



City of Midland, Michigan
Comprehensive Annual
Financial Report
Fiscal Year Ended
June 30, 2018

City of Midland, Michigan
Comprehensive Annual Financial Report
June 30, 2018

Prepared by the Finance Department

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December 19, 2018

Honorable Mayor, City Council Members, and
Citizens of the City of Midland:

The Comprehensive Annual Financial Report (CAFR) of the City of Midland, Michigan (the “City”) as of and for the year ended June 30, 2018 is hereby submitted. As required by City Charter and state laws, the basic financial statements as identified in the table of contents were audited by Yeo & Yeo, Certified Public Accountants. Their unmodified opinion is located at the front of the financial section of this report. An unmodified opinion is the best opinion that an organization can receive on its financial statements. It indicates that the auditor’s examination has disclosed no conditions that cause them to believe that the financial statements are not fairly presented in all material respects.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with City management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that fairly presents the financial position and results of operations of the governmental activities, business-type activities, and various funds and component units of the City of Midland. All disclosures necessary to enable the reader to gain an understanding of the City activities have been included.

Generally Accepted Accounting Principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a managements’ discussion and analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Midland’s MD&A can be found immediately following the report of the independent auditor.

In addition, during the year an audit was performed in accordance with the requirements of the *Single Audit Act Amendments of 1996 (P.L. 104-156)*. The auditor’s reports related to the single audit are issued under separate cover.

PROFILE OF THE CITY

The City of Midland was incorporated in 1887 and is located near the center of the eastern portion of Michigan’s Lower Peninsula, approximately 120 miles northwest of Detroit. It encompasses approximately 36 square miles of land area and is home to a population of 41,950.

The City Charter calls for a council-manager form of government. The governing body consists of five council members, who are elected on a non-partisan basis, one from each of the City’s five wards who in turn choose one of their five to serve as mayor. The City Manager is appointed independently by the City Council and is responsible for carrying out the policies and ordinances of the City Council, for

overseeing the day-to-day operations of the City, and for appointing heads of the various departments and all other City employees. An organization chart is included to better illustrate the City's governmental structure.

The City provides a full range of services including police and fire protection, community planning and zoning, building inspections, code enforcement, library, sanitation, water and wastewater treatment, construction and maintenance of highways, streets and infrastructure, recreation programs, parks, public transportation and senior housing facilities.

The City reports three blended component units as special revenue funds within the governmental type funds: the Downtown Development Authority Fund, the Center City Authority Fund, and the Smart Zone Fund.

ECONOMIC CONDITION AND OUTLOOK

There are many promising opportunities that create a sense of optimism for the City's economic outlook. Last summer, Midland's Downtown Main Street underwent a complete makeover to create a new experience for anyone attending Main Street activities. In the past year the Downtown has benefited from new construction on projects that are complete or nearly complete: a 32-unit apartment complex, a 2-story commercial building, a 3-story residential/commercial mixed-use building, a 3-story 71-unit hotel from a major chain, and plans are in the works for Delta College to build a new 30,000 square foot office and classroom facility on vacant property in Downtown. The Michigan Department of Transportation (MDOT) is about half way through replacing the M-20 Bridge which is the main entrance to the City and Downtown area from the West. Once completed, the new bridge will be much more

aesthetically pleasing and enhance visibility and safety for travelers entering or leaving the City.

Last year the City approved a request from The Dow Chemical Company (Dow) to vacate a portion of Saginaw Road. Nearly all of the properties on both sides of Saginaw Road are owned by Dow and they plan to turn the entire area into an industrial park. The road is now closed and Dow has begun its infrastructure improvements that we hope will lead to additional investment within the industrial park.

Still, Midland's economy is not without challenges. It faces many of the same issues as other communities, such as big-box store tax appeals, and a mall/retail district looking for solutions to foot traffic that has been lost to on-line shopping. But for now, Dow, who still considers Midland its home and is the City's core economic engine, is stable. After the Dow/DuPont merger and split into three separate companies, Midland retained a significant portion of the businesses from before the restructuring. The big unknown is how much and how soon will the new companies invest in their operations within Midland. Until that becomes clearer, the City will continue to exercise conservative budgeting practices.

Residential property values will increase in 2018-19 by .4% to eclipsed \$1 billion for the first time, now making up 48% of the City's regular tax roll. Commercial values will increase by 4% in 2018-19 and have increased seven years in a row. Industrial investment continues to be flat overall, with personal property continuing to decline as more is exempted for the roll.

The City's unemployment rate at year-end was 3.4%, compared to the state unemployment rate of 4.3%, and the national

unemployment rate of 4.2%. The City has maintained its credit ratings of AA with Standard and Poor's, and Aa2 with Moody's.

LONG-TERM FINANCIAL PLANNING

The City will continue to take a conservative approach to projecting changes to its tax roll. While it is anticipated that commercial and industrial investment in the community will pick up, the specific timing is not yet known. Accordingly, budgets and projections will continue to be built upon what is known. In the near term, only minimal growth to the tax revenue stream, based upon taxable values, will be expected.

The City complies with Public Act 20 and Public Act 367 of the State of Michigan in its cash management activities. After several years of slow growth, and nearly nonexistent returns, investment earnings on cash and cash equivalents are now exceeding 2%. Minimal substantive change will be anticipated.

RELEVANT FINANCIAL POLICIES

Through long-term financial and resource planning, the City continues to look for creative and more affordable ways of service delivery to help minimize millage rate increases. Since 2008 the City has eliminated 46 full-time positions, mostly through attrition and without reducing uniformed public safety positions. Also, employee groups have participated in cost reductions through pay freezes and benefit reductions, including defined benefit pension reductions, in order to try to make the cost of providing services more affordable. The opportunity to further reduce staff-size is minimal absent any substantive reduction or change to service delivery.

The City has updated its long-range capital plan which will help serve as a planning tool for the City's infrastructure. All capital projects relating to infrastructure, as well as certain other capital needs, such as building improvements or parking lot improvements, are prioritized, scheduled and funded in accordance with the capital plan. This has enabled the City to coordinate the timing of construction for street, sewer, water, storm water, and sidewalk projects which reduces disruption to the City's traffic flow, as well as maximizes investment by eliminating separate but redundant projects occurring at different times.

MAJOR INITIATIVES

In order to re-establish community expectations and budgetary priorities, the City recently underwent a community engagement process that included a survey and two face-to-face public input sessions. While the attendance at the sessions was light, the survey participation was very high and the City will use this information to re-assess its long range expectations and budgetary priorities.

BUDGET CONTROLS

The annual budget serves as the foundation for the City's financial planning and control. By the second Monday of April of each year, the City Manager presents a proposed budget to the City Council for review. The Council holds public hearings and the final budget is adopted no later than the fourth Monday in May. The Council approves appropriations on the functional basis, which is the legal level of control. Department heads may transfer funds within their function at their discretion up to \$6,000 before requiring City Manager approval. The City Manager can approve all budget transfers except those

between different functions, and any transfer from a reserve for contingency account in excess of \$25,000, which require City Council approval.

All appropriations lapse at year-end except for those specifically approved to be carried forward as part of the year-end encumbrance process.

City Council adopts budgets for all funds as required by Michigan statute. In addition, Council also adopts budgets for all Enterprise and Internal Service Funds, although not required by the State of Michigan.

CERTIFICATE OF ACHIEVEMENT

For the 29th consecutive year, the Government Finance Officers Association (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its June 30, 2017 comprehensive annual financial report. In order to be awarded this certificate, a government must publish an easily readable and efficiently organized comprehensive annual financial report, which satisfies both Generally Accepted Accounting Principles and applicable legal requirements.

We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

The preparation of this report was made possible by the dedicated service of the entire Finance Department. Each member of the Department has our sincere appreciation for the contributions made in the preparation of this report.

Respectfully submitted,



C. Bradley Kaye, AICP
City Manager



David A. Keenan, CPA
Assistant City Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Midland
Michigan**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO

City of Midland, Michigan Organization Chart



City of Midland, Michigan
List of Principal Officials
June 30, 2018

City Council

Ward I	Thomas Adams
Ward II - Mayor	Maureen Donker
Ward III	Steve Arnosky
Ward IV	Diane Brown Wilhelm
Ward V	Marty Wazbinski

Administrative Staff

City Manager	C. Bradley Kaye
Assistant City Manager	David A. Keenan
Director of Planning and Community Development	Grant R. Murschel
City Attorney	James O. Branson, III
Director of Human Resources and Labor Relations	Carol A. Stone
City Assessor	Reid A. Duford
City Clerk / Director of Community Affairs	Selina M. Tisdale
City Controller	Deeann L. Bragg Smerdon
City Engineer	Joshua N. Fredrickson
City Treasurer	Dana C. Strayer
Chief Building Inspector	Stephen K. Taglauer
Fire Chief	Chris A. Coughlin
Information Services Manager	Tadd H. Underhill
Library Director	Miriam M. Andrus
Police Chief	Clifford A. Block
Public Services Director	Karen A. Murphy
Utilities Director	Joseph J. Sova



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Independent Auditors' Report

Management and City Council
City of Midland, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Midland, Michigan as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise of the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Midland, Michigan as of June 30, 2018 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.

Adoption of New Accounting Standards

As described in Note 1 to the financial statements, during the year ended June 30, 2018, the City adopted GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinions are not modified with respect to this matter.

Other Matters:

Required Supplementary Information

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

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Midland, Michigan's basic financial statements. The Introductory Section, Other Supplementary Information, as identified in the table of contents, and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information, as identified in the table of contents, 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 other supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information, as identified in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2018 on our consideration of City of Midland, Michigan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City of Midland, Michigan's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Midland, Michigan's internal control over financial reporting and compliance.

Yeo & Yeo, P.C.

December 19, 2018
Saginaw, Michigan

City of Midland, Michigan
Other Supplementary Information
Nonmajor Governmental Funds
Fund Descriptions
Year Ended June 30, 2018

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Local Street Fund – This fund accounts for the maintenance and construction of streets designated by the Michigan Department of Transportation as local streets.

Smart Zone Fund – This fund through a partnership with Midland Tomorrow accounts for funds collected from the Tax Increment Financing District to align and strategically fund community economic development functions building on Midland’s base of innovation in the chemical and advanced materials sectors.

Center City Authority Fund - This fund accounts for the economic growth in the City Center as it becomes a destination for endless possibilities to eat, shop, and explore.

Stormwater Management Fund – This fund accounts for storm sewer maintenance, open drain cleaning, and county drain assessments related to storm water management within the City.

Grace A. Dow Memorial Library Fund – This fund accounts for property taxes, library services revenue and a General Fund subsidy to be used for providing library services to the citizens of Midland.

Community Development Block Grant Fund – This fund accounts for grant revenues from the Department of Housing and Urban Development to be used for residential and other capital improvements.

Dial-A-Ride Fund – This fund accounts for the City’s Dial-A-Ride transportation system.

Downtown Development Authority Fund – This fund accounts for property taxes levied by and authority established for the purpose of maintaining and renovating the downtown Midland area.

Midland Community Television Fund – This fund accounts for franchise fees generated by an agreement with a local cable company to support two public access channels operated by the City.

City of Midland, Michigan
Other Supplementary Information
Nonmajor Governmental Funds
Fund Descriptions
Year Ended June 30, 2018

Special Activities Fund – This fund accounts for various types of activities that are specifically funded by outside parties, not appropriate to be accounted for in any other Special Revenue Fund, and for which the City is the benefactor of those activities.

Midland Housing Fund – This fund is used to account for a housing rehabilitation program, which was established by a local foundation.

Debt Service Fund

The Debt Service Fund accounts for the servicing of general long-term debt not being financed by proprietary or nonexpendable trust funds.

Permanent Fund

The Cemetery Fund is used to account for the Midland Cemetery perpetual care principal and interest earnings.

City of Midland, Michigan
Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018

	Special Revenue Funds										Debt Service Fund	Permanent Fund	Total Nonmajor Governmental Funds	
	Local Street Fund	Smart Zone Fund	Center City Authority Fund	Stormwater Management Fund	Grace A. Dow Memorial Library Fund	Community Development Block Grant Fund	Dial-A-Ride Fund	Downtown Development Authority Fund	Midland Community Television Fund	Special Activities Fund	Midland Housing Fund	Debt Service Fund		Cemetery Fund
Assets														
Cash and cash equivalents	\$ 6,395,209	\$ 179,215	\$ 50,025	\$ 1,197,882	\$ 844,846	\$ -	\$ -	\$ 381,838	\$ 1,262,600	\$ 84,710	\$ 231,465	\$ 73,134	\$ 2,045,112	\$ 12,746,036
Receivables - net of allowances														
Taxes	-	-	-	-	103	-	-	-	-	-	-	52	-	155
Trust deeds	-	-	-	-	-	1,004,357	-	-	-	-	-	-	-	1,004,357
Customers	-	-	-	-	-	-	-	-	980	-	-	-	-	980
Accounts and contracts	-	-	-	952	195	-	2,205	-	176,927	-	330,269	-	2,975	513,523
Accrued interest and other	10,064	-	84	1,989	1,884	-	-	758	2,147	60	428	421	3,434	21,269
Due from other units of government	199,486	-	-	-	-	112,397	200,056	-	-	-	-	-	-	511,939
Due from other funds	-	-	-	-	-	79,932	-	-	-	-	-	-	-	79,932
Inventories	-	-	-	-	-	-	-	-	-	-	14,748	-	-	14,748
Total assets	\$ 6,604,759	\$ 179,215	\$ 50,109	\$ 1,200,823	\$ 847,028	\$ 1,196,686	\$ 202,261	\$ 382,596	\$ 1,441,674	\$ 85,750	\$ 576,910	\$ 73,607	\$ 2,051,521	\$ 14,892,939
Liabilities														
Accounts payable	\$ 145,508	\$ -	\$ -	\$ 24,487	\$ 167,076	\$ 122,969	\$ 119,516	\$ 23,310	\$ 500	\$ 2,359	\$ 100,912	\$ -	\$ -	\$ 706,637
Due to other funds	-	-	-	-	-	-	-	-	-	-	79,932	-	-	79,932
Deposits	-	-	-	5,258	2,830	-	-	-	-	25,920	-	-	-	34,008
Unearned revenue	-	-	-	-	400,000	-	43,338	-	-	-	-	-	-	443,338
Total liabilities	145,508	-	-	29,745	569,906	122,969	162,854	23,310	500	28,279	180,844	-	-	1,263,915
Deferred inflows of resources														
Grants	-	-	-	-	-	-	39,407	-	-	-	-	-	-	39,407
Trust deeds	-	-	-	-	-	1,004,357	-	-	-	-	-	-	-	1,004,357
Other	-	-	-	-	-	-	-	-	-	-	150,107	-	-	150,107
Total deferred inflows of resources	-	-	-	-	-	1,004,357	39,407	-	-	-	150,107	-	-	1,193,871
Total liabilities and deferred inflows of resources	145,508	-	-	29,745	569,906	1,127,326	202,261	23,310	500	28,279	330,951	-	-	2,457,786
Fund balances														
Non-spendable														
Inventories	-	-	-	-	-	-	-	-	-	-	14,748	-	-	14,748
Restricted for														
Local street	6,459,251	-	-	-	-	-	-	-	-	-	-	-	-	6,459,251
Smart Zone	-	179,215	-	-	-	-	-	-	-	-	-	-	-	179,215
Center city authority	-	-	50,109	-	-	-	-	-	-	-	-	-	-	50,109
Grace A. Dow Memorial Library	-	-	-	-	277,122	-	-	-	-	-	-	-	-	277,122
Downtown development authority	-	-	-	-	-	-	359,286	-	-	-	-	-	-	359,286
Community development block grant	-	-	-	-	-	69,360	-	-	-	-	-	-	-	69,360
Midland housing	-	-	-	-	-	-	-	-	-	231,211	-	-	-	231,211
Special activities	-	-	-	-	-	-	-	-	57,471	-	-	-	-	57,471
Debt service	-	-	-	-	-	-	-	-	-	-	-	73,607	-	73,607
Cemetery operations	-	-	-	-	-	-	-	-	-	-	-	-	2,051,521	2,051,521
Committed														
Future year expenditures	-	-	-	75,502	-	-	-	-	-	-	-	-	-	75,502
Assigned	-	-	-	1,095,576	-	-	-	-	1,441,174	-	-	-	-	2,536,750
Total fund balances	6,459,251	179,215	50,109	1,171,078	277,122	69,360	-	359,286	1,441,174	57,471	245,959	73,607	2,051,521	12,435,153
Total liabilities, deferred inflows of resources and fund balances	\$ 6,604,759	\$ 179,215	\$ 50,109	\$ 1,200,823	\$ 847,028	\$ 1,196,686	\$ 202,261	\$ 382,596	\$ 1,441,674	\$ 85,750	\$ 576,910	\$ 73,607	\$ 2,051,521	\$ 14,892,939

City of Midland, Michigan
Other Supplemental Information
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2018

	Special Revenue Funds										Debt Service Fund	Permanent Fund	Total Nonmajor Governmental Funds	
	Local Street Fund	Smart Zone Fund	Center City Authority Fund	Stormwater Management Fund	Grace A. Dow Memorial Library Fund	Community Development Block Grant Fund	Dial-A-Ride Fund	Downtown Development Authority Fund	Midland Community Television Fund	Special Activities Fund	Midland Housing Fund	Debt Service Fund		Cemetery Fund
Revenues														
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 2,079,544	\$ -	\$ -	\$ 574,132	\$ -	\$ -	\$ -	\$ 541,079	\$ -	\$ 3,194,755
Licenses and permits	102,249	-	-	17,137	-	-	-	-	-	-	-	-	-	119,386
Federal grants	-	-	-	-	-	125,895	635,995	-	-	-	-	-	-	761,890
State grants	1,466,397	-	-	1,460	365,931	-	846,326	4,359	-	8,250	-	95,341	-	2,788,064
Local contributions	-	-	-	-	113,796	-	-	22,085	750	15,198	-	-	16,560	168,389
Charges for services	-	-	-	-	497,869	-	127,408	-	709,191	-	-	-	-	1,334,468
Interest income	36,009	-	335	7,560	7,446	-	-	2,348	8,243	332	1,814	3,747	13,555	81,389
Other revenue	7,127	-	-	230	3,241	77,719	-	1,746	-	31,542	13,966	-	-	135,571
Total revenues	1,611,782	-	335	26,387	3,067,827	203,614	1,609,729	604,670	718,184	55,322	15,780	640,167	30,115	8,583,912
Expenditures														
Current														
General government	-	-	-	-	-	-	-	-	-	3,603	-	-	-	3,603
Public safety	-	-	-	-	-	-	-	-	-	7,784	-	-	-	7,784
Public works	1,413,689	14,210	1,095	589,448	-	-	-	-	-	-	-	-	-	2,018,442
Community and economic development	-	-	-	-	-	179,078	-	579,069	-	38,934	2,062	-	-	799,143
Library and community television	-	-	-	-	4,009,611	-	-	-	589,665	-	-	-	-	4,599,276
Transportation	-	-	-	-	-	-	2,095,573	-	-	-	-	-	-	2,095,573
Capital outlay	1,502,501	-	-	232,217	220,540	-	143,555	-	7,290	-	-	-	-	2,106,103
Debt service														
Principal retirement	-	-	-	-	-	-	-	-	-	-	-	1,400,000	-	1,400,000
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-	166,825	-	166,825
Total expenditures	2,916,190	14,210	1,095	821,665	4,230,151	179,078	2,239,128	579,069	596,955	50,321	2,062	1,566,825	-	13,196,749
Excess (deficiency) of revenues over (under) expenditures	(1,304,408)	(14,210)	(760)	(795,278)	(1,162,324)	24,536	(629,399)	25,601	121,229	5,001	13,718	(926,658)	30,115	(4,612,837)
Other financing sources (uses)														
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	-	-	15,000	-	-	15,000
Transfers in	3,075,000	-	-	933,795	1,064,740	-	586,864	10,000	-	-	-	1,756,198	-	7,426,597
Transfers out	(133,757)	-	-	-	-	(31,230)	-	(45,000)	-	(9,716)	-	(825,429)	-	(1,045,132)
Total other financing sources and uses	2,941,243	-	-	933,795	1,064,740	(31,230)	586,864	(35,000)	-	(9,716)	15,000	930,769	-	6,396,465
Net change in fund balance	1,636,835	(14,210)	(760)	138,517	(97,584)	(6,694)	(42,535)	(9,399)	121,229	(4,715)	28,718	4,111	30,115	1,783,628
Fund balance - beginning of year	4,822,416	193,425	50,869	1,032,561	374,706	76,054	42,535	368,685	1,319,945	62,186	217,241	69,496	2,021,406	10,651,525
Fund balance - end of year	\$ 6,459,251	\$ 179,215	\$ 50,109	\$ 1,171,078	\$ 277,122	\$ 69,360	\$ -	\$ 359,286	\$ 1,441,174	\$ 57,471	\$ 245,959	\$ 73,607	\$ 2,051,521	\$ 12,435,153

City of Midland, Michigan
Other Supplementary Information
Budgetary Comparison Schedule
Smart Zone Fund
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 20,000	\$ 20,000	\$ -	\$ (20,000)
Local contributions	15,000	15,000	-	(15,000)
Total revenues	<u>35,000</u>	<u>35,000</u>	<u>-</u>	<u>(35,000)</u>
Expenditures				
Public works				
Administration	88,000	88,000	14,210	(73,790)
Other	25,000	25,000	-	(25,000)
Total expenditures	113,000	113,000	14,210	(98,790)
Capital outlay	5,000	5,000	-	(5,000)
Total expenditures	<u>118,000</u>	<u>118,000</u>	<u>14,210</u>	<u>(103,790)</u>
Net change in fund balance	(83,000)	(83,000)	(14,210)	68,790
Fund balance - beginning of year	<u>193,425</u>	<u>193,425</u>	<u>193,425</u>	<u>-</u>
Fund balance - end of year	<u>\$ 110,425</u>	<u>\$ 110,425</u>	<u>\$ 179,215</u>	<u>\$ 68,790</u>