inflation	2.5 % (3.5% 2014)
Salary increases	3.0% (3.75% for 2015 through 2019)
Investment rate of return	7.0% (7.75 for 2015 through 2019)
Retirement age	Varies depending on plan adoption
Mortality	50% female/ 50% male RP-2014 annuity mortality table

### Notes to Schedule

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

# City of Mt. Pleasant

<b>Total OPEB Liability</b>	<b>2022</b>	<b>2021</b>
Service Cost	\$ 24,134	\$ 29,327
Interest on the Total OPEB Liability	197,897	178,476
Change in Benefits		-
Difference between Expected and Actual Experience	(9,611)	388,507
Change in Plan Terms		(256,924)
Assumption Changes	20,731	566,553
Benefit Payments	(83,578)	(65,195)
<b>Net Change in Total Pension Liability</b>	<b>149,573</b>	<b>840,744</b>
<b>Total OPEB Liability-Beginning</b>	<b>3,589,809</b>	<b>2,749,065</b>
<b>Total OPEB Liability-Ending (a)</b>	<b>\$ 3,739,382</b>	<b>\$ 3,589,809</b>
<b>Plan Fiduciary Net Position</b>		
Employer Contributions	\$ 183,219	\$ 96,000
Employee Contributions	26,510	32,269
OPEB Plan Net Investment Income	(334,697)	263,670
Benefit Payments	(83,578)	(65,195)
Other Changes	(18,327)	(16,581)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>(226,873)</b>	<b>310,163</b>
<b>Plan Fiduciary Net Position-Beginning</b>	<b>2,356,240</b>	<b>2,046,077</b>
<b>Plan Fiduciary Net Position-Ending (b)</b>	<b>\$ 2,129,367</b>	<b>\$ 2,356,240</b>
<b>Net Pension Liability-Ending (a)-(b)</b>	<b>\$ 1,610,015</b>	<b>\$ 1,233,569</b>
<b>Plan Fiduciary Net Position as a Percentage of Total OPEB Liability</b>	<b>56.94%</b>	<b>65.64%</b>
<b>Covered Payroll</b>	<b>\$ 1,325,476</b>	<b>\$ 1,613,454</b>
<b>Net OPEB Liability as a Percentage of Covered Employee Payroll</b>	<b>121.47%</b>	<b>76.46%</b>

## Notes to Schedule

Governmental Accounting Standards Board Statement Number 75 was implemented in fiscal year 2017. This schedule is being built prospectively. Ultimately ten years of data will be presented.

# City of Mt. Pleasant

## Required Supplementary Information Police Officers Post-Employment Health Care Plan Schedule of Changes in Net OPEB Liability and Related Ratios Year Ended December 31,

2020	2019	2018	2017
\$ 27,816	\$ 31,166	\$ 30,107	\$ 20,565
144,314	168,699	149,284	135,355
-	(144,732)	-	-
374,290	(328,501)	18,621	(9,226)
-	-	-	-
42,239	145,956	143,807	198,369
(64,000)	(53,975)	(52,860)	(65,918)
524,659	(181,387)	288,959	279,145
2,224,406	2,405,793	2,116,834	1,837,689
<u>\$ 2,749,065</u>	<u>\$ 2,224,406</u>	<u>\$ 2,405,793</u>	<u>\$ 2,116,834</u>
\$ 93,000	\$ 93,000	\$ 67,000	\$ 67,930
33,386	35,808	36,336	35,197
214,034	257,617	(73,230)	202,020
(64,000)	(53,975)	(52,860)	(65,918)
(15,671)	(11,955)	(13,965)	-
260,749	320,495	(36,719)	239,229
1,785,328	1,464,833	1,501,552	1,262,323
<u>\$ 2,046,077</u>	<u>\$ 1,785,328</u>	<u>\$ 1,464,833</u>	<u>\$ 1,501,552</u>
<u>\$ 702,988</u>	<u>\$ 439,078</u>	<u>\$ 940,960</u>	<u>\$ 615,282</u>
74.43%	80.26%	60.89%	70.93%
\$ 1,439,676	\$ 1,790,410	\$ 1,816,822	\$ 1,759,841
48.83%	24.52%	51.79%	34.96%

*City of Mt. Pleasant*

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# City of Mt. Pleasant

## Required Supplementary Information Police Officers Post-Employment Health Care Plan Schedule of Employer Contributions

Year Ended December 31,	Annual Determined Contribution	Percent Contributed	Covered Payroll	Percentage of Covered Payroll
2017	\$79,526	130%	\$ 1,759,841	4.52%
2018	65,722	157%	1,816,822	3.62%
2019	92,775	143%	1,790,410	5.18%
2020	76,277	166%	1,439,676	5.30%
2021	129,022	99%	1,613,454	8.00%
2022	203,219	99%	1,325,476	15.33%

## Schedule of Investment Returns

Year Ended	Money Weighted Investment Return
2017	7.0%
2018	-4.9%
2019	12.6%
2020	7.9%
2021	8.2%
2022	-15.4%

### Notes to schedule

Inflation	Implicit in expected payroll increases and asset return
Salary increases	4.50%
Investment rate of return	7.00%

Governmental Accounting Standards Board Statement Number 75 was implemented in fiscal year 2017. This schedule is being built prospectively. Ultimately ten years of data will be presented.

# City of Mt. Pleasant

<b>Total OPEB Liability</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Service Cost	\$ 133,065	\$ 255,850	\$ 188,246
Interest on the Total OPEB Liability	84,127	157,126	205,450
Difference between Expected and Actual Experience	50,194	(968,155)	(80,122)
Change in Plan Terms	-	219,039	-
Assumption Changes	(605,433)	(3,754,686)	1,636,760
Benefit Payments	(120,088)	(137,105)	(220,662)
<b>Net Change in Total Pension Liability</b>	<b>(458,135)</b>	<b>(4,227,931)</b>	<b>1,729,672</b>
<b>Total OPEB Liability-Beginning</b>	<b>3,725,985</b>	<b>7,953,916</b>	<b>6,224,244</b>
<b>Total OPEB Liability-Ending (a)</b>	<b>\$ 3,267,850</b>	<b>\$ 3,725,985</b>	<b>\$ 7,953,916</b>
<b>Plan Fiduciary Net Position</b>			
Employer Contributions	\$ 120,088	\$ 137,105	\$ 220,662
Employee Contributions	-	-	-
OPEB Plan Net Investment Income	-	-	-
Benefit Payments	(120,088)	(137,105)	(220,662)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan Fiduciary Net Position-Beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan Fiduciary Net Position-Ending (b)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Pension Liability-Ending (a)-(b)</b>	<b>\$ 3,267,850</b>	<b>\$ 3,725,985</b>	<b>\$ 7,953,916</b>
<b>Plan Fiduciary Net Position as a Percentage of Total OPEB Liability</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Covered Payroll</b>	<b>\$ 8,070,620</b>	<b>\$ 8,066,348</b>	<b>\$ 7,798,132</b>
<b>Net OPEB Liability as a Percentage of Covered Employee Payroll</b>	<b>40.49%</b>	<b>46.19%</b>	<b>102.00%</b>

## Notes to Schedule

Governmental Accounting Standards Board Statement Number 75 was implemented in fiscal year 2017. This schedule is being built prospectively. Ultimately ten years of data will be presented.

# City of Mt. Pleasant

## Required Supplementary Information Post-Employment Health Care Plan Schedule of Changes in Net OPEB Liability and Related Ratios Year Ended December 31,

2019	2018	2017
\$ 139,536	\$ 123,617	\$ 96,654
147,881	127,989	166,686
1,376,143	111,734	(926,935)
-	-	-
(174,013)	640,040	683,181
(110,282)	(195,858)	(105,266)
1,379,265	807,522	(85,680)
4,844,979	4,037,457	4,123,137
<u>\$ 6,224,244</u>	<u>\$ 4,844,979</u>	<u>\$ 4,037,457</u>
\$ 110,282	\$ 195,858	\$ 105,266
-	-	-
-	-	-
(110,282)	(195,858)	(105,266)
-	-	-
-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 6,224,244</u>	<u>\$ 4,844,979</u>	<u>\$ 4,037,457</u>
0.00%	0.00%	0.00%
\$ 7,740,024	\$ 7,507,587	\$ 7,301,081
80.42%	64.53%	55.30%

# City of Mt. Pleasant

## Required Supplementary Information Post-Employment Health Care Plan Schedule of Employer Contributions

Year Ended December 31,	Annual Determined Contribution	Actual Contribution	Contribution Deficiency	Covered Payroll	Percentage of Covered Payroll
2017	\$376,893	\$ 105,266	\$ (271,627)	\$ 7,301,081	5.16%
2018	400,501	195,858	(204,643)	7,507,587	5.33%
2019	495,182	110,282	(384,900)	7,740,024	6.40%
2020	695,519	220,662	(474,857)	7,798,132	8.92%
2021	909,532	137,105	(772,427)	8,066,348	11.28%
2022	509,557	120,088	(389,469)	8,070,620	6.31%

As this plan is not pre-funded, no long-term expected rate of return on Plan Investments was determined.

### Notes to schedule

Inflation	Implicit in expected payroll increases
Salary increases	4.50%

### Notes to Schedule

Governmental Accounting Standards Board Statement Number 75 was implemented in fiscal year 2017. This schedule is being built prospectively. Ultimately ten years of data will be presented.

# City of Mt. Pleasant

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## Required Supplementary Information Notes to the Required Schedules

### **BUDGETARY COMPARISON SCHEDULE**

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

### **MANAGEMENT DISCUSSION AND ANALYSIS**

Management Discussion and Analysis can be found on pages 13-27 of this report.

# City of Mt. Pleasant

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	Nonmajor Special Revenue Funds
	<u>Downtown Special Assessment</u>
<b>ASSETS</b>	
Common Cash and Investments	\$ 106,130
Taxes Receivable	<u>41,700</u>
Total Assets	<u><u>\$ 147,830</u></u>
<b>LIABILITIES AND FUND BALANCE</b>	
<b>LIABILITIES</b>	
Payables	
Accounts	\$ 5,645
Accrued Liabilities	<u>567</u>
Total Liabilities	6,212
<b>FUND BALANCE</b>	
Nonspendable	
Restricted	-
Future Expenditures/Debt Service	<u>141,618</u>
Total Fund Balance	<u>141,618</u>
Total Liabilities and Fund Balance	<u><u>\$ 147,830</u></u>

**Other Financial and Supplemental Information  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2022**

Nonmajor Debt Service Fund	Permanent Fund	Total Nonmajor Governmental Funds
Borden Building Debt	Cemetery Trust	
\$ -	\$ 237,072	\$ 343,202
-	-	41,700
<u>\$ -</u>	<u>\$ 237,072</u>	<u>\$ 384,902</u>
\$ -	\$ -	\$ 5,645
-	-	567
-	-	6,212
-	237,072	237,072
-	-	141,618
<u>-</u>	<u>237,072</u>	<u>378,690</u>
<u>\$ -</u>	<u>\$ 237,072</u>	<u>\$ 384,902</u>

# City of Mt. Pleasant

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	Nonmajor Special Revenue Funds
	<u>Downtown Special Assessment</u>
<b>REVENUE</b>	
Taxes	\$ -
Special Assessments	104,700
Intergovernmental	
Other	-
Charges for Service and Sales	-
Interest	<u>1,226</u>
Total Revenue	105,926
<b>EXPENDITURES</b>	
Current Operations	
General Government	70,964
Public Works	35,139
Debt Service	
Principal	-
Interest	<u>-</u>
Total Expenditures	<u>106,103</u>
Excess of Revenue Over (Under) Expenditures	(177)



# City of Mt. Pleasant

## Other Financial and Supplemental Information Combining Statement of Revenue, Expenditures, and Changes in Fund Balance Nonmajor Governmental Funds Year ended December 31, 2022 (Continued)

Nonmajor Debt Service Fund	Permanent Fund	Total Nonmajor Governmental
Borden Building Debt	Cemetery Trust	
\$ 250,783	\$ -	\$ 250,783
-	-	104,700
15,715	-	15,715
114,180	5,625	119,805
-	2,633	3,859
380,678	8,258	494,862
-	-	70,964
-	-	35,139
367,000	-	367,000
7,157	-	7,157
374,157	-	480,260
6,521	8,258	14,602

# City of Mt. Pleasant

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	Nonmajor Special Revenue Funds
	<u>Downtown Special Assessment</u>
<b>OTHER FINANCING SOURCES USES</b>	
Transfers Out	<u>\$ (5,920)</u>
Net Change in Fund Balances	(6,097)
<b>Fund Balance - January 1</b>	<u>147,715</u>
<b>Fund Balance - December 31</b>	<u><u>\$ 141,618</u></u>

# City of Mt. Pleasant

## Other Financial and Supplemental Information Combining Statement of Revenue, Expenditures, and Changes in Fund Balance Nonmajor Governmental Funds Year ended December 31, 2022 (Continued)

Nonmajor Debt Service Fund	Permanent Fund	Total Nonmajor Governmental
Borden Building Debt	Cemetery Trust	
\$ (35,938)	\$ -	\$ (41,858)
(29,417)	8,258	(27,256)
29,417	228,814	405,946
\$ -	\$ 237,072	\$ 378,690

# City of Mt. Pleasant

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	Budgeted Amounts	
	Original	Final
<b>Fund Balance - January 1</b>	\$ 120,617	\$ 147,715
<b>Resources (Inflows)</b>		
Special Assessments	104,500	107,400
Interest	620	700
Amount Available for Appropriation	225,737	255,815
<b>Charges to Appropriations</b>		
General Government	77,870	74,590
Public Works	46,030	42,500
Transfers Out	5,920	5,920
Total Appropriations	129,820	123,010
<b>Fund Balance - December 31</b>	<u>\$ 95,917</u>	<u>\$ 132,805</u>

# City of Mt. Pleasant

## Other Financial and Supplemental Information Budgetary Comparison Schedule - Downtown Special Assessment Fund Year ended December 31, 2022

Actual Amounts	Variance With Final Budget Positive (Negative)
\$ 147,715	\$ -
104,700	(2,700)
1,226	526
253,641	(2,174)
70,964	3,626
35,139	7,361
5,920	-
112,023	10,987
<u>\$ 141,618</u>	<u>\$ 8,813</u>

# City of Mt. Pleasant

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	Solid Waste
<b>ASSETS</b>	
Current Assets	
Common Cash and Investments	\$ 906,709
Restricted Common Cash and Investments	200,000
Other Cash	-
Accounts Receivable	52,136
Prepaid Items	-
Inventory	5,150
Total Current Assets	1,163,995
Noncurrent Assets	
Capital Assets	50,240
Less: Accumulated Depreciation	(41,600)
Total Noncurrent Assets	8,640
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Outflows Related to Pension	51,965
Total Assets and Deferred Outflows of Resources	1,224,600

# City of Mt. Pleasant

## Other Financial and Supplemental Information Combining Statement of Net Position Nonmajor Enterprise Funds December 31, 2022 (Continued)

Airport	Total Nonmajor Enterprise Funds
\$ 355,999	\$ 1,262,708
162,527	362,527
100	100
35,925	88,061
3,805	3,805
43,360	48,510
601,716	1,765,711
3,765,543	3,815,783
(3,018,497)	(3,060,097)
747,046	755,686
92,831	144,796
<b>1,441,593</b>	<b>2,666,193</b>

# City of Mt. Pleasant

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	Solid Waste
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	\$ 59,795
Accrued Expenses	2,180
Unearned Revenue	-
Total Current Liabilities	61,975
Noncurrent Liabilities	
Net Pension Liability	153,254
Total Liabilities	215,229
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Inflows Related to Pension	2,734
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>217,963</b>
<b>NET POSITION</b>	
Invested in Capital Assets	8,640
Restricted for:	
Legal Requirements	200,000
Donation Requirements	-
Unrestricted	797,997
<b>Total Net Assets</b>	<b>\$ 1,006,637</b>



# City of Mt. Pleasant

**Other Financial and Supplemental Information  
Combining Statement of Net Position  
Nonmajor Enterprise Funds  
December 31, 2022  
(Continued)**

<u>Airport</u>	<u>Total Nonmajor Enterprise Funds</u>
\$ 2,641	\$ 62,436
15,628	17,808
<u>35,020</u>	<u>35,020</u>
53,289	115,264
<u>220,575</u>	<u>373,829</u>
273,864	489,093
<u>2,069</u>	<u>4,803</u>
<b>275,933</b>	<b>493,896</b>
747,046	755,686
-	200,000
162,527	162,527
<u>256,087</u>	<u>1,054,084</u>
<b><u>\$ 1,165,660</u></b>	<b><u>\$ 2,172,297</u></b>

# City of Mt. Pleasant

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	Solid Waste Management
<b>OPERATING REVENUE</b>	
Charges for Service and Sales	\$ 644,901
<b>OPERATING EXPENSES</b>	
Compensation	124,832
Supplies	153,039
Professional Services	452,164
Utilities	-
Depreciation/Cost of Land Sold	5,760
Total Operating Expenses	735,795
Operating Income (Loss)	(90,894)
<b>NON-OPERATING REVENUE</b>	
Interest Income	12,771
Miscellaneous Revenue	-
Federal/State Operating Grant	-
Total Non-Operating Revenue	12,771
Income (Loss) Before Contributions and Transfers	(78,123)
Transfers In	63,860
Transfers Out	(51,680)
Change in Net Position	(65,943)
<b>Net Position - January 1</b>	1,072,580
<b>Net Position - December 31</b>	\$ 1,006,637

# City of Mt. Pleasant

## Other Financial and Supplemental Information Combining Statement of Revenue, Expenses, and Changes in Net Position Nonmajor Enterprise Funds Year ended December 31, 2022

Airport	Total Nonmajor Enterprise Funds
\$ 370,026	\$ 1,014,927
190,783	315,615
241,164	394,203
50,612	502,776
23,068	23,068
42,277	48,037
547,904	1,283,699
(177,878)	(268,772)
5,476	18,247
82,769	82,769
13,000	13,000
101,245	114,016
(76,633)	(154,756)
81,600	145,460
(29,740)	(81,420)
(24,773)	(90,716)
1,190,433	2,263,013
\$ 1,165,660	\$ 2,172,297

# City of Mt. Pleasant

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	<u>Solid Waste Management</u>
<b>Cash Flows from Operating Activities</b>	
Receipts from Customers	\$ 678,623
Miscellaneous	-
Operating Grant	-
Payments to Employees	(124,077)
Payments to Suppliers and Contractors	<u>(603,941)</u>
Net Cash Provided (Used) by Operating Activities	(49,395)
<b>Cash Flows from Non-Capital Financing Activities</b>	
Transfer From Other Funds	63,860
Transfers To Other Funds	<u>(51,680)</u>
Net Cash Provided (Used) by Non-Capital Financial Activities	12,180
<b>Cash Flow from Investing Activities</b>	
Interest Income	<u>12,771</u>
Net Cash Provided (Used) by Investing Activities	<u>12,771</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(24,444)
<b>Cash and Cash Equivalents - January 1</b>	<u>1,131,153</u>
<b>Cash and Cash Equivalents - December 31</b>	<u><u>\$ 1,106,709</u></u>

# City of Mt. Pleasant

Other Financial and Supplemental Information  
Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
Year ended December 31, 2022  
(Continued)

Airport	Total Nonmajor Enterprise Funds
\$ 362,436	\$ 1,041,059
82,769	82,769
105,549	105,549
(186,898)	(310,975)
<u>(327,377)</u>	<u>(931,318)</u>
36,479	(12,916)
81,600	145,460
<u>(29,740)</u>	<u>(81,420)</u>
51,860	64,040
5,476	18,247
<u>5,476</u>	<u>18,247</u>
93,815	69,371
<u>424,811</u>	<u>1,555,964</u>
<u>\$ 518,626</u>	<u>\$ 1,625,335</u>

# City of Mt. Pleasant

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## **Reconciliation of Operating Loss to Net Cash Provided (Used) by Operating Activities**

Operating Income (Loss)	\$ (90,894)
Operating Grant	
Miscellaneous Revenue	-

## **Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operations**

Depreciation	5,760
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## **Changes in Assets and Liabilities**

Accounts Receivable	33,722
Due from Other Governmental Unit	21,759
Prepaid Expense	-
Inventory	3,900
Deferred Outflows Related to Pension	(40,638)
Accounts Payable	(24,397)
Accrued Expenses	285
Unearned Revenue	-
Deferred Inflows Related to Pension	(24,441)
Net Pension Liability	<u>65,549</u>

Net Cash Provided (Used) by Operating Activities	<u><u>\$ (49,395)</u></u>
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# City of Mt. Pleasant

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**Other Financial and Supplemental Information**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**Year ended December 31, 2022**  
**(Continued)**

\$ (177,878)	\$ (268,772)
13,000	13,000
82,769	82,769
42,277	48,037
(6,825)	26,897
92,549	114,308
(691)	(691)
(6,850)	(2,950)
(75,756)	(116,394)
(4,992)	(29,389)
3,073	3,358
(765)	(765)
(36,699)	(61,140)
<u>113,267</u>	<u>178,816</u>
<u>\$ 36,479</u>	<u>\$ (12,916)</u>

# City of Mt. Pleasant

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	Internal Service Funds		
	Motor Pool	Self Insurance	Total Internal Service Funds
<b>ASSETS</b>			
Current Assets			
Common Cash and Investments	\$ 939,846	\$ 15,000	\$ 954,846
Other Cash	-	1,651,287	1,651,287
Prepaid Expense	22,797	45,150	67,947
Total Current Assets	962,643	1,711,437	2,674,080
Noncurrent Assets			
Capital Assets	4,910,933	-	4,910,933
Less: Accumulated Depreciation	(3,500,808)	-	(3,500,808)
Total Noncurrent Assets	1,410,125	-	1,410,125
<b>Total Assets</b>	<b>2,372,768</b>	<b>1,711,437</b>	<b>4,084,205</b>



# City of Mt. Pleasant

## Other Financial and Supplemental Information Combining Statement of Net Position Internal Service Funds December 31, 2022

	Internal Service Funds		
	Motor Pool	Self Insurance	Total Internal Service Funds
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	\$ 22,823	\$ 10,935	\$ 33,758
Accrued Expenses	3,855	425,285	429,140
<b>Total Current Liabilities</b>	<b>26,678</b>	<b>436,220</b>	<b>462,898</b>
<b>NET POSITION</b>			
Investment in Capital Assets	1,410,125	-	1,410,125
Unrestricted	935,965	1,275,217	2,211,182
<b>Total Net Position</b>	<b>\$ 2,346,090</b>	<b>\$ 1,275,217</b>	<b>\$ 3,621,307</b>

*City of Mt. Pleasant*

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# City of Mt. Pleasant

## Other Financial and Supplemental Information Combining Statement of Revenue, Expenses, and Changes in Net Position Internal Service Funds Year ended December 31, 2022

	Internal Service Funds		
	Motor Pool	Self Insurance	Total Internal Service Funds
<b>OPERATING REVENUE</b>			
Charges for Service and Sales	\$ 775,266	\$ 2,874,475	\$ 3,649,741
<b>OPERATING EXPENSES</b>			
Compensation	128,082	-	128,082
Supplies	197,617	-	197,617
Professional Services	101,318	422,139	523,457
Utilities	21,501	-	21,501
Insurance Claims	-	2,609,563	2,609,563
Other Expenditures	1,113	-	1,113
Depreciation	218,791	-	218,791
Total Operating Expenses	668,422	3,031,702	3,700,124
Operating Income	106,844	(157,227)	(50,383)
<b>NON-OPERATING REVENUE</b>			
Interest Income	-	19,754	19,754
Income (Loss) Before Transfers	106,844	(137,473)	(30,629)
Transfers Out	(49,650)	-	(49,650)
Change in Net Position	57,194	(137,473)	(80,279)
<b>Net Position - January 1</b>	2,288,896	1,412,690	3,701,586
<b>Net Position - December 31</b>	<u>\$ 2,346,090</u>	<u>\$ 1,275,217</u>	<u>\$ 3,621,307</u>

# City of Mt. Pleasant

	Internal Service Funds		
	Motor Pool	Self Insurance	Total Internal Service Funds
<b>Cash Flows from Operating Activities</b>			
Receipts from Customers	\$ 775,266	\$ 2,874,475	\$ 3,649,741
Payments to Employees	(126,876)	-	(126,876)
Payments to Suppliers and Contractors	(403,072)	(422,139)	(825,211)
Claims Paid	-	(2,528,782)	(2,528,782)
Other (Payments)	(1,113)	-	(1,113)
Net Cash Provided (Used) by Operating Activities	244,205	(76,446)	167,759
<b>Cash Flows from Non-Capital Financing Activities</b>			
Transfers to Other Funds	(49,650)	-	(49,650)
Net Cash Provided (Used) by Capital Activities	(49,650)	-	(49,650)
<b>Cash Flows from Capital and Related Financing Activities</b>			
Sale of Capital Asset	384,333	-	384,333
Purchase of Capital Asset	(551,902)	-	(551,902)
Net Cash Provided (Used) by Capital Activities	(167,569)	-	(167,569)
<b>Cash Flow from Investing Activities</b>			
Interest Income	-	19,754	19,754
Net Cash Provided (Used) by Investing Activities	-	19,754	19,754
Net Increase (Decrease) in Cash and Cash Equivalents	26,986	(56,692)	(29,706)
<b>Cash and Cash Equivalents - January 1</b>	912,860	1,722,979	2,635,839
<b>Cash and Cash Equivalents - December 31</b>	<u>\$ 939,846</u>	<u>\$ 1,666,287</u>	<u>\$ 2,606,133</u>

# City of Mt. Pleasant

## Other Financial and Supplemental Information Combining Statement of Cash Flows Internal Service Funds Year ended December 31, 2022

	Internal Service Funds		
	Motor Pool	Self Insurance	Total Internal Service Funds
<b>Reconciliation of Operating Loss to Net Cash Provided (Used) by Operating Activities</b>			
Operating Income	\$ 106,844	\$ (157,227)	\$ (50,383)
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operations</b>			
Depreciation	218,791	-	218,791
<b>Changes in Assets and Liabilities</b>			
Accounts Receivable	-	7,180	7,180
Prepaid Expense	(329)	-	(329)
Accounts Payable	(82,307)	(1,011)	(83,318)
Accrued Expenses	1,206	74,612	75,818
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ 244,205</u>	<u>\$ (76,446)</u>	<u>\$ 167,759</u>

*City of Mt. Pleasant*

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# City of Mt. Pleasant

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## Index to Statistical Section Year Ended December 31, 2022

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

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

# City of Mt. Pleasant

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	2013	Fiscal Year 2014	2015
Governmental Activities			
Net Invested in Capital Assets	\$ 20,271,529	\$ 20,526,853	\$ 19,600,871
Restricted	2,831,524	2,287,383	2,252,698
Unrestricted	11,019,248	9,967,360	731,913
Total Governmental Activities Net Position	34,122,301	32,781,596	22,585,482
Business-Type Activities			
Net Invested in Capital Assets	14,899,314	14,166,764	13,991,910
Restricted	2,306,122	1,780,676	1,668,178
Unrestricted	6,263,543	7,565,113	5,643,652
Total Business-Type Activities Net Position	23,468,979	23,512,553	21,303,740
Primary Government			
Net Invested in Capital Assets	35,170,843	34,693,617	33,592,781
Restricted	5,137,646	4,068,059	3,920,876
Unrestricted	17,282,791	17,532,473	6,375,565
Total Primary Government Activities Net Position	\$ 57,591,280	\$ 56,294,149	\$ 43,889,222

\* Beginning in 2016 Net Pension Liability recorded and 2017 Net OPEB Liability recorded



# City of Mt. Pleasant

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

2016 *	2017 *	2018 *	Fiscal Year 2019 *	2020 *	2021 *	2022 *
\$ 19,975,504	\$ 18,824,890	\$ 18,813,309	\$ 18,405,251	\$ 18,787,595	\$ 18,679,614	\$ 19,631,804
2,804,683	4,147,543	4,692,588	4,343,590	4,128,937	4,521,051	3,385,710
(3,400,394)	(6,711,983)	(7,299,168)	(7,598,774)	(6,143,133)	(3,553,185)	(5,604,155)
19,379,793	16,260,450	16,206,729	15,150,067	16,773,399	19,647,480	17,413,359
14,614,889	14,421,019	13,862,471	13,364,306	13,105,229	12,676,972	13,702,675
1,425,511	1,517,784	2,224,650	2,882,962	1,356,880	1,419,742	783,511
8,246,814	7,673,427	8,250,533	8,835,396	11,362,284	13,166,023	13,892,199
24,287,214	23,612,230	24,337,654	25,082,664	25,824,393	27,262,737	28,378,385
34,590,393	33,245,909	32,675,780	31,769,557	31,892,824	31,356,586	33,334,479
4,230,194	5,665,327	6,917,238	7,226,552	5,485,817	5,940,793	4,169,221
4,846,420	961,444	951,365	1,236,622	5,219,151	9,612,838	8,288,044
<u>\$ 43,667,007</u>	<u>\$ 39,872,680</u>	<u>\$ 40,544,383</u>	<u>\$ 40,232,731</u>	<u>\$ 42,597,792</u>	<u>\$ 46,910,217</u>	<u>\$ 45,791,744</u>

# City of Mt. Pleasant

	Fiscal Year		
Expenses	2013	2014	2015
Governmental Activities			
General Government	\$ 5,663,475	\$ 5,581,793	\$ 6,016,821
Public Safety	6,338,285	6,823,272	7,774,488
Public Works	1,176,305	1,117,458	1,413,147
Highways, Streets & Bridges	1,403,532	2,549,329	2,437,925
Community Development	3,513	472,750	21,468
Interest on Long-term Debt	133,627	118,917	102,550
Total Governmental Activities Expenses	14,718,737	16,663,519	17,766,399
Business-type Activities			
Water Resource Recovery	2,762,915	2,686,060	2,745,299
Water	2,549,141	2,687,078	2,918,188
Recreation *	-	-	-
Solid Waste	422,280	422,404	443,957
Land Development	328,414	45,180	91,808
Airport	554,825	527,446	482,247
Total Business-type Activities	6,617,575	6,368,168	6,681,499
Total Primary Government	21,336,312	23,031,687	24,447,898
Program Revenue			
Governmental Activities			
Charges for Services			
General Government	1,746,120	1,532,851	1,750,647
Public Safety	1,473,816	1,189,454	1,213,408
Public Works	625	750	2,200
Highways, Streets & Bridges	110,244	103,410	100,801
Community Development	35,676	35,678	21,102
Interest on Long-Term Debt	59,880	67,180	57,300
Operating Grants & Contributions	2,644,525	2,779,954	2,734,413
Capital Grants & Contributions	-	-	-
Total Governmental Activities Program Revenue	6,070,886	5,709,277	5,879,871
Business-type Activities			
Charges for Services			
Water Resource Recovery	2,338,766	2,296,679	2,447,280
Water	2,723,287	2,649,208	2,773,607
Recreation	-	-	-
Solid Waste	354,469	358,466	355,037
Land Development	72,139	15,739	15,739
Airport	350,555	299,806	240,158
Operating Grants & Contributions	49,429	438,225	438,218
Capital Grants & Contributions	524,000	276,000	80,000
Total Business-type Activities Program Revenue	6,412,645	6,334,123	6,350,039
Total Primary Government	12,483,531	12,043,400	12,229,910
Net (Expense)/Revenue			
Governmental Activities	(8,647,851)	(10,954,242)	(11,886,528)
Business-type Activities	(204,930)	(34,045)	(331,460)
Total Primary Government Net Expense	\$ (8,852,781)	\$ (10,988,287)	\$ (12,217,988)

# City of Mt. Pleasant

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

2016	2017	2018	Fiscal Year 2019	2020	2021	2022
\$ 6,234,340	\$ 6,247,195	\$ 6,753,791	\$ 7,510,206	\$ 6,683,761	\$ 6,169,709	\$ 6,034,216
7,309,327	7,356,025	7,923,081	7,775,077	7,243,849	7,022,372	9,703,931
1,675,225	1,602,018	546,249	988,728	751,490	929,233	780,525
2,435,932	2,411,558	2,376,736	2,931,976	3,010,229	2,166,332	4,075,084
-	-	-	-	-	-	-
34,774	45,057	41,631	37,417	32,384	26,503	19,957
17,689,598	17,661,853	17,641,488	19,243,404	17,721,713	16,314,149	20,613,713
2,435,263	2,773,270	2,604,683	2,184,279	2,392,714	2,182,478	2,545,295
2,555,844	3,060,075	3,036,140	2,813,393	2,966,613	2,874,649	3,343,184
-	-	-	-	-	-	1,601,611
512,587	476,666	480,934	594,699	635,121	658,959	703,163
32,892	61,966	12,409	18,840	2,845	37,110	36,360
493,086	888,223	1,026,608	348,848	408,547	463,526	544,452
6,029,672	7,260,200	7,160,774	5,960,059	6,405,840	6,216,722	8,774,065
23,719,270	24,922,053	24,802,262	25,203,463	24,127,553	22,530,871	29,387,778
2,313,281	1,567,051	1,664,819	1,745,182	1,214,461	1,677,036	1,095,355
1,368,775	1,266,319	1,306,122	1,607,266	1,586,122	1,655,611	1,754,776
1,430	1,415	2,849	1,201	3,939	4,332	925
130,778	114,688	100,272	115,459	129,868	136,619	114,532
-	-	-	-	-	-	-
74,729	128,370	86,150	40,910	42,270	45,249	114,180
3,077,107	4,189,712	3,582,673	3,332,106	5,016,453	3,964,323	2,992,049
-	-	-	-	-	-	-
6,966,100	7,267,555	6,742,885	6,842,124	7,993,113	7,483,170	6,071,817
2,402,899	2,573,683	2,589,276	2,486,390	2,790,308	2,692,703	3,035,614
2,830,797	2,989,121	3,206,217	3,119,807	3,183,390	3,292,493	3,431,297
-	-	-	-	-	-	588,599
392,538	468,364	393,063	609,122	599,086	683,010	644,901
143,021	15,739	15,827	15,740	15,738	15,738	15,739
196,322	199,867	219,057	226,616	224,788	301,109	370,026
686,259	530,873	1,054,271	45,155	266,562	218,435	1,141,769
-	-	487,500	239,800	288,000	430,500	200,000
6,651,836	6,777,647	7,965,211	6,742,630	7,367,872	7,633,988	9,427,945
13,617,936	14,045,202	14,708,096	13,584,754	15,360,985	15,117,158	15,499,762
(10,723,498)	(10,394,298)	(10,898,603)	(12,401,280)	(9,728,600)	(8,830,979)	(14,541,896)
622,164	(482,553)	804,437	782,571	962,032	1,417,266	653,880
\$ (10,101,334)	\$ (10,876,851)	\$ (10,094,166)	\$ (11,618,709)	\$ (8,766,568)	\$ (7,413,713)	\$ (13,888,016)

# City of Mt. Pleasant

	2013	Fiscal Year 2014	2015
General Revenue and Other Changes in Net Position			
Governmental Activities			
Property Taxes	\$ 6,385,600	\$ 6,605,160	\$ 6,724,512
Revenue Sharing	2,594,599	2,667,699	2,650,616
Investment Earnings	66,638	76,389	69,559
Miscellaneous	105,755	157,989	337,154
Transfers	(109,460)	106,300	114,765
Total Governmental Activities	9,043,132	9,613,537	9,896,606
Business-Type Activities			
Property Taxes	115,708	116,192	117,663
Revenue Sharing	-	-	1,168
Investment Earnings	34,936	37,503	35,507
Miscellaneous	210	30,224	46,929
Transfers	109,460	(106,300)	(114,765)
Total Business-Type Activities	260,314	77,619	86,502
Total Primary Government	9,303,446	9,691,156	9,983,108
Changes in Net Position			
Governmental Activities	395,281	(1,340,705)	(1,989,922)
Business-Type Activities	55,384	43,574	(244,958)
Total Primary Government	\$ 450,665	\$ (1,297,131)	\$ (2,234,880)

\* - Recreation moved from Special Revenue to Enterprise Fund in 2022

# City of Mt. Pleasant

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

2016	2017	2018	Fiscal Year 2019	2020	2021	2022
\$ 6,756,967	\$ 7,073,044	\$ 7,165,495	\$ 7,463,261	\$ 7,604,331	\$ 7,735,153	\$ 8,273,963
2,692,076	2,861,447	2,921,789	3,020,829	2,909,727	3,411,295	3,161,616
55,900	93,988	167,924	229,416	166,758	70,454	211,210
192,713	444,076	371,718	435,726	341,246	461,818	868,577
(2,179,847)	260,890	217,956	195,386	329,870	26,340	62,760
7,517,809	10,733,445	10,844,882	11,344,618	11,351,932	11,705,060	12,578,126
118,925	-	-	-	-	-	-
1,168	469	-	-	-	-	-
29,221	45,977	95,147	137,297	95,173	33,982	149,929
32,149	22,013	43,796	20,528	14,394	13,436	104,248
2,179,847	(260,890)	(217,956)	(195,386)	(329,870)	(26,340)	(62,760)
2,361,310	(192,431)	(79,013)	(37,561)	(220,303)	21,078	191,417
9,879,119	10,541,014	10,765,869	11,307,057	11,131,629	11,726,138	12,769,543
(3,205,689)	339,147	(53,721)	(1,056,662)	1,623,332	2,874,081	(1,963,770)
2,983,474	(674,984)	725,424	745,010	741,729	1,438,344	845,297
\$ (222,215)	\$ (335,837)	\$ 671,703	\$ (311,652)	\$ 2,365,061	\$ 4,312,425	\$ (1,118,473)

# City of Mt. Pleasant

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	2013	Fiscal Year 2014	2015
General Fund			
Nonspendable	\$ 376,960	\$ 367,080	\$ 449,770
Restricted	415,789	388,014	213,102
Committed	368,621	362,834	369,089
Assigned	5,921,185	5,639,817	5,614,842
Unassigned	976,077	1,104,135	1,334,427
Total General Fund	<u>\$ 8,058,632</u>	<u>\$ 7,861,880</u>	<u>\$ 7,981,230</u>
All Other Governmental Funds			
Nonspendable, Reported in:			
Special Revenue Funds	\$ -	\$ -	\$ -
Restricted, Reported in:			
Special Revenue Funds	2,205,787	1,764,077	1,927,409
Debt Service Funds	127,210	-	106,588
Committed, Reported in:			
Special Revenue Funds	165,148	170,923	180,101
Capital Projects Funds	787,460	810,756	914,271
Assigned, Reported in:			
Special Revenue Funds	89,731	1,509	1,227
Capital Projects Funds	62,790	77,293	-
Total All Other Governmental Funds	<u>\$ 3,438,126</u>	<u>\$ 2,824,558</u>	<u>\$ 3,129,596</u>

# City of Mt. Pleasant

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

2016	2017	2018	Fiscal Year 2019	2020	2021	2022
\$ 395,330	\$ 461,577	\$ 590,191	\$ 305,159	\$ 371,682	\$ 1,480,982	\$ 446,775
542,173	933,711	745,958	684,061	461,111	412,537	483,206
286,202	304,169	334,347	286,546	334,737	357,934	2,161,801
1,738,705	1,601,539	2,470,749	3,110,039	3,566,589	4,037,422	4,789,966
<u>2,525,213</u>	<u>3,034,280</u>	<u>2,983,837</u>	<u>3,736,711</u>	<u>5,196,104</u>	<u>5,403,619</u>	<u>4,861,912</u>
<u>\$ 5,487,623</u>	<u>\$ 6,335,276</u>	<u>\$ 7,125,082</u>	<u>\$ 8,122,516</u>	<u>\$ 9,930,223</u>	<u>\$ 11,692,494</u>	<u>\$ 12,743,660</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,350	\$ 337,072
2,123,308	3,052,967	3,671,637	3,390,398	3,635,857	4,077,747	2,565,432
62,148	129,268	117,823	99,726	31,969	29,417	-
187,064	196,081	202,872	213,336	223,005	228,814	-
1,221,165	1,520,979	1,876,137	2,358,230	2,481,938	2,133,355	-
18,129	54,204	64,351	34,097	34,097	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 3,611,814</u>	<u>\$ 4,953,499</u>	<u>\$ 5,932,820</u>	<u>\$ 6,095,787</u>	<u>\$ 6,406,866</u>	<u>\$ 6,470,683</u>	<u>\$ 2,902,504</u>

# City of Mt. Pleasant

	Fiscal Year		
REVENUE	2013	2014	2015
Taxes	\$6,384,977	\$6,603,356	\$6,727,590
Special Assessments	85,967	136,103	88,901
Licenses and Permits	409,564	415,235	443,476
Intergovernmental			
Grants	581,184	412,880	479,848
Revenue Sharing	4,170,222	4,445,049	4,533,952
Other	49,838	50,558	117,151
Charges for Service and Sales	2,651,696	2,101,297	2,256,442
Fines	214,548	228,936	202,125
Interest	56,635	48,164	42,446
Miscellaneous	724,958	794,865	728,928
Total Revenue	15,329,589	15,236,443	15,620,859
EXPENDITURES			
Current Operations			
General Government	5,784,013	5,156,410	5,329,338
Public Safety	6,056,487	6,325,224	6,213,858
Public Works	794,416	953,545	795,003
Highways, Streets and Bridges	1,515,562	2,618,934	2,343,718
Community Development	6,915	473,026	20,645
Debt Service			
Principal	506,000	529,000	523,000
Interest	145,003	130,832	114,990
Other	475	1,500	1,500
Total Expenditures	14,808,871	16,188,471	15,342,052
Excess of Revenue Over (Under) Expenditures	520,718	(952,028)	278,807
OTHER FINANCING SOURCES (USES)			
Transfers In	1,592,709	1,860,967	1,704,172
Transfers Out	(1,673,798)	(1,719,259)	(1,558,591)
Proceeds from Sale of Bonds Net of Costs	-	-	-
Payment to Escrow Refunding Bonds	-	-	-
Total Other Financing Sources (Uses)	(81,089)	141,708	145,581
Net Changes in Fund Balance	439,629	(810,320)	424,388
Fund Balance - January 1 (Restated)	11,057,129	11,496,758	10,686,438
Fund Balance - December 31	\$11,496,758	\$10,686,438	\$11,110,826
Ratio of Debt Service to Total Noncapital Expenditures	4.60%	4.40%	4.40%

\* - Recreation Fund moved from Special Revenue to Enterprise Fund in 2022



# City of Mt. Pleasant

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

			Fiscal Year			
2016	2017	2018	2019	2020	2021	2022
\$6,754,112	\$7,072,549	\$7,164,070	\$7,463,753	\$7,603,986	\$7,745,249	\$8,273,239
153,657	145,595	137,737	142,252	166,080	143,641	162,883
441,915	429,838	486,596	473,969	472,970	450,957	508,698
584,128	929,871	567,989	80,952	2,072,409	712,152	450,863
4,422,975	5,118,142	5,346,828	5,714,646	5,625,413	6,301,610	5,702,802
124,554	241,127	190,563	276,923	324,308	374,941	403,093
2,678,294	2,203,818	2,247,709	2,741,062	2,228,170	2,777,991	2,294,305
291,749	183,235	164,222	102,621	53,334	36,588	39,332
34,074	62,727	132,819	189,752	138,509	55,802	191,456
1,292,195	1,348,557	931,379	723,485	344,004	578,565	517,948
16,777,653	17,735,459	17,369,912	17,909,415	19,029,183	19,177,496	18,544,619
6,117,798	5,495,132	5,725,434	6,112,124	6,241,183	6,485,982	6,716,954
6,674,308	6,671,576	6,817,574	6,896,542	6,824,789	7,622,930	8,191,556
950,247	943,109	756,084	788,821	854,025	766,908	876,451
2,399,570	2,426,247	2,229,726	2,890,591	3,007,803	2,192,812	4,086,324
-	-	-	-	-	-	-
552,000	265,000	302,000	340,000	337,000	350,000	367,000
98,345	31,887	27,723	23,947	19,017	13,456	7,157
31,323	-	-	-	-	-	-
16,823,591	15,832,951	15,858,541	17,052,025	17,283,817	17,432,088	20,245,442
(45,938)	1,902,508	1,511,371	857,390	1,745,366	1,745,408	(1,700,823)
1,673,277	1,629,560	1,573,953	1,542,631	1,965,164	2,332,958	1,840,987
(3,664,563)	(1,342,730)	(1,316,197)	(1,239,620)	(1,591,744)	(2,252,278)	(1,728,577)
1,696,000	-	-	-	-	-	-
(1,670,165)	-	-	-	-	-	-
(1,965,451)	286,830	257,756	303,011	373,420	80,680	112,410
(2,011,389)	2,189,338	1,769,127	1,160,401	2,118,786	1,826,088	(1,588,413)
0	9,099,437	11,288,775	13,057,902	14,218,303	16,337,089	17,234,577
(\$2,011,389)	\$11,288,775	\$13,057,902	\$14,218,303	\$16,337,089	\$18,163,177	\$15,646,164
4.20%	1.90%	2.30%	2.20%	2.20%	2.20%	2.00%

# City of Mt. Pleasant

## Taxable Value Last Ten Fiscal Years

Fiscal Year Ended December 31,	Real Property			Personal Property	Total Taxable Value	Total Direct Tax Rate
	Residential	Commercial	Industrial			
2013	\$233,962,125	\$159,651,596	\$6,384,376	\$40,797,138	\$440,795,235	15.75
2014	237,557,754	161,489,957	6,189,342	36,522,416	441,759,469	16.25
2015	237,060,530	166,316,375	7,032,464	40,130,498	450,539,867	16.25
2016	238,340,325	168,795,636	7,134,213	35,478,481	449,748,655	16.25
2017	241,837,625	178,733,938	7,069,181	32,490,001	460,130,745	16.25
2018	245,985,484	179,621,114	8,476,527	29,782,343	463,865,468	16.25
2019	252,753,201	183,931,686	5,790,931	28,088,243	470,564,061	16.25
2020	259,248,374	187,010,685	6,196,452	27,535,343	479,990,854	16.25
2021	265,054,891	188,934,668	6,267,022	26,829,343	487,085,924	16.25
2022	276,288,811	196,449,693	6,829,164	26,515,943	506,083,611	16.25

Information Obtained from City Treasurer

Property in the City is reassessed annually. The City assesses property at approximately 50% of actual value for all types of real and personal property. Tax Rates are per \$1,000 of taxable value. Beginning in 2014 commercial personal property with a taxable value less than \$40,000 is exempt. Beginning in 2016 eligible manufacturing personal property is being phased out and replaced with Essential Service Tax levied by the State and paid to local units.

# City of Mt. Pleasant

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

Year Ended	City	A, C School	C Mich Set	R.E.S.D.	B County	Chippewa River Library	Mid Michigan College	Total
2013	15.7500	23.4400	6.0000	5.2985	9.1720	1.7500		61.4105
2014	16.2500	23.7000	6.0000	5.2985	9.3996	1.7500		62.3981
2015	16.2500	23.6600	6.0000	5.2985	9.3996	1.7500		62.3581
2016	16.2500	23.6600	6.0000	5.2985	9.3996	1.7500		62.3581
2017	16.2500	23.6600	6.0000	5.2985	9.3996	1.7500		62.3581
2018	16.2500	22.6600	6.0000	5.2985	9.3996	1.7500		61.3581
2019	16.2500	21.9800	6.0000	5.2985	9.3996	1.7500		60.6781
2020	16.2500	21.9800	6.0000	5.4640	9.6791	1.7500		61.1231
2021	16.2500	21.9800	6.0000	5.4640	9.6791	1.7500	1.2202	62.3433
2021	16.2500	21.9800	6.0000	5.4640	9.6996	1.7500	1.2183	62.3619

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

Information Obtained from City Treasurer

**A** - After 1994 reflects impact of Proposal "A" - Taxpayers with a Principal Residence Exemption are exempted from paying 18 mills of school operating

**B** - Includes Operating, I-Ride, Medical Care Facility, Commission on Aging and Parks.

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

# City of Mt. Pleasant

## Ten Largest Taxpayers Current and Ten Years Ago

Taxpayer	2022			2012		
	Rank	Taxable Value	Percentage of Total Taxable Value	Rank	Taxable Value	Percentage of Total Taxable Value
Tallgrass Apartments LLC	1	\$ 6,725,919	1.33%	2	\$ 5,740,800	1.33%
Mt Pleasant Hospitality LLC	2	6,557,882	1.30%			
Westpointe Village LLC	3	6,327,125	1.25%	6	3,810,000	0.88%
Consumers Energy	4	5,799,959	1.15%	8	3,572,616	0.82%
Mt. Pleasant Shopping Center	5	5,023,685	0.99%	3	4,317,695	1.00%
Meijer, Incorporated	6	4,455,164	0.88%	4	4,257,400	0.98%
Olivieri Management Inc	7	4,349,397	0.86%	5	4,182,109	0.97%
Isabella Bank	8	3,624,185	0.72%	9	3,365,857	0.78%
Comfort Inn	9	3,578,182	0.71%	10	2,997,406	0.69%
FC Country LLC	10	3,518,527	0.70%			
CME Corporation				1	9,692,540	2.24%
American Mitsuba (A)				7	3,690,054	0.85%
Total Ten Largest Taxpayers		49,960,025	9.87%		45,626,477	10.53%
Total Other Taxpayers		456,123,586	90.13%		387,517,407	89.47%
Total Taxable Value (Real/Personal)		\$ 506,083,611	100.00%		\$ 433,143,884	100.00%

Information Obtained from City Treasurer.

(A) - A portion of tax is abated under a Industrial Facility Tax Exemption. A portion of current taxable value is exempt as eligible Manufacturing personal property.

# City of Mt. Pleasant

## Property Tax Valuations, Tax Rates, Tax Levies, and Collections Years Ended 2013 Through 2022

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Real Property</b>										
Taxable Value	\$399,998,097	\$405,237,053	\$410,409,369	\$414,270,174	\$427,640,744	\$434,083,125	\$442,475,818	\$452,455,511	\$460,256,581	\$479,567,668
<b>Personal Property</b>										
Taxable Value	40,797,138	36,522,416	40,130,498	35,478,481	32,490,001	29,782,343	28,088,243	27,535,343	26,829,343	26,515,943
<b>Total Real and Personal</b>										
Taxable Value	\$440,795,235	\$441,759,469	\$450,539,867	\$449,748,655	\$460,130,745	\$463,865,468	\$470,564,061	\$479,990,854	\$487,085,924	\$506,083,611
<b>Tax Rate (Mills)</b>										
Operating and Recycling	12.2500	11.7350	11.8500	11.9900	11.8700	12.4400	12.5700	12.4100	12.4400	12.3900
Capital Improvements	1.5000	2.0000	2.0000	2.0000	2.0000	1.5000	1.5000	1.5000	1.5000	1.5000
Police - Fire Pension	1.5000	2.0150	1.9000	1.7600	1.8800	1.8100	1.6800	1.8400	1.8100	1.8600
Borden Building Debt	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
<b>Total Mills</b>	<b>15.7500</b>	<b>16.2500</b>	<b>16.2500</b>	<b>16.2500</b>	<b>16.2500</b>	<b>16.2500</b>	<b>16.2500</b>	<b>16.2500</b>	<b>16.2500</b>	<b>16.2500</b>
<b>Tax Levy</b>										
Operating and Recycling	\$4,951,881	\$4,781,781	\$4,892,134	\$4,996,313	\$5,079,504	\$5,407,871	\$5,698,005	\$5,691,497	\$5,828,079	\$6,053,254
Capital Improvements	606,513	814,743	825,064	832,806	855,753	636,564	669,460	692,231	701,807	733,010
Police - Fire Pension	606,113	820,042	779,716	730,975	804,055	781,749	755,852	882,762	881,616	908,393
Borden Building Debt	215,185	215,673	218,897	218,428	224,243	227,163	232,752	237,619	241,497	250,649
<b>Total Levy</b>	<b>\$6,379,692</b>	<b>\$6,632,239</b>	<b>\$6,715,811</b>	<b>\$6,778,522</b>	<b>\$6,963,555</b>	<b>\$7,053,347</b>	<b>\$7,356,069</b>	<b>\$7,504,109</b>	<b>\$7,652,999</b>	<b>\$7,945,306</b>
<b>Total Collections</b>	<b>\$6,379,692</b>	<b>\$6,632,239</b>	<b>\$6,715,811</b>	<b>\$6,778,522</b>	<b>\$6,963,555</b>	<b>\$7,053,347</b>	<b>\$7,356,069</b>	<b>\$7,504,109</b>	<b>\$7,652,999</b>	<b>\$7,945,306</b>

Note 1 - Tax levies are after TIFA Captures.

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

Information Obtained from City Treasurer

# City of Mt. Pleasant

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## Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total General Fund Expenditures Years Ended 2013 Through 2022

Year Ended	Principal	Interest	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service to General Fund Expenditures
2013	\$506,000	\$145,003	\$651,003	\$12,419,898	1 to 19.07
2014	529,000	130,832	659,832	12,246,126	1 to 18.56
2015	523,000	114,990	637,990	12,166,266	1 to 19.06
2016	552,000	98,345	650,345	13,474,313	1 to 20.71
2017	265,000	31,887	296,887	12,904,574	1 to 43.47
2018	302,000	27,723	329,723	13,086,447	1 to 39.68
2019	340,000	23,947	363,947	13,691,782	1 to 37.62
2020	337,000	19,017	356,017	13,853,192	1 to 38.92
2021	350,000	13,456	363,456	14,772,517	1 to 40.64
2022	367,000	7,157	374,157	15,641,445	1 to 41.80

Bonds paid off in 2022

# City of Mt. Pleasant

## Ratio of Net General Obligation Bonded Debt to Taxable Value and Net Bonded Debt Per Capita Years Ended 2013 Through 2022

Year Ended	A Population	B Taxable Value	D General Obligation Debt	Building Authority Debt	EGL Loan Payable	Total Debt	C Available Debt Service Monies	Net Bonded Debt	Ratio of Taxable Value to Net Bonded Debt	Net Bonded Debt Per Capita
2013	26,016	\$ 440,795,235	\$ 2,629,573	\$ 899,000	-	\$3,528,573	\$ 68,873	\$ 3,405,127	\$ 129.45	131
2014	26,016	441,759,469	2,387,752	605,000	-	2,992,752	82,661	2,862,339	154.34	110
2015	26,016	450,539,867	2,155,931	307,000	-	2,462,931	111,234	2,310,766	194.97	89
2016	26,016	449,748,655	1,967,821	-	-	1,967,821	62,148	1,898,852	236.85	73
2017	26,016	460,130,745	1,696,000	-	824,665	2,520,665	129,268	2,391,397	192.41	92
2018	26,016	463,865,468	1,394,000	-	743,992	2,137,992	117,823	2,020,169	229.62	78
2019	26,016	470,564,061	1,054,000	-	674,477	1,728,477	99,729	1,628,748	288.91	63
2020	26,016	479,990,854	717,000	-	674,477	1,391,477	34,097	1,357,380	353.62	52
2021	21,688	487,085,924	367,000	-	674,477	1,041,477	0	1,041,477	467.69	48
2022	21,688	506,083,611	8,500,000	-	597,175	9,097,175	0	9,097,175	55.63	419

A - Obtained from the Census Bureau.

B - Obtained from Treasurer's Office.

C - Includes Building Authority and Borden Building Debt Funds

D- General Obligation Bonds were issued in 2022 for WRRF Phase I Plant Upgrades. WRRF rates are established to pay for this debt

# City of Mt. Pleasant

## Ratio of Outstanding Debt by Type Years Ended 2013 Through 2022

Year Ended	A Population	B Taxable Value	Governmental Activities		Business-Type Activities				Total Debt	Ratio of Bonded Debt to Taxable Value	Bonded Debt Per Capita
			General Obligation Debt	Building Authority Debt	EGLE Loan Payable	General Obligation Debt	Revenue Bonds				
2013	26,016	\$440,795,235	\$ 2,629,573	\$899,000	\$ -	\$ -	\$7,025,816	\$10,554,389	41.76	406	
2014	26,016	441,759,469	2,387,752	605,000	-	-	6,296,389	9,289,141	47.56	357	
2015	26,016	450,539,867	2,155,931	307,000	-	-	5,635,000	8,097,931	55.64	311	
2016	26,016	449,748,655	1,967,821	-	-	-	4,643,000	6,610,821	68.03	254	
2017	26,016	460,130,745	1,696,000	-	824,665	-	3,828,000	6,348,665	72.48	244	
2018	26,016	463,865,468	1,394,000	-	743,992	-	2,978,000	5,115,992	90.67	197	
2019	26,016	470,564,061	1,054,000	-	674,477	-	2,338,000	4,066,477	115.72	156	
2020	26,016	479,990,854	717,000	-	674,477	-	1,898,000	3,289,477	145.92	126	
2021	21,688	487,085,924	367,000	-	674,477	-	1,448,000	2,489,477	195.66	115	
2022	21,688	506,083,611	-	-	597,175	8,500,000	928,000	10,025,175	50.48	462	

A - Obtained from the Census Bureau.

B - Obtained from Treasurer's Office.



# City of Mt. Pleasant

## Computation of Direct and Overlapping Debt Year Ended December 31, 2022

Name of Governmental Unit	Total Long-Term Debt Outstanding	Percentage Applicable to City Residents	City Resident's Share of Debt
<u>Direct Debt</u>			
WRRF Plant Upgrade	<u>\$ 8,500,000</u>		
Total Direct	8,500,000	100.00%	\$ 8,500,000
<u>Overlapping Debt - A</u>			
Isabella County	6,000,000	21.36%	1,281,600
Mt. Pleasant Public Schools	<u>20,185,000</u>	41.27%	<u>8,330,350</u>
Total Overlapping Debt	<u>26,185,000</u>		<u>9,611,950</u>
Total Direct and Overlapping Debt	<u><u>\$ 34,685,000</u></u>		<u><u>\$ 18,111,950</u></u>

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

Overlapping debt prepared from latest audit reports 9/30/21 Isabella County  
Percentage applicable to City Residents computed from October 2022 Apportionment Report

# City of Mt. Pleasant

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## Computation of Legal Debt Margin For General Obligation Bonds Year Ended December 31, 2022

Assessed Equivalent Value - December 31,		<u>\$ 606,507,977</u>
Debt Limit - 10% of Assessed Equivalent Value		\$ 60,650,798
Amount of Debt Applicable to Limit - General Obligation Bonds	\$ 8,500,000	
Less Assets Available for Debt Service	<u>-</u>	
Net General Obligation Debt Subject to Limit		<u>8,500,000</u>
Legal Debt Margin		<u>\$ 52,150,798</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit		16.3%

# City of Mt. Pleasant

## Revenue Bond Coverage Years Ended 2013 Through 2022

Year Ended	Gross Revenue	General Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2013	\$5,090,743	\$3,254,238	\$1,836,505	\$720,000	\$266,809	\$986,809	1.86
2014	5,021,172	3,685,898	1,335,274	740,000	245,409	985,409	1.36
2015	5,756,562	3,896,088	1,860,474	755,000	223,609	978,609	1.90
2016	5,502,747	3,531,069	1,971,678	785,000	194,014	979,014	2.01
2017	5,723,717	4,402,345	1,321,372	815,000	151,120	966,120	1.37
2018	5,871,709	3,730,169	2,141,540	850,000	118,736	968,736	2.21
2019	5,737,950	3,805,635	1,932,315	640,000	87,935	727,935	2.65
2020 <b>A</b>	3,183,390	2,079,652	1,103,738	440,000	68,307	508,307	2.17
2021	3,292,493	2,084,735	1,207,758	450,000	53,382	503,382	2.40
2022 <b>B</b>	6,466,911	4,327,292	2,139,619	520,000	160,930	680,930	3.14

A - 2010 WasteWater Bonds were paid off in 2019

B - 2022 WaterResource Recovery Bonds sold 2022

# City of Mt. Pleasant

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## Demographic Statistics Years Ended 2013 Through 2022

<u>Year Ended</u>	<u>A Population</u>	<u>B School Enrollment</u>	<u>C Unemployment Rate</u>
2013	26,016	4,378	6.00%
2014	26,016	4,293	5.90%
2015	26,016	4,545	3.40%
2016	26,016	4,462	3.60%
2017	26,016	4,536	4.10%
2018	26,016	4,529	4.00%
2019	26,016	4,499	3.90%
2020	26,016	4,387	7.50%
2021	21,688	4,528	5.10%
2022	21,688	4,402	4.20%

Data Sources:

**A** - Bureau of the Census

**B** - Mt. Pleasant Public Schools, Sacred Heart Academy,  
Renaissance Academy, Saginaw Chippewa Academy,  
SDA Elementary, White Pine Montessori

**C** - [google.com/publicdata](https://www.google.com/publicdata)  
(Annual County Average)

Information regarding total personal income and per capita income not available

# City of Mt. Pleasant

## Principal Employers In Isabella County 2022 and 2012

Employer	2021 Employees	Rank	2012 Employees	Rank
Saginaw Chippewa Tribe	2978	1	3331	1
Central Michigan University	2071	2	2551	2
Bandit Industries	610	3		
Mt. Pleasant Public Schools	497	4	456	7
Morbark LLC	465	5	412	8
McBride Quality Care	450	6	500	6
McLaren - Central Michigan	413	7	703	3
Welbilt/Delfield	400	8	542	5
Walmart	398	9	550	4
Meijer	370	10	400	10
LaBelle Management			400	9

Source:

2021 Isabella County Comprehensive Annual Financial Report

Total employment for the City is not available.

# City of Mt. Pleasant

## Full Time Employees by Function Years Ended 2013 - 2022

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government	33	33	34	35	34	33	33	33	33	33
Public Safety										
Police										
Sworn Officers	30	30	30	30	28	28	28	28	28	28
Civilians	6	6	6	6	6	6	6	6	6	6
Fire										
Sworn Officers	12	12	12	12	12	12	12	12	12	12
Civilians	1	1	1	1	1	3	3	3	3	3
Highways and Streets										
Engineering	7	7	6	6	6	6	7	7	7	7
Maintenance	12	12	12	12	12	12	12	12	12	12
Airport	-	-	-	-	1	1	1	1	1	1
Water Resource Recovery	7	7	7	7	7	7	7	7	7	7
Water	9	9	9	9	9	9	9	9	10	10
Total	117	117	117	118	116	117	118	118	119	119

Note - Code Enforcement (2) from General Government to Fire Civilians in 2018

# City of Mt. Pleasant

## Operating Indicators by Function Years Ended 2013 - 2022

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>General Government</b>										
Building Permits Issued	503	536	498	394	404	369	317	249	303	265
<b>Public Safety</b>										
Number of Arrests	2,363	2,387	2,542	2,700	2,257	2,125	1,657	935	809	1,011
Number of Traffic Violations	2,169	2,589	2,219	2,394	1,813	1,069	1,057	534	511	782
Number of Parking Violations	4,301	4,494	2,839	4,690	2,130	2,654	1,557	882	221	113
Number of Fire Emergency Responses	926	1,097	967	959	998	891	947	855	1,066	1,034
Number of Fires Extinguished	134	139	118	109	73	56	81	94	83	71
Number of Housing License Inspections *	6,716	8,719	6,910	6,266	6,488	6,059	5,263	5,303	5,178	5,750
Number of Crossing Guards	10	10	10	10	10	10	10	10	10	10
<b>Public Works</b>										
Collected and Disposed										
Solid Waste (tons)	2,009	2,163	1,797	1,842	1,734	1,680	1,790	1,931	2,002	1,725
Recycling (tons)	512	486	492	505	471	465	418	422	425	400
Leaves (cubic yards)	11,958	19,585	11,665	34,080	8,151	11,096	8,342	8,996	8,879	11,250
Number of Trees										
Planted	192	200	424	143	210	118	115	100	87	75
Removed	411	247	156	85	51	64	35	55	42	29
Water Resource Recovery										
Number of Customers	5,710	5,727	5,744	5,757	5,761	5,718	5,702	5,713	5,723	5,698
Total Flow Sold in Million Gallons	560	557	550	543	610	593	530	527	528	544
Water										
Number of Customers	5,974	5,994	6,009	6,034	6,036	6,189	5,984	5,984	6,010	5,996
Total Flow Sold in Million Gallons	657	643	646	640	701	681	601	626	622	630
Airport										
Number of Planes Landed	1,396	1,225	823	816	279	240	243	233	232	218
Gallons of Fuel Sold	63,810	54,677	46,976	49,945	50,492	51,214	47,697	50,535	59,036	62,720
<b>Recreation</b>										
Number of Youth Programs	75	83	82	85	85	85	88	3	26	26
Number of PEAK Participants	658	638	608	571	594	700	707	150	232	387
Number of Adult Programs	21	17	19	15	16	15	12	0	12	12

\* Note - Changed method to track initial vs reinspections in 2019

# City of Mt. Pleasant

## Capital Asset Statistics by Function Years Ended 2013- 2022

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Number of General Government Buildings	1	1	1	1	1	1	1	1	1	1
Public Safety										
Number of Public Safety Buildings	1	1	1	1	1	1	1	1	1	1
Public Works										
Number of Public Works Buildings	3	3	3	3	3	3	3	3	3	3
Miles of Streets	75.52	75.60	75.60	75.60	75.60	75.90	75.90	75.90	75.98	75.93
Miles of Sewer	79.65	79.65	79.65	79.65	79.65	79.65	79.65	79.65	79.65	79.65
Miles of Water Lines	92.75	92.75	92.75	92.75	92.75	92.75	92.75	92.75	92.75	92.75
Recreation & Parks										
Number of Playgrounds	7	7	7	8	8	8	8	8	8	8
Acres of Parks and Facilities	394	394	394	394	394	394	394	394	394	394