



City of Hillsdale

City Council Agenda

January 9, 2017
7:00 p.m.

City Council Chambers
97 N. Broad Street
Hillsdale, MI 49242

- I. Call to Order and Pledge of Allegiance**
- II. Roll Call**
- III. Approval of Agenda**
- IV. Public Comments on Agenda Items**
- V. Consent Agenda**
 - A. Approval of Bills
 - 1. City Claims of December 30, 2016: \$100,424.13
 - 2. BPU Claims of December 29, 2016: \$92,384.14
 - 3. Payroll of December 29, 2016: \$98,662.86
 - B. City Council Minutes of December 19, 2016
 - C. Planning Commission Minutes of November 15, 2016
 - D. November 2016 Financial Reports
 - E. December 2016 Code Enforcement Report
 - F. December 8, 2016 Public Safety Committee Minutes
- VI. Communications/Petitions**
- VII. Introduction and Adoption of Ordinance/Public Hearing**
- VIII. Unfinished Business**
- IX. Old Business**
- X. New Business**
 - A. [Resolution No. 3300](#): Performance Resolution for Governmental Agencies – MDOT
 - B. [Resolution No. 3301](#): Local Government Approval of Class C Liquor License – 3H Coffee House
 - C. Presentation and acceptance of FY2016 Financial Audit
 - D. Purchase of a John Deere wheel loader for the Department of Public Services (DPS)
- XI. Miscellaneous/Reports**
 - A. Board/Commission Appointments
 - 1. Mr. Ed Sumnar to the Board of Review (Alternate)
 - 2. Mr. Troy Barker to the Local Advisory Committee – DART
 - 3. Ms. Penny Swan to the Hillsdale Housing Commission
- XII. City Manager's Report**
- XIII. General Public Comment**
- XIV. Council Comment**
- XV. Adjournment**

GL Number	GL Desc	Vendor	Invoice Desc.	Invoice	Chk Date	Amount	Check
Check 76							
588-588.000-920.000	UTILITIES	MICH GAS UTILITIES	UTILITY SERVICE	DEC 2016	12/29/16	109.92	76
						109.92	
Total For Check 76							
Check 76696							
101-000.000-084.582	DUE FROM UTILITIES DEPAR	PRIORITY HEALTH	JANUARY 2017 HEALTH INSURANCE	163500001711	12/19/16	1,310.73	76696
101-172.000-715.000	HEALTH AND LIFE INSURANC	PRIORITY HEALTH	JANUARY 2017 HEALTH INSURANCE	163500001711	12/19/16	436.91	76696
101-215.000-715.000	HEALTH AND LIFE INSURANC	PRIORITY HEALTH	JANUARY 2017 HEALTH INSURANCE	163500001711	12/19/16	1,747.64	76696
101-219.000-715.000	HEALTH AND LIFE INSURANC	PRIORITY HEALTH	JANUARY 2017 HEALTH INSURANCE	163500001711	12/19/16	1,048.58	76696
101-301.000-715.000	HEALTH AND LIFE INSURANC	PRIORITY HEALTH	JANUARY 2017 HEALTH INSURANCE	163500001711	12/19/16	2,359.31	76696
101-301.000-715.000	HEALTH AND LIFE INSURANC	PRIORITY HEALTH	JANUARY 2017 HEALTH INSURANCE	163500001711	12/19/16	10,835.36	76696
101-336.000-715.000	HEALTH AND LIFE INSURANC	PRIORITY HEALTH	JANUARY 2017 HEALTH INSURANCE	163500001711	12/19/16	2,184.55	76696
101-400.000-715.000	HEALTH AND LIFE INSURANC	PRIORITY HEALTH	JANUARY 2017 HEALTH INSURANCE	163500001711	12/19/16	1,310.73	76696
101-441.000-715.000	HEALTH AND LIFE INSURANC	PRIORITY HEALTH	JANUARY 2017 HEALTH INSURANCE	163500001711	12/19/16	2,359.31	76696
208-751.000-715.000	HEALTH AND LIFE INSURANC	PRIORITY HEALTH	JANUARY 2017 HEALTH INSURANCE	163500001711	12/19/16	1,048.58	76696
588-588.000-715.000	HEALTH AND LIFE INSURANC	PRIORITY HEALTH	JANUARY 2017 HEALTH INSURANCE	163500001711	12/19/16	2,097.16	76696
588-588.000-715.000	HEALTH AND LIFE INSURANC	PRIORITY HEALTH	JANUARY 2017 HEALTH INSURANCE	163500001711	12/19/16	1,048.58	76696
640-444.000-715.000	HEALTH AND LIFE INSURANC	PRIORITY HEALTH	JANUARY 2017 HEALTH INSURANCE	163500001711	12/19/16	436.91	76696
640-444.000-715.000	HEALTH AND LIFE INSURANC	PRIORITY HEALTH	JANUARY 2017 HEALTH INSURANCE	163500001711	12/19/16	1,310.73	76696
699-441.000-715.000	HEALTH AND LIFE INSURANC	PRIORITY HEALTH	JANUARY 2017 HEALTH INSURANCE	163500001711	12/19/16	6,466.26	76696
699-441.000-715.000	HEALTH AND LIFE INSURANC	PRIORITY HEALTH	JANUARY 2017 HEALTH INSURANCE	163500001711	12/19/16	436.91	76696
						36,438.25	
Total For Check 76696							
Check 76697							
101-295.000-920.000	UTILITIES	SPRATT'S	HEATING FUEL	40176	12/19/16	464.10	76697
						464.10	
Total For Check 76697							
Check 76698							
101-000.000-230.000	DUE TO OTHER UNITS OF GO	MARTIN N MILLER	FIRE INSURANCE 82 E SHARP ST	12-29-16	12/29/16	3,000.00	76698
						3,000.00	
Total For Check 76698							
Check 76699							
101-215.000-801.000	CONTRACTUAL SERVICES	ACCUSHRED	MONTHLY SHREDDING SERVICE	36377	12/29/16	55.00	76699
						55.00	
Total For Check 76699							
Check 76700							
101-265.000-930.000	REPAIRS & MAINTENANCE	AMERICAN COPPER AND B	LED LAMP (CITY HALL)	16INV054764	12/29/16	14.62	76700
101-265.000-930.000	REPAIRS & MAINTENANCE	AMERICAN COPPER AND B	METAL HALIDE BULB (DPS)	16INV054765	12/29/16	38.27	76700
101-295.000-930.000	REPAIRS & MAINTENANCE	AMERICAN COPPER AND B	120W 6.6 AMPS MINI LAMP	16INV052645	12/29/16	84.85	76700
						137.74	
Total For Check 76700							
Check 76701							
101-336.000-930.000	REPAIRS & MAINTENANCE	ANYTIME FIRE PROTECTI	SERVICE AND INSPECTION OF FIRE EXT	614713	12/29/16	78.00	76701
101-336.000-930.000	REPAIRS & MAINTENANCE	ANYTIME FIRE PROTECTI	SERVICE AND INSPECTION OF FIRE EXT	614713	12/29/16	46.50	76701
101-336.000-930.000	REPAIRS & MAINTENANCE	ANYTIME FIRE PROTECTI	SERVICE AND INSPECTION OF FIRE EXT	614713	12/29/16	31.00	76701
101-336.000-930.000	REPAIRS & MAINTENANCE	ANYTIME FIRE PROTECTI	SERVICE AND INSPECTION OF FIRE EXT	614713	12/29/16	17.00	76701
101-336.000-930.000	REPAIRS & MAINTENANCE	ANYTIME FIRE PROTECTI	SERVICE AND INSPECTION OF FIRE EXT	614713	12/29/16	11.50	76701
						184.00	
Total For Check 76701							
Check 76702							
101-265.000-801.000	CONTRACTUAL SERVICES	ARROW UNIFORM	MATS & LINENS	14-882205	12/29/16	15.00	76702
101-441.000-742.000	CLOTHING / UNIFORMS	ARROW UNIFORM	RUGS & UNIFORMS - DPS	14-874821	12/29/16	25.60	76702
101-441.000-742.000	CLOTHING / UNIFORMS	ARROW UNIFORM	RUGS & UNIFORMS - DPS	14-882204	12/29/16	25.60	76702
101-441.000-801.000	CONTRACTUAL SERVICES	ARROW UNIFORM	RUGS & UNIFORMS - DPS	14-874821	12/29/16	30.16	76702
101-441.000-801.000	CONTRACTUAL SERVICES	ARROW UNIFORM	RUGS & UNIFORMS - DPS	14-882204	12/29/16	30.16	76702
271-790.000-801.000	CONTRACTUAL SERVICES	ARROW UNIFORM	LIBRARY FLOOR MATS 12-15-16	14-877735	12/29/16	31.87	76702

GL Number	GL Desc	Vendor	Invoice Desc.	Invoice	Chk Date	Amount	Check
Check 76702							
588-588.000-801.000	CONTRACTUAL SERVICES	ARROW UNIFORM	MATS & LINENS	14-877734	12/29/16	32.04	76702
640-444.000-742.000	CLOTHING / UNIFORMS	ARROW UNIFORM	RUGS & UNIFORMS - DPS	14-874821	12/29/16	10.32	76702
640-444.000-742.000	CLOTHING / UNIFORMS	ARROW UNIFORM	RUGS & UNIFORMS - DPS	14-882204	12/29/16	10.32	76702
640-444.000-801.000	CONTRACTUAL SERVICES	ARROW UNIFORM	RUGS & UNIFORMS - DPS	14-874821	12/29/16	20.04	76702
640-444.000-801.000	CONTRACTUAL SERVICES	ARROW UNIFORM	RUGS & UNIFORMS - DPS	14-882204	12/29/16	20.04	76702
Total For Check 76702						251.15	
Check 76703							
101-265.000-925.000	TELEPHONE	AT&T	TELEPHONE CHARGES	DEC 16 - JAN 15	12/29/16	144.54	76703
101-295.000-925.000	TELEPHONE	AT&T	TELEPHONE CHARGES	DEC 16 - JAN 15	12/29/16	57.21	76703
588-588.000-925.000	TELEPHONE	AT&T	TELEPHONE CHARGES	DEC 16 - JAN 15	12/29/16	66.55	76703
Total For Check 76703						268.30	
Check 76704							
588-588.000-925.000	TELEPHONE	AT&T LONG DISTANCE	LONG DISTANCE SERVICE	829553719 DEC 2	12/29/16	10.13	76704
Total For Check 76704						10.13	
Check 76705							
271-790.000-982.000	BOOKS	BAKER & TAYLOR COMPAN	DECEMBER ADULT BOOK ORDER	2032504848	12/29/16	26.70	76705
271-790.000-982.001	BOOKS - FROM DONATION MO	BAKER & TAYLOR COMPAN	MCVICAR TRUST BOOKS	2032504850	12/29/16	221.79	76705
271-792.000-982.000	BOOKS	BAKER & TAYLOR COMPAN	DECEMBER KIDS BOOK ORDER	2032504849	12/29/16	24.57	76705
Total For Check 76705						273.06	
Check 76706							
271-790.000-860.000	TRANSPORTATION AND MILEA	LEANN BECKWITH	EXPENSE REIMBURSEMENT	MILEAGE	12/29/16	77.86	76706
Total For Check 76706						77.86	
Check 76707							
101-400.000-860.000	TRANSPORTATION AND MILEA	ALAN BEEKER	REGION II PLANNING COMMISSION	MILEAGE	12/29/16	41.47	76707
Total For Check 76707						41.47	
Check 76708							
101-265.000-920.000	UTILITIES	BOARD OF PUBLIC UTILI	BULK BILLS	DEC 2016	12/29/16	1,552.47	76708
101-266.000-920.000	UTILITIES	BOARD OF PUBLIC UTILI	BULK BILLS	DEC 2016	12/29/16	213.53	76708
101-276.000-920.000	UTILITIES	BOARD OF PUBLIC UTILI	STREET LIGHT MAINTENANCE	10857	12/29/16	19.50	76708
101-276.000-920.000	UTILITIES	BOARD OF PUBLIC UTILI	BULK BILLS	DEC 2016	12/29/16	24.46	76708
101-295.000-920.000	UTILITIES	BOARD OF PUBLIC UTILI	BULK BILLS	DEC 2016	12/29/16	956.32	76708
101-336.000-920.000	UTILITIES	BOARD OF PUBLIC UTILI	BULK BILLS	DEC 2016	12/29/16	599.08	76708
101-441.000-920.000	UTILITIES	BOARD OF PUBLIC UTILI	BULK BILLS	DEC 2016	12/29/16	468.01	76708
101-448.000-920.202	UTILITIES - MAJOR STREET	BOARD OF PUBLIC UTILI	BULK BILLS	DEC 2016	12/29/16	5,319.29	76708
101-448.000-920.203	UTILITIES - LOCAL STREET	BOARD OF PUBLIC UTILI	BULK BILLS	DEC 2016	12/29/16	276.91	76708
101-756.000-920.000	UTILITIES	BOARD OF PUBLIC UTILI	BULK BILLS	DEC 2016	12/29/16	344.28	76708
202-460.000-801.000	CONTRACTUAL SERVICES	BOARD OF PUBLIC UTILI	STREET LIGHT MAINTENANCE	10859	12/29/16	179.56	76708
202-460.000-801.000	CONTRACTUAL SERVICES	BOARD OF PUBLIC UTILI	STREET LIGHT MAINTENANCE	10858	12/29/16	20.39	76708
202-490.000-920.000	UTILITIES	BOARD OF PUBLIC UTILI	BULK BILLS	DEC 2016	12/29/16	407.29	76708
202-490.500-920.000	UTILITIES	BOARD OF PUBLIC UTILI	BULK BILLS	DEC 2016	12/29/16	428.89	76708
203-480.000-920.000	UTILITIES	BOARD OF PUBLIC UTILI	BULK BILLS	DEC 2016	12/29/16	24.92	76708
271-790.000-920.000	UTILITIES	BOARD OF PUBLIC UTILI	BULK BILLS	DEC 2016	12/29/16	1,409.97	76708
588-588.000-920.000	UTILITIES	BOARD OF PUBLIC UTILI	BULK BILLS	DEC 2016	12/29/16	364.92	76708
640-444.000-920.000	UTILITIES	BOARD OF PUBLIC UTILI	BULK BILLS	DEC 2016	12/29/16	439.39	76708
Total For Check 76708						13,049.18	
Check 76709							
101-276.000-801.000	CONTRACTUAL SERVICES	CARL ALLEN BARNETT	TREE REMOVAL	304285	12/29/16	1,000.00	76709
203-470.000-801.000	CONTRACTUAL SERVICES	CARL ALLEN BARNETT	TREE REMOVAL	304285	12/29/16	150.00	76709

GL Number	GL Desc	Vendor	Invoice Desc.	Invoice	Chk Date	Amount	Check
Check 76709							
			Total For Check 76709			1,150.00	
Check 76710							
101-175.000-808.000	AUDITING SERVICES	CONDON, HECHT, BISHER	AUDIT FOR YEAR ENDING JUNE 20, 201	2000017613	12/29/16	5,000.00	76710
101-175.000-808.000	AUDITING SERVICES	CONDON, HECHT, BISHER	AUDIT FOR YEAR ENDING JUNE 20, 201	2000017613	12/29/16	1,150.00	76710
			Total For Check 76710			6,150.00	
Check 76711							
101-209.000-726.000	SUPPLIES	CURRENT OFFICE SOLUTI	HANGING FOLDERS, LEGAL 1/3 CUT	578431	12/29/16	87.12	76711
			Total For Check 76711			87.12	
Check 76712							
633-000.000-111.000	INVENTORY - MAT. AND SUP	DETROIT SALT CO	DEICING ROAD SALT	61233	12/29/16	2,697.61	76712
633-000.000-111.000	INVENTORY - MAT. AND SUP	DETROIT SALT CO	DEICING ROAD SALT	61233	12/29/16	2,623.89	76712
633-000.000-111.000	INVENTORY - MAT. AND SUP	DETROIT SALT CO	DEICING ROAD SALT	61233	12/29/16	2,603.20	76712
			Total For Check 76712			7,924.70	
Check 76713							
101-336.000-930.000	REPAIRS & MAINTENANCE	THE DOOR MAN	SERVICE CALL/REPAIR DOOR #4	12/16/16	12/29/16	50.00	76713
			Total For Check 76713			50.00	
Check 76714							
640-444.000-730.000	VEH./EQUIP. MAINT. SUPPL	DOUG'S AUTO RECYCLERS	SPEEDOMETER & CORE (2-9)	230401	12/29/16	165.00	76714
640-444.000-730.000	VEH./EQUIP. MAINT. SUPPL	DOUG'S AUTO RECYCLERS	RTRN CORE CHARGE (2-9)	230484	12/29/16	(40.00)	76714
			Total For Check 76714			125.00	
Check 76715							
640-444.000-726.000	SUPPLIES	FASTENAL	BOLTS	MIJON62199	12/29/16	51.25	76715
			Total For Check 76715			51.25	
Check 76716							
271-790.000-930.000	REPAIRS & MAINTENANCE	G&G GLASS, INC	AUTOMATIC DOOR OPENER - ADA	16-3070	12/29/16	875.00	76716
			Total For Check 76716			875.00	
Check 76717							
101-265.000-930.000	REPAIRS & MAINTENANCE	GELZER & SON INC	CARTRDG FILTER, TAPE #A134059 (C.H	A134059	12/29/16	18.48	76717
101-265.000-930.000	REPAIRS & MAINTENANCE	GELZER & SON INC	COMPOUND, COVERS #A134138 (C.H.)	A134138	12/29/16	17.76	76717
101-265.000-930.000	REPAIRS & MAINTENANCE	GELZER & SON INC	BOLTS, TAPE, DOOR SWEEP #C224195 (C224192	12/29/16	45.24	76717
101-265.000-930.000	REPAIRS & MAINTENANCE	GELZER & SON INC	RTRN DOR SWEEP #C224260 (F.D.)	C224260	12/29/16	(27.98)	76717
101-441.000-726.000	SUPPLIES	GELZER & SON INC	KEY, ICE SCRAPERS, SHOVELS #C22326	C223268	12/29/16	84.91	76717
271-790.000-726.000	SUPPLIES	GELZER & SON INC	LIBRARY SUPPLIES	A134155	12/29/16	3.98	76717
640-444.000-726.000	SUPPLIES	GELZER & SON INC	HOLE SAW #C223600 (RMEF)	C223600	12/29/16	4.99	76717
640-444.000-726.000	SUPPLIES	GELZER & SON INC	RC SOLDER #C223498 (RMEF)	C223498	12/29/16	28.99	76717
640-444.000-730.000	VEH./EQUIP. MAINT. SUPPL	GELZER & SON INC	MED DUTY TARP #C223942 (#140)	C223942	12/29/16	3.79	76717
			Total For Check 76717			180.16	
Check 76718							
101-295.000-930.000	REPAIRS & MAINTENANCE	GODFREY BROTHERS, INC	CAP SCREW BOLT, LOCK NUT	S20205	12/29/16	6.30	76718
101-295.000-930.000	REPAIRS & MAINTENANCE	GODFREY BROTHERS, INC	CAP SCREW BOLT, LOCK NUT	S20205	12/29/16	3.78	76718
101-295.000-930.000	REPAIRS & MAINTENANCE	GODFREY BROTHERS, INC	PLUS-50 TM ENGINE OIL	S20250	12/29/16	54.00	76718
			Total For Check 76718			64.08	
Check 76719							
101-336.000-742.000	CLOTHING / UNIFORMS	MARK HAWKINS	BOOT ALLOWANCE FOR JULY 1, 2016 TO	BOOT 2016	12/29/16	100.00	76719

GL Number	GL Desc	Vendor	Invoice Desc.	Invoice	Chk Date	Amount	Check
Check 76719							
Total For Check 76719						100.00	
Check 76720							
101-265.000-726.000	SUPPLIES	HEFFERNAN SOFT WATER	WATER DELIVER	102596	12/29/16	28.50	76720
101-441.000-726.000	SUPPLIES	HEFFERNAN SOFT WATER	WATER DELIVER	102596	12/29/16	19.00	76720
271-790.000-726.000	SUPPLIES	HEFFERNAN SOFT WATER	WATER DELIVER	102596	12/29/16	9.50	76720
Total For Check 76720						57.00	
Check 76721							
101-209.000-801.000	CONTRACTUAL SERVICES	HILLSDALE COUNTY TREA	PARCEL MAPPING SERVICES	6272	12/29/16	3,597.68	76721
Total For Check 76721						3,597.68	
Check 76722							
101-301.000-742.000	CLOTHING / UNIFORMS	TODD HOLTZ	2016 EQUIPMENT ALLOWANCE	2016 EQUIP	12/29/16	200.00	76722
Total For Check 76722						200.00	
Check 76723							
202-490.000-801.000	CONTRACTUAL SERVICES	INDIANA NORTHEASTERN	SIGNAL MAINTENANCE - 2017	2017	12/29/16	6,068.00	76723
203-490.000-801.000	CONTRACTUAL SERVICES	INDIANA NORTHEASTERN	SIGNAL MAINTENANCE - 2017	2017	12/29/16	2,750.00	76723
Total For Check 76723						8,818.00	
Check 76724							
640-444.000-730.000	VEH./EQUIP. MAINT. SUPPL	JACKSON TRUCK SERVICE	FILTER	PC001287462	12/29/16	4.77	76724
640-444.000-730.000	VEH./EQUIP. MAINT. SUPPL	JACKSON TRUCK SERVICE	GREEN STROBE LIGHT (#41)	PC001287690	12/29/16	76.50	76724
640-444.000-730.336	FIRE VEH/EQUIP MAINT SUP	JACKSON TRUCK SERVICE	BELT TENSER (#331)	PC001287656	12/29/16	81.44	76724
Total For Check 76724						162.71	
Check 76725							
101-265.000-930.000	REPAIRS & MAINTENANCE	JONESVILLE LUMBER	SEALANT, SCREWS, TAPE, SPF (F.D.)	750825	12/29/16	208.32	76725
101-265.000-930.000	REPAIRS & MAINTENANCE	JONESVILLE LUMBER	EXCHANGE SPF (F.D.)	750826	12/29/16	6.00	76725
Total For Check 76725						214.32	
Check 76726							
101-441.000-726.000	SUPPLIES	KSS ENTERPRISES	GLOVES, BOWL CLNR (DPS), TRASH LIN	1014387	12/29/16	95.93	76726
202-460.000-726.000	SUPPLIES	KSS ENTERPRISES	GLOVES, BOWL CLNR (DPS), TRASH LIN	1014387	12/29/16	90.94	76726
Total For Check 76726						186.87	
Check 76727							
202-470.000-801.000	CONTRACTUAL SERVICES	DEAN LEININGER	STUMP REMOVAL	12/01/16	12/29/16	30.00	76727
Total For Check 76727						30.00	
Check 76728							
101-336.000-801.000	CONTRACTUAL SERVICES	LINDE	OXYGEN CYLINDERS SHIPPED (3 CYLIND	55464270	12/29/16	6.88	76728
101-336.000-801.000	CONTRACTUAL SERVICES	LINDE	OXYGEN CYLINDERS SHIPPED (3 CYLIND	55464270	12/29/16	21.25	76728
101-336.000-801.000	CONTRACTUAL SERVICES	LINDE	OXYGEN CYLINDERS SHIPPED (3 CYLIND	55464270	12/29/16	11.95	76728
101-336.000-801.000	CONTRACTUAL SERVICES	LINDE	OXYGEN CYLINDERS SHIPPED (3 CYLIND	55464270	12/29/16	5.81	76728
101-336.000-801.000	CONTRACTUAL SERVICES	LINDE	OXYGEN CYLINDERS SHIPPED (3 CYLIND	55476336	12/29/16	13.75	76728
101-336.000-801.000	CONTRACTUAL SERVICES	LINDE	OXYGEN CYLINDERS SHIPPED (3 CYLIND	55476336	12/29/16	21.25	76728
101-336.000-801.000	CONTRACTUAL SERVICES	LINDE	OXYGEN CYLINDERS SHIPPED (3 CYLIND	55476336	12/29/16	11.95	76728
101-336.000-801.000	CONTRACTUAL SERVICES	LINDE	OXYGEN CYLINDERS SHIPPED (3 CYLIND	55476336	12/29/16	5.81	76728
Total For Check 76728						98.65	
Check 76729							
101-276.000-801.000	CONTRACTUAL SERVICES	JAMES LITTLE	COLUMBARIUM ENGRAVING - 2016	16221	12/29/16	1,400.00	76729
Total For Check 76729						1,400.00	

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Check 76730							
202-450.000-801.000	CONTRACTUAL SERVICES	M & M PAVEMENT MARKIN	PAVEMENT MARKINGS	3029	12/29/16	175.13	76730
203-450.000-801.000	CONTRACTUAL SERVICES	M & M PAVEMENT MARKIN	PAVEMENT MARKINGS	3029	12/29/16	3,745.44	76730
						<u>3,920.57</u>	
Total For Check 76730							
Check 76731							
101-172.000-861.000	TRAINING & SEMINARS	MAPSI	ADVANCED PUBLIC SERVICE INSTITUTE	04/09/2017	12/29/16	695.00	76731
						<u>695.00</u>	
Total For Check 76731							
Check 76732							
408-751.000-734.000	POSTAGE	MARKET HOUSE	UPS POSTAGE	104465	12/29/16	20.32	76732
						<u>20.32</u>	
Total For Check 76732							
Check 76733							
101-301.000-861.000	TRAINING & SEMINARS	BRAD MARTIN	REIMBURSEMENT/GYM MEMBERSHIP FOR P	5979	12/29/16	100.00	76733
						<u>100.00</u>	
Total For Check 76733							
Check 76734							
101-175.000-806.000	LEGAL SERVICES	MIKA MEYERS BECKET &	LEGAL FEES	606910	12/29/16	3,164.25	76734
						<u>3,164.25</u>	
Total For Check 76734							
Check 76735							
271-790.000-801.000	CONTRACTUAL SERVICES	CLEMENT MILLER	1 YEAR TIMEIT LICENSE RENEWAL - PA	TIMEIT 2017	12/29/16	600.00	76735
						<u>600.00</u>	
Total For Check 76735							
Check 76736							
101-301.000-742.000	CLOTHING / UNIFORMS	NYE UNIFORM COMPANY	L/S SHIRTS/PANTS (SIMS)	576055	12/29/16	98.18	76736
101-301.000-742.000	CLOTHING / UNIFORMS	NYE UNIFORM COMPANY	L/S SHIRTS/PANTS (SIMS)	576055	12/29/16	12.00	76736
101-301.000-742.000	CLOTHING / UNIFORMS	NYE UNIFORM COMPANY	L/S SHIRTS/PANTS (SIMS)	576055	12/29/16	95.98	76736
101-301.000-742.000	CLOTHING / UNIFORMS	NYE UNIFORM COMPANY	L/S SHIRTS/PANTS (SIMS)	576055	12/29/16	12.11	76736
101-301.000-742.000	CLOTHING / UNIFORMS	NYE UNIFORM COMPANY	COAT (T. WILCOX)	582776	12/29/16	219.45	76736
101-301.000-742.000	CLOTHING / UNIFORMS	NYE UNIFORM COMPANY	COAT (T. WILCOX)	582776	12/29/16	12.91	76736
101-336.000-726.000	SUPPLIES	NYE UNIFORM COMPANY	RETIREMENT BADGE (PAUKEN)	579153	12/29/16	71.00	76736
101-336.000-726.000	SUPPLIES	NYE UNIFORM COMPANY	RETIREMENT BADGE (PAUKEN)	579153	12/29/16	7.75	76736
						<u>529.38</u>	
Total For Check 76736							
Check 76737							
640-444.000-801.301	POLICE VEHICLE REPAIR	PARNEY'S CAR CARE	OIL CHANGE/TIRE ROTATION (UNIT 2-4	60349	12/29/16	18.95	76737
640-444.000-801.301	POLICE VEHICLE REPAIR	PARNEY'S CAR CARE	OIL CHANGE/TIRE ROTATION (UNIT 2-4	60349	12/29/16	8.50	76737
640-444.000-801.301	POLICE VEHICLE REPAIR	PARNEY'S CAR CARE	OIL CHANGE/TIRE ROTATION (UNIT 2-4	60349	12/29/16	10.02	76737
640-444.000-801.301	POLICE VEHICLE REPAIR	PARNEY'S CAR CARE	OIL CHANGE/TIRE ROTATION (UNIT 2-4	60349	12/29/16	15.00	76737
640-444.000-801.301	POLICE VEHICLE REPAIR	PARNEY'S CAR CARE	OIL CHANGE/TIRE ROTATION (UNIT 2-3	60350	12/29/16	18.95	76737
640-444.000-801.301	POLICE VEHICLE REPAIR	PARNEY'S CAR CARE	OIL CHANGE/TIRE ROTATION (UNIT 2-3	60350	12/29/16	8.50	76737
640-444.000-801.301	POLICE VEHICLE REPAIR	PARNEY'S CAR CARE	OIL CHANGE/TIRE ROTATION (UNIT 2-3	60350	12/29/16	10.02	76737
640-444.000-801.301	POLICE VEHICLE REPAIR	PARNEY'S CAR CARE	OIL CHANGE/TIRE ROTATION (UNIT 2-3	60350	12/29/16	15.00	76737
						<u>104.94</u>	
Total For Check 76737							
Check 76738							
101-336.000-726.000	SUPPLIES	PERFORMANCE AUTOMOTIV	1/4 DR MET SKT HD, SKT HOLDER/ 3/8	1199042	12/29/16	11.69	76738
101-336.000-726.000	SUPPLIES	PERFORMANCE AUTOMOTIV	1/4 DR MET SKT HD, SKT HOLDER/ 3/8	1199042	12/29/16	11.69	76738
101-336.000-726.000	SUPPLIES	PERFORMANCE AUTOMOTIV	1/4 DR MET SKT HD, SKT HOLDER/ 3/8	1199042	12/29/16	11.69	76738
101-336.000-726.000	SUPPLIES	PERFORMANCE AUTOMOTIV	1/4 DR MET SKT HD, SKT HOLDER/ 3/8	1199042	12/29/16	11.69	76738
101-336.000-726.000	SUPPLIES	PERFORMANCE AUTOMOTIV	STARDRIVER, RAGS IN A BOX, MET SKT	1199715	12/29/16	3.49	76738
101-336.000-726.000	SUPPLIES	PERFORMANCE AUTOMOTIV	STARDRIVER, RAGS IN A BOX, MET SKT	1199715	12/29/16	20.39	76738
101-336.000-726.000	SUPPLIES	PERFORMANCE AUTOMOTIV	STARDRIVER, RAGS IN A BOX, MET SKT	1199715	12/29/16	20.39	76738
101-336.000-726.000	SUPPLIES	PERFORMANCE AUTOMOTIV	STARDRIVER, RAGS IN A BOX, MET SKT	1199715	12/29/16	3.29	76738

GL Number	GL Desc	Vendor	Invoice Desc.	Invoice	Chk Date	Amount	Check
Check 76738							
101-336.000-726.000	SUPPLIES	PERFORMANCE AUTOMOTIV	STAR DRIVER, RAGS IN A BOX, MET SKT	1199715	12/29/16	3.49	76738
588-588.000-730.000	VEH./EQUIP. MAINT. SUPPL	PERFORMANCE AUTOMOTIV	OIL DRY, AIR/OIL FILTER/TRIP SPRIN	1198428	12/29/16	16.19	76738
640-444.000-726.000	SUPPLIES	PERFORMANCE AUTOMOTIV	OIL DRY, AIR/OIL FILTER/TRIP SPRIN	1198428	12/29/16	27.87	76738
640-444.000-730.000	VEH./EQUIP. MAINT. SUPPL	PERFORMANCE AUTOMOTIV	HYD HOSE & FITTINGS (#8)	1198589	12/29/16	28.44	76738
640-444.000-730.000	VEH./EQUIP. MAINT. SUPPL	PERFORMANCE AUTOMOTIV	BATTERY CABLE (#8)	1198622	12/29/16	12.94	76738
640-444.000-730.000	VEH./EQUIP. MAINT. SUPPL	PERFORMANCE AUTOMOTIV	MICRO-V BELTS (#7)	1198494	12/29/16	80.16	76738
640-444.000-730.000	VEH./EQUIP. MAINT. SUPPL	PERFORMANCE AUTOMOTIV	RTRN MICRO-V BELT (#7)	1198513	12/29/16	(42.58)	76738
640-444.000-730.000	VEH./EQUIP. MAINT. SUPPL	PERFORMANCE AUTOMOTIV	HYD LINES/FITTINGS, PLOW GUIDES	1198558	12/29/16	166.61	76738
640-444.000-730.000	VEH./EQUIP. MAINT. SUPPL	PERFORMANCE AUTOMOTIV	MICRO-V BELT (#7)	1198700	12/29/16	37.58	76738
640-444.000-730.000	VEH./EQUIP. MAINT. SUPPL	PERFORMANCE AUTOMOTIV	IDLER PULLEY, TENSIONER (#7)	1199240	12/29/16	40.17	76738
640-444.000-730.000	VEH./EQUIP. MAINT. SUPPL	PERFORMANCE AUTOMOTIV	HYD HOSE/FITTINGS (#40)	1199483	12/29/16	55.83	76738
640-444.000-730.000	VEH./EQUIP. MAINT. SUPPL	PERFORMANCE AUTOMOTIV	BRAKE PADS (#4)	1199494	12/29/16	68.20	76738
640-444.000-730.000	VEH./EQUIP. MAINT. SUPPL	PERFORMANCE AUTOMOTIV	OIL DRY, AIR/OIL FILTER/TRIP SPRIN	1198428	12/29/16	15.09	76738
Total For Check 76738						604.31	
Check 76739							
640-444.000-730.000	VEH./EQUIP. MAINT. SUPPL	PERFORMANCE AUTOMOTIV	PLOW CUTTING EDGES	1813402	12/29/16	197.68	76739
Total For Check 76739						197.68	
Check 76740							
101-295.000-930.000	REPAIRS & MAINTENANCE	R W MERCER COMPANY, I	B OPERATOR INSPECTION	81309	12/29/16	250.00	76740
Total For Check 76740						250.00	
Check 76741							
271-790.000-982.001	BOOKS - FROM DONATION MO	RANDOM HOUSE, INC.	REPLACEMENT CD P15610	1080107194	12/29/16	10.00	76741
Total For Check 76741						10.00	
Check 76742							
101-301.000-742.000	CLOTHING / UNIFORMS	DUSTIN SIMS	2016 EQUIPMENT ALLOWANCE	2016 EQUIP	12/29/16	173.75	76742
Total For Check 76742						173.75	
Check 76743							
101-295.000-920.000	UTILITIES	SPRATT'S	LP GAS DELIVERY - AIRPORT	37394	12/29/16	349.83	76743
101-295.000-920.000	UTILITIES	SPRATT'S	LP GAS DELIVERY - AIRPORT	40299	12/29/16	318.97	76743
Total For Check 76743						668.80	
Check 76744							
101-175.000-810.000	DUES AND SUBSCRIPTIONS	STATE OF MICHIGAN	2017 MIDEAL	MIDEAL-213 2017	12/29/16	180.00	76744
Total For Check 76744						180.00	
Check 76745							
101-172.000-715.000	HEALTH AND LIFE INSURANC	SUN LIFE ASSURANCE CO	INSURANCE	JAN 2017	12/29/16	28.40	76745
101-172.000-721.000	DISABILITY INSURANCE	SUN LIFE ASSURANCE CO	INSURANCE	JAN 2017	12/29/16	65.88	76745
101-209.000-715.000	HEALTH AND LIFE INSURANC	SUN LIFE ASSURANCE CO	INSURANCE	JAN 2017	12/29/16	14.20	76745
101-209.000-721.000	DISABILITY INSURANCE	SUN LIFE ASSURANCE CO	INSURANCE	JAN 2017	12/29/16	30.06	76745
101-215.000-715.000	HEALTH AND LIFE INSURANC	SUN LIFE ASSURANCE CO	INSURANCE	JAN 2017	12/29/16	28.40	76745
101-215.000-721.000	DISABILITY INSURANCE	SUN LIFE ASSURANCE CO	INSURANCE	JAN 2017	12/29/16	39.49	76745
101-219.000-715.000	HEALTH AND LIFE INSURANC	SUN LIFE ASSURANCE CO	INSURANCE	JAN 2017	12/29/16	14.20	76745
101-219.000-721.000	DISABILITY INSURANCE	SUN LIFE ASSURANCE CO	INSURANCE	JAN 2017	12/29/16	29.83	76745
101-301.000-715.000	HEALTH AND LIFE INSURANC	SUN LIFE ASSURANCE CO	INSURANCE	JAN 2017	12/29/16	198.80	76745
101-301.000-721.000	DISABILITY INSURANCE	SUN LIFE ASSURANCE CO	INSURANCE	JAN 2017	12/29/16	291.11	76745
101-336.000-715.000	HEALTH AND LIFE INSURANC	SUN LIFE ASSURANCE CO	INSURANCE	JAN 2017	12/29/16	71.00	76745
101-336.000-721.000	DISABILITY INSURANCE	SUN LIFE ASSURANCE CO	INSURANCE	JAN 2017	12/29/16	110.66	76745
101-372.000-715.000	HEALTH AND LIFE INSURANC	SUN LIFE ASSURANCE CO	INSURANCE	JAN 2017	12/29/16	14.20	76745
101-372.000-721.000	DISABILITY INSURANCE	SUN LIFE ASSURANCE CO	INSURANCE	JAN 2017	12/29/16	15.39	76745

GL Number	GL Desc	Vendor	Invoice Desc.	Invoice	Chk Date	Amount	Check
Check 76745							
101-400.000-715.000	HEALTH AND LIFE INSURANC	SUN LIFE ASSURANCE CO	INSURANCE	JAN 2017	12/29/16	14.20	76745
101-400.000-721.000	DISABILITY INSURANCE	SUN LIFE ASSURANCE CO	INSURANCE	JAN 2017	12/29/16	18.50	76745
101-441.000-715.000	HEALTH AND LIFE INSURANC	SUN LIFE ASSURANCE CO	INSURANCE	JAN 2017	12/29/16	28.40	76745
101-441.000-721.000	DISABILITY INSURANCE	SUN LIFE ASSURANCE CO	INSURANCE	JAN 2017	12/29/16	44.27	76745
208-751.000-715.000	HEALTH AND LIFE INSURANC	SUN LIFE ASSURANCE CO	INSURANCE	JAN 2017	12/29/16	14.20	76745
208-751.000-721.000	DISABILITY INSURANCE	SUN LIFE ASSURANCE CO	INSURANCE	JAN 2017	12/29/16	22.57	76745
271-790.000-715.000	HEALTH AND LIFE INSURANC	SUN LIFE ASSURANCE CO	INSURANCE	JAN 2017	12/29/16	14.20	76745
271-790.000-721.000	DISABILITY INSURANCE	SUN LIFE ASSURANCE CO	INSURANCE	JAN 2017	12/29/16	19.51	76745
588-588.000-715.000	HEALTH AND LIFE INSURANC	SUN LIFE ASSURANCE CO	INSURANCE	JAN 2017	12/29/16	56.80	76745
588-588.000-721.000	DISABILITY INSURANCE	SUN LIFE ASSURANCE CO	INSURANCE	JAN 2017	12/29/16	60.70	76745
640-444.000-715.000	HEALTH AND LIFE INSURANC	SUN LIFE ASSURANCE CO	INSURANCE	JAN 2017	12/29/16	28.40	76745
640-444.000-721.000	DISABILITY INSURANCE	SUN LIFE ASSURANCE CO	INSURANCE	JAN 2017	12/29/16	36.29	76745
699-441.000-715.000	HEALTH AND LIFE INSURANC	SUN LIFE ASSURANCE CO	INSURANCE	JAN 2017	12/29/16	113.60	76745
699-441.000-721.000	DISABILITY INSURANCE	SUN LIFE ASSURANCE CO	INSURANCE	JAN 2017	12/29/16	131.48	76745
Total For Check 76745						1,554.74	
Check 76746							
247-900.000-801.000	CONTRACTUAL SERVICES	SW SERVICES, LLC	SNOW REMOVAL & SALT	TIFA-0002	12/29/16	100.00	76746
Total For Check 76746						100.00	
Check 76747							
101-301.000-861.000	TRAINING & SEMINARS	RYAN TRACY	REIMBURSEMENT/GYM MEMBERSHIP FOR P 2017		12/29/16	100.00	76747
Total For Check 76747						100.00	
Check 76748							
101-301.000-801.000	CONTRACTUAL SERVICES	TRANSUNION RISK AND A	ONLINE INVESTIGATIVE SYSTEM BILLIN	807352 OCT-NOV	12/29/16	50.00	76748
Total For Check 76748						50.00	
Check 76749							
640-444.000-730.000	VEH./EQUIP. MAINT. SUPPL	TRUCK & TRAILER SPECI	CURB GUARD	C48357	12/29/16	174.21	76749
640-444.000-730.000	VEH./EQUIP. MAINT. SUPPL	TRUCK & TRAILER SPECI	SPINNER DISC	C48403	12/29/16	82.64	76749
Total For Check 76749						256.85	
Check 76750							
101-265.000-801.000	CONTRACTUAL SERVICES	US STAFFING AGENCY, L	TEMP EMPLOYEE W/E 12/18/2016	2116	12/29/16	128.50	76750
101-265.000-801.000	CONTRACTUAL SERVICES	US STAFFING AGENCY, L	TEMP EMPLOYEE W/E 12/25/2016	2168	12/29/16	96.38	76750
101-266.000-801.000	CONTRACTUAL SERVICES	US STAFFING AGENCY, L	TEMP EMPLOYEE W/E 12/18/2016	2116	12/29/16	106.01	76750
101-276.000-801.000	CONTRACTUAL SERVICES	US STAFFING AGENCY, L	TEMP EMPLOYEE W/E 12/18/2016	2116	12/29/16	6.43	76750
101-276.000-801.000	CONTRACTUAL SERVICES	US STAFFING AGENCY, L	TEMP EMPLOYEE W/E 12/25/2016	2168	12/29/16	25.70	76750
101-441.000-801.000	CONTRACTUAL SERVICES	US STAFFING AGENCY, L	TEMP EMPLOYEE W/E 12/18/2016	2116	12/29/16	19.28	76750
101-756.000-801.000	CONTRACTUAL SERVICES	US STAFFING AGENCY, L	TEMP EMPLOYEE W/E 12/18/2016	2116	12/29/16	19.28	76750
101-756.000-801.000	CONTRACTUAL SERVICES	US STAFFING AGENCY, L	TEMP EMPLOYEE W/E 12/25/2016	2168	12/29/16	38.55	76750
202-460.000-801.000	CONTRACTUAL SERVICES	US STAFFING AGENCY, L	TEMP EMPLOYEE W/E 12/18/2016	2116	12/29/16	12.85	76750
202-460.000-801.000	CONTRACTUAL SERVICES	US STAFFING AGENCY, L	TEMP EMPLOYEE W/E 12/25/2016	2168	12/29/16	38.55	76750
202-490.000-801.000	CONTRACTUAL SERVICES	US STAFFING AGENCY, L	TEMP EMPLOYEE W/E 12/25/2016	2168	12/29/16	12.85	76750
202-500.000-801.000	CONTRACTUAL SERVICES	US STAFFING AGENCY, L	TEMP EMPLOYEE W/E 12/18/2016	2116	12/29/16	80.30	76750
202-500.000-801.000	CONTRACTUAL SERVICES	US STAFFING AGENCY, L	TEMP EMPLOYEE W/E 12/25/2016	2168	12/29/16	99.59	76750
203-470.000-801.000	CONTRACTUAL SERVICES	US STAFFING AGENCY, L	TEMP EMPLOYEE W/E 12/25/2016	2168	12/29/16	12.85	76750
203-500.000-801.000	CONTRACTUAL SERVICES	US STAFFING AGENCY, L	TEMP EMPLOYEE W/E 12/18/2016	2116	12/29/16	38.55	76750
203-500.000-801.000	CONTRACTUAL SERVICES	US STAFFING AGENCY, L	TEMP EMPLOYEE W/E 12/25/2016	2168	12/29/16	86.73	76750
Total For Check 76750						822.40	
Check 76751							
101-265.000-726.000	SUPPLIES	WALMART COMMUNITY	DEPARTMENT CHARGES	DEC 2016	12/29/16	39.10	76751

GL Number	GL Desc	Vendor	Invoice Desc.	Invoice	Chk Date	Amount	Check
Check 76751							
101-265.000-726.000	SUPPLIES	WALMART COMMUNITY	DEPARTMENT CHARGES	DEC 2016	12/29/16	173.36	76751
271-790.000-726.000	SUPPLIES	WALMART COMMUNITY	DEPARTMENT CHARGES	DEC 2016	12/29/16	20.99	76751
271-792.000-726.000	SUPPLIES	WALMART COMMUNITY	DEPARTMENT CHARGES	DEC 2016	12/29/16	18.19	76751
Total For Check 76751						251.64	
Check 76752							
101-301.000-742.000	CLOTHING / UNIFORMS	DUSTIN ZIMMERMAN	2016 EQUIPMENT ALLOWANCE	2016 EQUIP	12/29/16	186.80	76752
Total For Check 76752						186.80	

GL Number	GL Desc	Vendor	Invoice Desc.	Invoice	Chk Date	Amount	Check
			Fund Totals:				
			Fund 101 GENERAL FUND			58,726.61	
			Fund 202 MAJOR ST./TRUNKLINE FUND			7,644.34	
			Fund 203 LOCAL ST. FUND			6,808.49	
			Fund 208 RECREATION FUND			1,085.35	
			Fund 247 TAX INCREMENT FINANCE ATH.			100.00	
			Fund 271 LIBRARY FUND			3,364.13	
			Fund 408 FIELDS OF DREAMS			20.32	
			Fund 588 DIAL-A-RIDE FUND			3,862.99	
			Fund 633 PUBLIC SERVICES INV. FUND			7,924.70	
			Fund 640 REVOLVING MOBILE EQUIP. FUN			3,738.95	
			Fund 699 DPS LEAVE AND BENEFITS FUND			7,148.25	
			Total For All Funds:			<hr/>	100,424.13

Final Disbursement List. Check Date 12/29/16, Due Date 12/29/16, Discount Date 01/12/17. Computer Checks.

Bank AP ACCOUNTS PAYABLE

MICR Check#	Vendor Number	Payee	Check Date	Check Amount	Description
067276	1067	A CLEAN START	12/29/16	150.00	OFFICE CLEANING
067277	2	ADT	12/29/16	167.43	WTP ALARM SERVICE
067278	3	AFLAC ATTENTION: REMITTANCE PROCESS	12/29/16	630.84	PREMIUMS
067279	2011	ALEXANDER CHEMICAL CORPORATION	12/29/16	700.30	CHLORINE GAS CYLINDER
067280	12	AMERICAN COPPER & BRASS	12/29/16	16.68	PVC, CABLE TIES
067281	7	AT&T BILL PAYMENT CENTER	12/29/16	228.78	PP GAS METER
067282	17	BCBS	12/29/16	1,490.34	PREMIUMS
067283	15	BECKER & SCRIVENS	12/29/16	30.00	LIMESTONE
067284	319	CINTAS LOCATION #306	12/29/16	1,166.04	RUGS
067285	334	CLARK ELECTRIC, INC.	12/29/16	16,000.00	60KW Generator for EWHSE
067286	2449	CLARK HILL PLC ATTORNEYS AT LAW	12/29/16	440.00	SERVICES RENDERED
067287	805	COMMUNITY ACTION AGENCY	12/29/16	225.00	BOARD MEMBERS DONATION
067288	2603	CONDON, HECHT, BISHER, WADE & CO., PC	12/29/16	5,760.00	PROFESSIONAL SERVICES RENDERED
067289	1188	CURRENT OFFICE SOLUTIONS	12/29/16	161.61	INK CARTRIDGES
067290	44	HARRIS COMPUTER SYSTEMS	12/29/16	5,464.84	COVERAGE PERIOD 1-1-2017/6/30/17
067291	45	HEFFERNAN SOFT WATER	12/29/16	22.90	WATER - WAREHOUSE
067292	47	HILLSDALE HARDWARE GELZER'S	12/29/16	7.64	ANCHORS FOR PP
067293	52	IBEW LOCAL #876	12/29/16	1,004.85	UNION DUES
067294	25	IRBY	12/29/16	1,346.87	WINTER BOOT ORDER
067295	177	KEN STILLWELL FORD MERCURY	12/29/16	262.40	REPLACE HEADLIGHT SWITCH
067296	62	KENDALL ELECTRIC INC	12/29/16	491.59	ELECTRICAL PARTS
067297	1940	KERR PUMP & SUPPLY	12/29/16	859.29	SUMP PUMP
067298	2959	MARCOUX ALLEN P C	12/29/16	262.50	PROFESSIONAL SERVICES
067299	2189	MATT ADAMS	12/29/16	206.50	REIMBURSEMENT
067300	2816	MERIT LABORATORIES ACCOUNTS RECEIVABLE	12/29/16	1,636.26	CONTAMINATED SOIL SAMPLES INV78103
067301	181	MICHIGAN MUNICIPAL LEAGUE	12/29/16	9,687.00	PAYROLL AUDIT
067302	2497	MIKA MEYERS BECKETT & JONES PLC	12/29/16	6,819.75	PROFESSIONAL FEES
067303	556	NONIK TECHNOLOGIES	12/29/16	5,920.00	JANUARY SUPPORT
067304	2181	NORTH CENTRAL LABORATORIES	12/29/16	529.75	NH3 & PHOS STANDARDS
067305	82	PERFORMANCE AUTOMOTIVE	12/29/16	82.16	FLOW SHOES, COOLANT & WASHER
067306	972	POINT RENTAL & SALES	12/29/16	22.48	PORTABEL GEN PARTS
067307	3230	PRIORITY HEALTH	12/29/16	21,408.57	PREMIUMS
067308	3164	PSI	12/29/16	420.00	CONTAMINATED SOIL SAMPLING
067309	2259	RS TECHNICAL SERVICES, INC	12/29/16	1,531.60	CL2 GAS PREVENTATIVE MAINTENANCE
067310	283	SD MYERS	12/29/16	1,090.00	TRANSFORMER TESTING
067311	137	STATE OF MICHIGAN DEQ - CASHIER'S OFFICE	12/29/16	150.00	DEQ PERMIT AT PP
067312	89	STOCKHOUSE COMPUTER FORMS	12/29/16	90.58	VACATION REQUEST
067313	835	SUN LIFE FINANCIAL	12/29/16	893.47	PREMIUMS
067314	3229	THE MACOMB GROUP INC	12/29/16	282.61	PVC 3INCH
067315	1130	USABLUEBOOK	12/29/16	1,328.51	LAB SUPPLIES
067316	1405	WATKINS FENCE	12/29/16	3,350.00	CHAIN LINK FENCE COOL TOWERS
067317	107	WHITE'S WELDING COMPANY	12/29/16	45.00	WELD WATER KEY
Total				92,384.14	

CITY COUNCIL MINUTES

City of Hillsdale
December 19, 2016
7:00 P.M.

Regular Meeting

Call to Order and Pledge of Allegiance

Mayor Scott Sessions opened the meeting with the Pledge of Allegiance.

Roll Call

Mayor Scott Sessions called the meeting to order.

Council Members present:	Scott M. Sessions, Mayor Adam Stockford, Ward 1 Brian Watkins, Ward 1 Timothy Dixon, Ward 2 William Morrissey, Ward 2 Bruce Sharp, Ward 3 William Zeiser, Ward 3 Matthew Bell, Ward 4 Patrick Flannery, Ward 4
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Council Members absent:	None
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Also present were: City Manager David Mackie, City Clerk Stephen M. French, City Attorney John Lovinger, Bonnie Tew (Finance), Kay Freese (HR), Scott Hephner (HCPD/HCFD), Jake Hammel (DPS), Mike Barber (BPU), Chris McArthur (BPU), Corey Murray (Hillsdale Daily News), Jason Walters (Patriot Aviation), Joseph Hendee, Penny Swan, Ray Briner, Richard Wunsch, and Dennis Wainscott.

Approval of Agenda

Council Member Watkins, seconded by Council Member Flannery, moved to approve the December 19, 2016 agenda as presented. By a voice vote, the motion carried unanimously.

Public Comment

No public comments were offered.

Consent Agenda

- A. Approval of Bills
 - 1. City Claims of December 16, 2016: \$214,974.34
 - 2. BPU Claims of December 16, 2016: \$243,325.20
 - 2. Payroll of December 15, 2016: \$95,702.90
- B. City Council Minutes
 - 1. November 21, 2016 (Closed Session Only)
 - 2. December 5, 2016
- C. Board of Review Minutes – December 13, 2016
- D. EDC Minutes – October 20, 2016
- E. November 2016 Code Enforcement Report

Prior to a vote on the motion, City Attorney Lovinger reviewed the procedure for approving the Closed Session minutes from November 21, 2016.

Council Member Flannery, seconded by Council Member Watkins, moved to approve the Consent Agenda as presented.

Roll call:	Council Member Bell	Aye
	Council Member Dixon	Aye
	Council Member Flannery	Aye
	Council Member Morrissey	Aye
	Council Member Sharp	Aye
	Council Member Stockford	Aye
	Council Member Watkins	Aye
	Council Member Zeiser	Aye
	Mayor Sessions	Aye

Motion passed 9-0.

Communications/Petitions

There were no Communications/Petitions on the agenda.

Introduction and Adoption of Ordinance/Public Hearing

There were no Ordinances or Public Hearings on the agenda.

Unfinished Business

There was no Unfinished Business on the agenda.

Old Business

There was no Old Business on the agenda.

New Business

A. Board & Commission Meeting Schedules for 2017

The meeting schedule for the City Council and advisory boards/commissions was presented for approval. Mayor Sessions noted the January 2017 Council meetings would be held on the 2nd and 4th Mondays of the month, and the first meeting in September would be held on the first Tuesday of the month, due to the Labor Day holiday.

Council Member Bell, seconded by Council Member Flannery, moved to approve the Board & Commission Meeting Schedules for 2017 as presented.

Roll call:	Council Member Bell	Aye
	Council Member Dixon	Aye
	Council Member Flannery	Aye
	Council Member Morrissey	Aye
	Council Member Sharp	Aye
	Council Member Stockford	Aye
	Council Member Watkins	Aye
	Council Member Zeiser	Aye
	Mayor Sessions	Aye

Motion passed 9-0.

B. Approval of BPU Water Capital Improvement Plan

BPU Director Barber reviewed the 20-year Water Capital Improvement Plan that had been developed for planning purposes by the BPU staff. Mr. Barber stated the Michigan Department of Environmental Quality (MDEQ) required the utility to develop a 20-year plan following a recent survey.

Council Member Bell, seconded by Council Member Watkins, moved to approve the BPU Water Capital Improvement Plan as presented.

Roll call:	Council Member Bell	Aye
	Council Member Dixon	Aye
	Council Member Flannery	Aye
	Council Member Morrissey	Aye
	Council Member Sharp	Aye

Council Member Stockford	Aye
Council Member Watkins	Aye
Council Member Zeiser	Aye
Mayor Sessions	Aye

Motion passed 9-0.

C. Approval of BPU Lease Agreements with DMCI Broadband

BPU Director Barber stated DMCI Broadband had proposed a lease agreement to co-locate a wi-fi antenna on the South Street water-tower, as well as a repeater on a utility pole near Industrial Drive water-tower. Mr. Barber stated the agreement would provide the utility with \$1,400 per month in lease payments from DMCI.

Responding to a question from Council Member Bell, BPU Director Barber stated the lease payments were comparable to revenues received by other municipalities for the same service.

Council Member Morrissey, seconded by Council Member Zeiser, moved to approve the BPU Lease Agreements with DMCI Broadband as presented.

Roll call:	Council Member Bell	Aye
	Council Member Dixon	Aye
	Council Member Flannery	Aye
	Council Member Morrissey	Aye
	Council Member Sharp	Aye
	Council Member Stockford	Aye
	Council Member Watkins	Aye
	Council Member Zeiser	Aye
	Mayor Sessions	Aye

Motion passed 9-0.

D. Approval of Electronic Payment Service Agreement – Point & Pay, LLC

Finance Director Tew presented a recommendation from city staff to approve a service agreement with Point & Pay, LLC, which would allow the city to accept credit and debit card payments for city services, taxes, permits, and products. Ms. Tew reviewed the 2% service charge and convenience fees that were associated with the program and noted the Point & Pay system provided all of the necessary hardware equipment at no charge to the city. Ms. Tew stated the new system would also allow customers to pay with a credit card at City Hall and at the BPU offices.

Ms. Tew stated the Point & Pay system would fully integrate with the new BS&A software package at the BPU and would automatically post payments to the individual account without staff having to

manually enter the information. Ms. Tew stated the new Point & Pay system would replace the credit card system currently in use at BPU.

Council Member Stockford questioned if the Point & Pay system was only the credit card payment system that fully integrated with the BS&A Software. Finance Director Tew stated the Point & Pay was not the only system that worked with BS&A Software, but it had come recommended from other municipalities in Michigan. Council Member Stockford voiced concern at high costs of the convenience fees that would be assessed against the customer.

City Clerk French stated the other providers of this service required the city to pay up-front costs and to purchase the individual credit card machines.

Council Member Bell also voiced concern at the high service charge percentage and questioned if another vendor could provide this service at a lower rate. Council Member Bell stated BPU customers could currently pay their utility bill with a credit card over the Internet without incurring a service fee.

City Manager Mackie noted the Point & Pay system would allow the entire city government to accept credit card payments, including charges for permits, inspections, taxes, fines, park reservations, and others.

Council Member Watkins noted other cities in Michigan, including Marquette, utilized payments by credit card for services like park reservations and tax payments. Council Member Watkins voiced support for a flat, per-transaction fee and not a convenience fee based on the percentage of the payment.

Council Member Sharp objected to the convenience fees associated with the Point & Pay system.

City Manager Mackie stated city staff could look into other options and provide that information at a future Finance Committee meeting.

Council Member Flannery noted that other types of payments, such as an electronic fund transfer, did not require the inclusion of a service fee. Council Member Flannery questioned the personnel costs associated with manually accepting and entering a cash or check payments. Council Member Flannery also indicated the payment of taxes in the State of Michigan could not be discounted to absorb the cost of a credit card transaction; that is, if a residents wanted to pay a \$1,000 tax bill with a credit card, any cost of the transaction to the city must be assumed by the taxpayer, so that in the end, the city had a \$1,000 net payment. Council Member Flannery also objected to an established flat-fee charge for a credit card payment, as customers with larger bills would be paying some of the banking fees assessed to customers with higher balances, who were responsible to pay the same rate.

Council Member Dixon stated the City of Jonesville was using the Point and Pay system. Council Member Dixon also indicated the use of a credit card was an alternative for city customers and if the customer did not want to pay the service fees, they could pay by other means. Council Member Dixon stated private merchants pay 2-3% on all credit card receipts, which was similar to the proposal recommended by city staff.

Council Member Bell objected to a potential change that would charge BPU customers a service fee, when current customers could pay their statements via credit card without a service fee.

Council Member Zeiser discussed the costs to the BPU if customers changed their payment method to a manual check or cash payment, if service charges were added to payments via credit card.

Council Member Watkins, seconded by Council Member Stockford, moved to table discussion of this item until future information could be presented to the Finance Committee. By a voice vote, the motion passed.

Miscellaneous

A. Board & Committee Appointments

Council Member Watkins, seconded by Council Member Flannery, moved to approve the following appointments:

- A. Board of Review
 - 1. David M. Cheramie (New Appointment)
 - 2. Richard Cutis (New Appointment)
 - 3. Donna Mackay (New Appointment)
- B. Cemetery Board
 - 1. Mr. Carl “Bud” Heinowski (Re-Appointment)

By a voice vote, the motion carried unanimously.

City Manager’s Report

City Manager Mackie reported:

1. A number of vacancies remained on various boards & commissions and interested city residents were encouraged to contact the City Clerk’s Office for applications or additional information.
2. The sale of 221 Industrial Drive had been completed and the new owner was planning to renovate the building for industrial use
3. The fiscal audit was nearing completion and would be presented to the BPU Board on January 10, 2017 and to the City Council on January 23, 2017.
4. The City was planning to resubmit an MEDC grant in March 2017 for the Garden-Mead-Vine Project. City Manager Mackie stated the engineering plans had been completed, which would benefit the city during the application process.
5. The next F.A.I.R. Committee meeting would be held on January 16, 2017 at 6:00

- p.m. in the City Council Chambers.
6. Kevin Pauken, Deputy Fire Chief, and a 37-year employee of the City, would retire on December 29, 2016.
 7. The City was working with AT&T for the placement of a new cellular tower to improve reception in the area.

Council Member Bell asked for a report on the detailed expenditures of the current year regarding the funds ear-marked for road improvements.

Council Member Flannery asked for an agenda of the upcoming budget process for FY2018.

General Public Comment

Mr. Richard Waunch, 98 ½ North Broad, asked the city to post public notices for all board and committee meetings, not just those meetings that required notice through the Open Meetings Act (OMA).

Mr. Dennis Wainscott, 34 Garden Street, discussed the service charges associated with credit card payments.

Mr. Jack McLain, 1445 South Bunn Road, objected to the variance granted by the Zoning Board of Appeals (ZBA) at a recent meeting regarding a new housing development near Hillsdale College. Mr. McLain also questioned if the large, address sign on 42 Union Street met the city's Zoning Ordinance requirements.

Ms. Penny Swan, Ward 4, also voiced concern regarding the ZBA ruling.

Council Comments

Council Member Sharp questioned City Clerk French if all board and committee meeting notices were posted on-line and at City Hall. City Clerk French responded that all board and committee meeting notices were publically posted.

Council Member Bell wished everyone a Merry Christmas.

Council Member Stockford welcomed Corey Murray from the Dayton Daily News, and noted Mr. Murry had been named as the new city reporter.

Mayor Sessions congratulated Kevin Pauken on his upcoming retirement and wished everyone a Merry Christmas.

Adjournment

Council Member Bell, seconded by Council Member Watkins, moved to adjourn the meeting. By a voice vote, the motion passed unanimously.

The meeting adjourned at 7:57 p.m.

Scott M. Sessions, Mayor

Stephen M. French, City Clerk

CITY OF HILLSDALE



Planning Commission
97 North Broad Street
Hillsdale, Michigan 49242-1695
(517) 437-6449 Fax: (517) 437-6450

PLANNING COMMISSION MINUTES **REGULAR MEETING** **CITY HALL, 97 N. BROAD ST. 2nd FLOOR** **November 15, 2016 at 5:30 PM**

I. Call to Order 5:30 pm

- A. Pledge of Allegiance
- B. Members present:, Chair Amber Yoder, Mayor Scott Sessions, Laura Smith, Kerry Laycock, Eric Moore, Sam Nutter
- C. Others present: Alan Beeker (Zoning Administrator), Mary Wolfram (Economic Development), Ed McClain
- D. Members absent:

II. Consent Items/Communications

- A. Mayor Sessions moved to approve the agenda, Jonathan Smith seconded, motion passed.
- B. Kerry moved to approve the Consent Items/Communications, Eric Moore seconded, motion passed.

III. Public Comment

No Public Comment

IV. Old Business

- A. Placemaking Study – Mr. Beeker gave a brief update to the study. Some discussion continued regarding the next steering committee meeting on Dec. 8 at 10 am.
- B. Project Rising Tide – Ms. Wolfram spoke to the visioning meeting which will be Nov. 22 at 2:00 pm in the library. Mr. Beeker and Ms. Wolfram gave a brief overview of the PRT. Mr. Beeker spoke to the technical assistance being offered to the City. Mr. Beeker spoke to the Form Based Code.
- C. Hillsdale Townhome Variance – The architect missed the first deadline and the meeting will be Dec. 14, 2016 at 5:30 pm.

V. New Business

- A. 2017 Meeting dates – The meeting dates for next year were presented. Mr. Beeker will pass them on to the Clerk for publishing on the website.
- B. Appointment Schedule – Dr. Robert Schall has agreed to be appointed in Jonathan Smith’s place. Eric Moore, Samuel Nutter, Amber Yoder and Kerry Laycock will need to be re-appointed. Mr. Beeker will try to get them on the agenda for the Nov. 21 Council meeting.

VI. Economic Development

Ms. Wolfram informed the Commission of various projects around the City. She spoke to the potential for a \$200,000 grant to help renovate the Dawn Theater. She also talked about the Keefer House hotel feasibility study.

VII. Public Comment

Mr. McClain had various questions regarding zoning. He also felt that the Hillsdale Beauty College should be added to the master plan.

- VIII. Adjournment at 6:40 pm** – Laura Smith moved to adjourn, Mayor Sessions seconded, motion passed. Meeting adjourned.

Next meeting: December 20, 2016 at 5:30 pm.

PERIOD ENDING 11/30/2016

GL NUMBER	DESCRIPTION	2016-17		YTD BALANCE	ACTIVITY FOR	UNENCUMBERED	% BDGT	ENCUMBERED
		ORIGINAL BUDGET	2016-17 AMENDED BUDGET	11/30/2016 NORM (ABNORM)	MONTH 11/30/16 INCR (DECR)			
Fund Group <None>								
Fund 101 - GENERAL FUND								
Revenues								
9401	TAXES	1,987,500.00	1,987,500.00	1,734,004.50	20,104.47	253,495.50	87.25	0.00
7400	REVENUE	132,600.00	132,600.00	22,222.75	4,917.84	110,377.25	16.76	0.00
0000		6,300.00	6,300.00	5,792.05	13.75	507.95	91.94	0.00
9450	BUSINESS LICENSES & PERMITS	83,000.00	83,000.00	19,595.28	19,595.28	63,404.72	23.61	0.00
9476	NON-BUS. LICENSES & PERMITS	17,000.00	17,000.00	7,285.00	795.00	9,715.00	42.85	0.00
9501	FEDERAL GRANTS	0.00	0.00	1,080.50	0.00	(1,080.50)	100.00	0.00
0	Unclassified	479,000.00	479,000.00	299,209.57	215,119.89	179,790.43	62.47	0.00
9539	STATE GRANTS	0.00	0.00	21,300.00	21,300.00	(21,300.00)	100.00	0.00
9574	STATE REVENUE SHARING	853,000.00	853,000.00	290,631.25	0.00	562,368.75	34.07	0.00
9600	CHARGES FOR SERVICES	19,600.00	19,600.00	8,427.17	1,170.69	11,172.83	43.00	0.00
9655	FINES AND FORFEITS	6,000.00	6,000.00	1,664.03	525.04	4,335.97	27.73	0.00
9664	INTEREST AND RENTS	23,000.00	23,000.00	3,566.57	839.44	19,433.43	15.51	0.00
9672	SPECIAL ASSESSMENTS	26,500.00	26,500.00	48.93	0.00	26,451.07	0.18	0.00
9680	OTHER REVENUES	1,259,500.00	1,259,500.00	384,988.90	75,155.24	874,511.10	30.57	0.00
TOTAL REVENUES		4,893,000.00	4,893,000.00	2,799,816.50	359,536.64	2,093,183.50	57.22	0.00
Expenditures								
101.000	CITY COUNCIL	27,425.00	27,425.00	13,396.57	1,616.82	14,028.43	48.85	0.00
172.000	CITY MANAGER	237,735.00	237,735.00	84,643.02	18,246.02	152,517.83	35.85	574.15
174.000	ECONOMIC DEVELOPMENT	490,000.00	490,000.00	111,749.71	17,636.16	378,250.29	22.81	0.00
175.000	ADMINISTRATIVE SERVICES	179,600.00	179,600.00	54,602.59	11,292.74	122,817.06	31.62	2,180.35
191.000	ELECTIONS	15,600.00	15,600.00	3,658.74	367.90	11,836.73	24.12	104.53
209.000	ASSESSING DEPARTMENT	98,135.00	98,135.00	32,598.77	6,957.26	64,932.35	33.83	603.88
215.000	CITY CLERK DEPARTMENT	154,115.00	154,115.00	55,653.16	11,447.03	98,012.30	36.40	449.54
219.000	FINANCE DEPARTMENT	103,560.00	103,560.00	39,549.53	8,950.00	63,923.73	38.27	86.74
253.000	CITY TREASURER	138,200.00	138,200.00	24,894.12	11,039.15	113,305.88	18.01	0.00
265.000	BUILDING AND GROUNDS	125,835.00	125,835.00	46,076.34	8,516.25	78,383.45	37.71	1,375.21
266.000	PARKING LOTS	34,955.00	34,955.00	2,963.94	373.38	31,796.82	9.03	194.24
276.000	CEMETERIES	122,220.00	122,220.00	50,421.02	7,723.35	71,594.61	41.42	204.37
295.000	AIRPORT	110,155.00	110,155.00	58,304.13	9,784.71	48,207.25	56.24	3,643.62
301.000	POLICE DEPARTMENT	1,363,400.00	1,363,400.00	507,412.51	108,252.31	835,895.92	38.69	20,091.57
336.000	FIRE DEPARTMENT	456,765.00	456,765.00	170,764.42	33,313.80	284,954.23	37.61	1,046.35
372.000	CODE ENFORCEMENT	44,990.00	44,990.00	16,157.83	3,104.92	7,502.58	83.32	21,329.59
400.000	PLANNING DEPARTMENT	78,880.00	78,880.00	31,327.03	6,321.39	47,520.27	39.76	32.70
441.000	PUBLIC SERVICES DEPARTMENT	283,030.00	283,030.00	110,196.25	20,461.23	170,987.55	39.59	1,846.20
448.000	STREET LIGHTING	68,500.00	68,500.00	18,495.30	4,822.72	45,032.02	34.26	4,972.68
756.000	PARKS	195,495.00	195,495.00	59,279.92	12,941.65	134,584.17	31.16	1,630.91
965.000	TRANSFERS TO OTHER FUNDS	564,405.00	564,405.00	22,000.00	12,000.00	542,405.00	3.90	0.00
TOTAL EXPENDITURES		4,893,000.00	4,893,000.00	1,514,144.90	315,168.79	3,318,488.47	32.18	60,366.63
Fund 101 - GENERAL FUND:								
TOTAL REVENUES		4,893,000.00	4,893,000.00	2,799,816.50	359,536.64	2,093,183.50	57.22	0.00
TOTAL EXPENDITURES		4,893,000.00	4,893,000.00	1,514,144.90	315,168.79	3,318,488.47	32.18	60,366.63
NET OF REVENUES & EXPENDITURES		0.00	0.00	1,285,671.60	44,367.85	(1,225,304.97)	100.00	(60,366.63)

PERIOD ENDING 11/30/2016

GL NUMBER	DESCRIPTION	2016-17		YTD BALANCE	ACTIVITY FOR		UNENCUMBERED	% BDGT	ENCUMBERED
		ORIGINAL BUDGET	2016-17 AMENDED BUDGET	11/30/2016 NORM (ABNORM)	MONTH 11/30/16 INCR (DECR)	BALANCE			
Fund Group <None>									
Fund 202 - MAJOR ST./TRUNKLINE FUND									
Revenues									
7400	REVENUE	12,000.00	12,000.00	0.00	0.00	12,000.00	0.00	0.00	
9539	STATE GRANTS	505,000.00	505,000.00	134,118.14	38,878.13	370,881.86	26.56	0.00	
9664	INTEREST AND RENTS	850.00	850.00	665.69	112.92	184.31	78.32	0.00	
9680	OTHER REVENUES	2,500.00	2,500.00	4,689.59	4,439.59	(2,189.59)	187.58	0.00	
TOTAL REVENUES		520,350.00	520,350.00	139,473.42	43,430.64	380,876.58	26.80	0.00	
Expenditures									
175.000	ADMINISTRATIVE SERVICES	147,500.00	147,500.00	12,332.48	3,887.81	135,167.52	8.36	0.00	
175.500	ADMIN. SERVICES - TRUNKLINE	3,000.00	3,000.00	1,079.33	0.00	1,920.67	35.98	0.00	
450.000	STREET SURFACE	71,115.00	71,115.00	29,661.89	6,503.59	41,291.47	41.94	161.64	
450.500	TRUNKLINE SURFACE	13,955.00	13,955.00	2,323.51	15.52	11,631.49	16.65	0.00	
460.000	R.O.W MAINTENANCE	92,160.00	92,160.00	34,930.94	12,026.48	55,967.04	39.27	1,262.02	
460.500	TRUNKLINE R.O.W. MAINTENANCE	10,050.00	10,050.00	2,023.89	592.44	7,836.81	22.02	189.30	
470.000	TREES	38,280.00	38,280.00	10,505.16	882.27	27,774.84	27.44	0.00	
470.500	TRUNKLINE TREES	905.00	905.00	3,378.42	2,925.83	(2,473.42)	373.31	0.00	
480.000	DRAINAGE	44,425.00	44,425.00	8,920.62	1,757.71	35,504.38	20.08	0.00	
480.500	TRUNKLINE R.O.W. DRAINAGE	1,735.00	1,735.00	610.83	129.14	1,124.17	35.21	0.00	
490.000	TRAFFIC	59,090.00	59,090.00	33,509.44	9,102.52	25,170.73	57.40	409.83	
490.500	TRUNKLINE TRAFFIC	7,380.00	7,380.00	2,183.22	388.08	4,787.24	35.13	409.54	
500.000	WINTER MAINTENANCE	97,070.00	97,070.00	98.48	96.28	96,971.52	0.10	0.00	
500.500	TRUNKLINE WINTER MAINTENANCE	22,905.00	22,905.00	0.00	0.00	22,905.00	0.00	0.00	
TOTAL EXPENDITURES		609,570.00	609,570.00	141,558.21	38,307.67	465,579.46	23.62	2,432.33	
Fund 202 - MAJOR ST./TRUNKLINE FUND:									
TOTAL REVENUES		520,350.00	520,350.00	139,473.42	43,430.64	380,876.58	26.80	0.00	
TOTAL EXPENDITURES		609,570.00	609,570.00	141,558.21	38,307.67	465,579.46	23.62	2,432.33	
NET OF REVENUES & EXPENDITURES		(89,220.00)	(89,220.00)	(2,084.79)	5,122.97	(84,702.88)	5.06	(2,432.33)	

PERIOD ENDING 11/30/2016

GL NUMBER	DESCRIPTION	2016-17		YTD BALANCE	ACTIVITY FOR		UNENCUMBERED	% BDGT	ENCUMBERED
		ORIGINAL BUDGET	2016-17 AMENDED BUDGET	11/30/2016 NORM (ABNORM)	MONTH 11/30/16	INCR (DECR)			
Fund Group <None>									
Fund 203 - LOCAL ST. FUND									
Revenues									
7400	REVENUE	12,000.00	12,000.00	0.00	0.00	12,000.00	0.00	0.00	
9539	STATE GRANTS	150,000.00	150,000.00	40,379.34	12,820.62	109,620.66	26.92	0.00	
9680	OTHER REVENUES	200,000.00	200,000.00	340.00	340.00	199,660.00	0.17	0.00	
TOTAL REVENUES		362,000.00	362,000.00	40,719.34	13,160.62	321,280.66	11.25	0.00	
Expenditures									
175.000	ADMINISTRATIVE SERVICES	15,000.00	15,000.00	4,007.93	1,282.06	10,992.07	26.72	0.00	
450.000	STREET SURFACE	100,920.00	100,920.00	23,959.52	4,920.93	76,935.63	23.77	24.85	
460.000	R.O.W MAINTENANCE	79,690.00	79,690.00	24,958.40	10,601.99	53,692.15	32.62	1,039.45	
470.000	TREES	57,420.00	57,420.00	21,220.39	1,186.01	36,199.61	36.96	0.00	
480.000	DRAINAGE	37,090.00	37,090.00	19,298.69	2,727.81	17,791.31	52.03	0.00	
490.000	TRAFFIC	18,330.00	18,330.00	6,875.66	778.54	11,454.34	37.51	0.00	
500.000	WINTER MAINTENANCE	53,550.00	53,550.00	96.28	96.28	53,453.72	0.18	0.00	
TOTAL EXPENDITURES		362,000.00	362,000.00	100,416.87	21,593.62	260,518.83	28.03	1,064.30	
Fund 203 - LOCAL ST. FUND:									
TOTAL REVENUES		362,000.00	362,000.00	40,719.34	13,160.62	321,280.66	11.25	0.00	
TOTAL EXPENDITURES		362,000.00	362,000.00	100,416.87	21,593.62	260,518.83	28.03	1,064.30	
NET OF REVENUES & EXPENDITURES		0.00	0.00	(59,697.53)	(8,433.00)	60,761.83	100.00	(1,064.30)	

PERIOD ENDING 11/30/2016

GL NUMBER	DESCRIPTION	2016-17		YTD BALANCE	ACTIVITY FOR		UNENCUMBERED	% BDGT	ENCUMBERED
		ORIGINAL BUDGET	2016-17 AMENDED BUDGET	11/30/2016 NORM (ABNORM)	MONTH 11/30/16 INCR (DECR)	BALANCE			
Fund Group <None>									
Fund 208 - RECREATION FUND									
Revenues									
9600	CHARGES FOR SERVICES	57,300.00	57,300.00	27,289.96	320.00	30,010.04	47.63	0.00	
9664	INTEREST AND RENTS	20,000.00	20,000.00	492.50	0.00	19,507.50	2.46	0.00	
9680	OTHER REVENUES	63,650.00	63,650.00	24,080.00	11,850.00	39,570.00	37.83	0.00	
TOTAL REVENUES		<u>140,950.00</u>	<u>140,950.00</u>	<u>51,862.46</u>	<u>12,170.00</u>	<u>89,087.54</u>	<u>36.79</u>	<u>0.00</u>	
Expenditures									
751.000	RECREATION DEPARTMENT	140,950.00	140,950.00	59,716.60	10,759.72	80,363.75	42.98	869.65	
TOTAL EXPENDITURES		<u>140,950.00</u>	<u>140,950.00</u>	<u>59,716.60</u>	<u>10,759.72</u>	<u>80,363.75</u>	<u>42.98</u>	<u>869.65</u>	
Fund 208 - RECREATION FUND:									
TOTAL REVENUES		140,950.00	140,950.00	51,862.46	12,170.00	89,087.54	36.79	0.00	
TOTAL EXPENDITURES		140,950.00	140,950.00	59,716.60	10,759.72	80,363.75	42.98	869.65	
NET OF REVENUES & EXPENDITURES		0.00	0.00	(7,854.14)	1,410.28	8,723.79	100.00	(869.65)	

PERIOD ENDING 11/30/2016

GL NUMBER	DESCRIPTION	2016-17		YTD BALANCE	ACTIVITY FOR		UNENCUMBERED BALANCE	% BDGT USED	ENCUMBERED YEAR-TO-DATE
		ORIGINAL BUDGET	2016-17 AMENDED BUDGET	11/30/2016 NORM (ABNORM)	MONTH 11/30/16 INCR (DECR)				
Fund Group <None>									
Fund 244 - ECONOMIC DEVELOPMENT CORP FUND									
Revenues									
9664	INTEREST AND RENTS	100.00	100.00	416.76	99.41	(316.76)	416.76		0.00
9680	OTHER REVENUES	20,000.00	20,000.00	7,000.00	0.00	13,000.00	35.00		0.00
TOTAL REVENUES		<u>20,100.00</u>	<u>20,100.00</u>	<u>7,416.76</u>	<u>99.41</u>	<u>12,683.24</u>	<u>36.90</u>		<u>0.00</u>
Expenditures									
174.000	ECONOMIC DEVELOPMENT	60,400.00	60,400.00	5,463.92	3,252.92	54,936.08	9.05		0.00
TOTAL EXPENDITURES		<u>60,400.00</u>	<u>60,400.00</u>	<u>5,463.92</u>	<u>3,252.92</u>	<u>54,936.08</u>	<u>9.05</u>		<u>0.00</u>
Fund 244 - ECONOMIC DEVELOPMENT CORP FUND:									
TOTAL REVENUES		20,100.00	20,100.00	7,416.76	99.41	12,683.24	36.90		0.00
TOTAL EXPENDITURES		<u>60,400.00</u>	<u>60,400.00</u>	<u>5,463.92</u>	<u>3,252.92</u>	<u>54,936.08</u>	<u>9.05</u>		<u>0.00</u>
NET OF REVENUES & EXPENDITURES		(40,300.00)	(40,300.00)	1,952.84	(3,153.51)	(42,252.84)	4.85		0.00

PERIOD ENDING 11/30/2016

GL NUMBER	DESCRIPTION	2016-17		YTD BALANCE	ACTIVITY FOR		UNENCUMBERED	% BDGT	ENCUMBERED
		ORIGINAL	2016-17	11/30/2016	MONTH 11/30/16	INCR (DECR)			
		BUDGET	AMENDED BUDGET	NORM (ABNORM)			BALANCE	USED	YEAR-TO-DATE
Fund Group <None>									
Fund 247 - TAX INCREMENT FINANCE ATH.									
Revenues									
9401	TAXES	70,555.00	70,555.00	0.00	0.00		70,555.00	0.00	0.00
0	Unclassified	48,445.00	48,445.00	0.00	0.00		48,445.00	0.00	0.00
9664	INTEREST AND RENTS	1,500.00	1,500.00	1,788.04	304.13		(288.04)	119.20	0.00
9680	OTHER REVENUES	0.00	0.00	3,750.00	0.00		(3,750.00)	100.00	0.00
TOTAL REVENUES		120,500.00	120,500.00	5,538.04	304.13		114,961.96	4.60	0.00
Expenditures									
900.000	CAPITAL OUTLAY	428,000.00	428,000.00	465,462.35	13,097.70		(62,774.35)	114.67	25,312.00
TOTAL EXPENDITURES		428,000.00	428,000.00	465,462.35	13,097.70		(62,774.35)	114.67	25,312.00
Fund 247 - TAX INCREMENT FINANCE ATH.:									
TOTAL REVENUES		120,500.00	120,500.00	5,538.04	304.13		114,961.96	4.60	0.00
TOTAL EXPENDITURES		428,000.00	428,000.00	465,462.35	13,097.70		(62,774.35)	114.67	25,312.00
NET OF REVENUES & EXPENDITURES		(307,500.00)	(307,500.00)	(459,924.31)	(12,793.57)		177,736.31	157.80	(25,312.00)

PERIOD ENDING 11/30/2016

GL NUMBER	DESCRIPTION	2016-17		YTD BALANCE	ACTIVITY FOR	UNENCUMBERED	% BDGT	ENCUMBERED
		ORIGINAL BUDGET	2016-17 AMENDED BUDGET	11/30/2016 NORM (ABNORM)	MONTH 11/30/16 INCR (DECR)			
Fund Group <None>								
Fund 271 - LIBRARY FUND								
Revenues								
9401	TAXES	124,000.00	124,000.00	112,427.85	1,197.65	11,572.15	90.67	0.00
7400	REVENUE	11,000.00	11,000.00	3,764.57	536.95	7,235.43	34.22	0.00
9539	STATE GRANTS	6,500.00	6,500.00	3,906.74	0.00	2,593.26	60.10	0.00
9574	STATE REVENUE SHARING	8,105.00	8,105.00	0.00	0.00	8,105.00	0.00	0.00
9600	CHARGES FOR SERVICES	6,000.00	6,000.00	2,593.95	471.80	3,406.05	43.23	0.00
9655	FINES AND FORFEITS	56,500.00	56,500.00	2,217.83	608.13	54,282.17	3.93	0.00
9664	INTEREST AND RENTS	400.00	400.00	518.60	137.40	(118.60)	129.65	0.00
9680	OTHER REVENUES	18,000.00	18,000.00	26,577.59	20,653.15	(8,577.59)	147.65	0.00
9580	CONT. FROM LOCAL UNITS	13,800.00	13,800.00	0.00	0.00	13,800.00	0.00	0.00
TOTAL REVENUES		244,305.00	244,305.00	152,007.13	23,605.08	92,297.87	62.22	0.00
Expenditures								
790.000	LIBRARY	234,425.00	237,765.00	82,135.71	17,364.86	151,457.85	36.30	4,171.44
792.000	LIBRARY - CHILDREN'S AREA	9,880.00	14,435.00	3,935.44	440.31	9,772.31	32.30	727.25
TOTAL EXPENDITURES		244,305.00	252,200.00	86,071.15	17,805.17	161,230.16	36.07	4,898.69
Fund 271 - LIBRARY FUND:								
TOTAL REVENUES		244,305.00	244,305.00	152,007.13	23,605.08	92,297.87	62.22	0.00
TOTAL EXPENDITURES		244,305.00	252,200.00	86,071.15	17,805.17	161,230.16	36.07	4,898.69
NET OF REVENUES & EXPENDITURES		0.00	(7,895.00)	65,935.98	5,799.91	(68,932.29)	773.11	(4,898.69)

PERIOD ENDING 11/30/2016

GL NUMBER	DESCRIPTION	2016-17		YTD BALANCE	ACTIVITY FOR		UNENCUMBERED BALANCE	% BDGT USED	ENCUMBERED YEAR-TO-DATE
		ORIGINAL BUDGET	2016-17 AMENDED BUDGET	11/30/2016 NORM (ABNORM)	MONTH 11/30/16 INCR (DECR)				
Fund Group <None>									
Fund 274 - POLICE - OWI ENFORCEMENT									
Revenues									
9680	OTHER REVENUES	3,000.00	3,000.00	315.00	90.00	2,685.00	10.50	0.00	
TOTAL REVENUES		<u>3,000.00</u>	<u>3,000.00</u>	<u>315.00</u>	<u>90.00</u>	<u>2,685.00</u>	<u>10.50</u>	<u>0.00</u>	
Expenditures									
301.000	POLICE DEPARTMENT	4,000.00	4,000.00	0.00	0.00	4,000.00	0.00	0.00	
TOTAL EXPENDITURES		<u>4,000.00</u>	<u>4,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>4,000.00</u>	<u>0.00</u>	<u>0.00</u>	
<hr/>									
Fund 274 - POLICE - OWI ENFORCEMENT:									
TOTAL REVENUES		3,000.00	3,000.00	315.00	90.00	2,685.00	10.50	0.00	
TOTAL EXPENDITURES		<u>4,000.00</u>	<u>4,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>4,000.00</u>	<u>0.00</u>	<u>0.00</u>	
NET OF REVENUES & EXPENDITURES		(1,000.00)	(1,000.00)	315.00	90.00	(1,315.00)	31.50	0.00	

PERIOD ENDING 11/30/2016

GL NUMBER	DESCRIPTION	2016-17		YTD BALANCE	ACTIVITY FOR	UNENCUMBERED	% BDGT	ENCUMBERED
		ORIGINAL BUDGET	2016-17 AMENDED BUDGET	11/30/2016 NORM (ABNORM)	MONTH 11/30/16 INCR (DECR)			
Fund Group <None>								
Fund 401 - CAPITAL IMPROVEMENT FUND								
Revenues								
9501	FEDERAL GRANTS	130,000.00	130,000.00	0.00	0.00	130,000.00	0.00	0.00
9680	OTHER REVENUES	570,000.00	570,000.00	400,738.50	0.00	169,261.50	70.31	0.00
TOTAL REVENUES		<u>700,000.00</u>	<u>700,000.00</u>	<u>400,738.50</u>	<u>0.00</u>	<u>299,261.50</u>	<u>57.25</u>	<u>0.00</u>
Expenditures								
443.000	SIDEWALKS	52,600.00	52,600.00	0.00	0.00	52,600.00	0.00	0.00
452.000	MAJOR STREET RECONSTRUCTION	230,000.00	230,000.00	61,402.68	26,005.00	168,597.32	26.70	0.00
453.000	LOCAL STREET RECONSTRUCTION	300,000.00	300,000.00	23,040.00	23,040.00	207,585.00	30.81	69,375.00
454.000	STREET SEALING-CURRENT YEAR	50,000.00	50,000.00	0.00	0.00	50,000.00	0.00	0.00
756.000	PARKS	8,000.00	8,000.00	3,625.00	0.00	4,375.00	45.31	0.00
900.000	CAPITAL OUTLAY	360,000.00	360,000.00	416,138.16	0.00	(56,138.16)	115.59	0.00
TOTAL EXPENDITURES		<u>1,000,600.00</u>	<u>1,000,600.00</u>	<u>504,205.84</u>	<u>49,045.00</u>	<u>427,019.16</u>	<u>57.32</u>	<u>69,375.00</u>
Fund 401 - CAPITAL IMPROVEMENT FUND:								
TOTAL REVENUES		<u>700,000.00</u>	<u>700,000.00</u>	<u>400,738.50</u>	<u>0.00</u>	<u>299,261.50</u>	<u>57.25</u>	<u>0.00</u>
TOTAL EXPENDITURES		<u>1,000,600.00</u>	<u>1,000,600.00</u>	<u>504,205.84</u>	<u>49,045.00</u>	<u>427,019.16</u>	<u>57.32</u>	<u>69,375.00</u>
NET OF REVENUES & EXPENDITURES		<u>(300,600.00)</u>	<u>(300,600.00)</u>	<u>(103,467.34)</u>	<u>(49,045.00)</u>	<u>(127,757.66)</u>	<u>57.50</u>	<u>(69,375.00)</u>

PERIOD ENDING 11/30/2016

GL NUMBER	DESCRIPTION	2016-17		YTD BALANCE	ACTIVITY FOR		UNENCUMBERED	% BDGT	ENCUMBERED
		ORIGINAL	2016-17	11/30/2016	MONTH 11/30/16	INCR (DECR)			
		BUDGET	AMENDED BUDGET	NORM (ABNORM)			BALANCE	USED	YEAR-TO-DATE
Fund Group <None>									
Fund 408 - FIELDS OF DREAMS									
Revenues									
9664	INTEREST AND RENTS	25.00	25.00	40.07	10.68		(15.07)	160.28	0.00
9680	OTHER REVENUES	36,500.00	36,500.00	6,060.60	0.00		30,439.40	16.60	0.00
TOTAL REVENUES		<u>36,525.00</u>	<u>36,525.00</u>	<u>6,100.67</u>	<u>10.68</u>		<u>30,424.33</u>	<u>16.70</u>	<u>0.00</u>
Expenditures									
751.000	RECREATION DEPARTMENT	36,525.00	36,525.00	1,317.44	667.56		35,207.56	3.61	0.00
TOTAL EXPENDITURES		<u>36,525.00</u>	<u>36,525.00</u>	<u>1,317.44</u>	<u>667.56</u>		<u>35,207.56</u>	<u>3.61</u>	<u>0.00</u>
Fund 408 - FIELDS OF DREAMS:									
TOTAL REVENUES		36,525.00	36,525.00	6,100.67	10.68		30,424.33	16.70	0.00
TOTAL EXPENDITURES		<u>36,525.00</u>	<u>36,525.00</u>	<u>1,317.44</u>	<u>667.56</u>		<u>35,207.56</u>	<u>3.61</u>	<u>0.00</u>
NET OF REVENUES & EXPENDITURES		0.00	0.00	4,783.23	(656.88)		(4,783.23)	100.00	0.00

PERIOD ENDING 11/30/2016

GL NUMBER	DESCRIPTION	2016-17		YTD BALANCE	ACTIVITY FOR	UNENCUMBERED	% BDGT	ENCUMBERED
		ORIGINAL	2016-17	11/30/2016	MONTH 11/30/16			
		BUDGET	AMENDED BUDGET	NORM (ABNORM)	INCR (DECR)	BALANCE	USED	YEAR-TO-DATE
Fund Group <None>								
Fund 409 - STOCK'S PARK								
Revenues								
9664	INTEREST AND RENTS	100.00	100.00	83.18	19.46	16.82	83.18	0.00
9680	OTHER REVENUES	15,000.00	15,000.00	10,546.69	2,655.00	4,453.31	70.31	0.00
TOTAL REVENUES		<u>15,100.00</u>	<u>15,100.00</u>	<u>10,629.87</u>	<u>2,674.46</u>	<u>4,470.13</u>	<u>70.40</u>	<u>0.00</u>
Expenditures								
756.000	PARKS	15,100.00	15,100.00	11,190.22	428.32	3,909.78	74.11	0.00
TOTAL EXPENDITURES		<u>15,100.00</u>	<u>15,100.00</u>	<u>11,190.22</u>	<u>428.32</u>	<u>3,909.78</u>	<u>74.11</u>	<u>0.00</u>
Fund 409 - STOCK'S PARK:								
TOTAL REVENUES		15,100.00	15,100.00	10,629.87	2,674.46	4,470.13	70.40	0.00
TOTAL EXPENDITURES		<u>15,100.00</u>	<u>15,100.00</u>	<u>11,190.22</u>	<u>428.32</u>	<u>3,909.78</u>	<u>74.11</u>	<u>0.00</u>
NET OF REVENUES & EXPENDITURES		0.00	0.00	(560.35)	2,246.14	560.35	100.00	0.00

PERIOD ENDING 11/30/2016

GL NUMBER	DESCRIPTION	2016-17		YTD BALANCE	ACTIVITY FOR		UNENCUMBERED	% BDGT	ENCUMBERED
		ORIGINAL BUDGET	2016-17 AMENDED BUDGET	11/30/2016 NORM (ABNORM)	MONTH 11/30/16	INCR (DECR)			
Fund Group <None>									
Fund 481 - AIRPORT IMPROVEMENT FUND									
Revenues									
7400	REVENUE	0.00	0.00	3,721.29		176.79	(3,721.29)	100.00	0.00
9501	FEDERAL GRANTS	50,000.00	50,000.00	0.00		0.00	50,000.00	0.00	0.00
9664	INTEREST AND RENTS	23,925.00	23,925.00	2,442.00		1,445.37	21,483.00	10.21	0.00
9680	OTHER REVENUES	5,000.00	5,000.00	525.70		0.00	4,474.30	10.51	0.00
TOTAL REVENUES		<u>78,925.00</u>	<u>78,925.00</u>	<u>6,688.99</u>		<u>1,622.16</u>	<u>72,236.01</u>	<u>8.48</u>	<u>0.00</u>
Expenditures									
900.000	CAPITAL OUTLAY	54,500.00	54,500.00	15,023.02		7,509.29	39,476.98	27.57	0.00
TOTAL EXPENDITURES		<u>54,500.00</u>	<u>54,500.00</u>	<u>15,023.02</u>		<u>7,509.29</u>	<u>39,476.98</u>	<u>27.57</u>	<u>0.00</u>
Fund 481 - AIRPORT IMPROVEMENT FUND:									
TOTAL REVENUES		<u>78,925.00</u>	<u>78,925.00</u>	<u>6,688.99</u>		<u>1,622.16</u>	<u>72,236.01</u>	<u>8.48</u>	<u>0.00</u>
TOTAL EXPENDITURES		<u>54,500.00</u>	<u>54,500.00</u>	<u>15,023.02</u>		<u>7,509.29</u>	<u>39,476.98</u>	<u>27.57</u>	<u>0.00</u>
NET OF REVENUES & EXPENDITURES		<u>24,425.00</u>	<u>24,425.00</u>	<u>(8,334.03)</u>		<u>(5,887.13)</u>	<u>32,759.03</u>	<u>34.12</u>	<u>0.00</u>

PERIOD ENDING 11/30/2016

GL NUMBER	DESCRIPTION	2016-17		YTD BALANCE	ACTIVITY FOR		UNENCUMBERED	% BDGT	ENCUMBERED
		ORIGINAL BUDGET	2016-17 AMENDED BUDGET	11/30/2016 NORM (ABNORM)	MONTH 11/30/16	INCR (DECR)			
Fund Group <None>									
Fund 588 - DIAL-A-RIDE FUND									
Revenues									
7400	REVENUE	194,000.00	194,000.00	0.00	0.00	194,000.00	0.00	0.00	
9501	FEDERAL GRANTS	66,490.00	66,490.00	17,066.00	0.00	49,424.00	25.67	0.00	
9539	STATE GRANTS	128,525.00	128,525.00	61,050.00	11,636.00	67,475.00	47.50	0.00	
9600	CHARGES FOR SERVICES	55,500.00	55,500.00	17,356.50	4,017.50	38,143.50	31.27	0.00	
9680	OTHER REVENUES	108,890.00	108,890.00	0.00	0.00	108,890.00	0.00	0.00	
TOTAL REVENUES		553,405.00	553,405.00	95,472.50	15,653.50	457,932.50	17.25	0.00	
Expenditures									
175.000	ADMINISTRATIVE SERVICES	55,000.00	55,000.00	0.00	0.00	55,000.00	0.00	0.00	
588.000	DIAL-A-RIDE	498,405.00	498,405.00	107,261.14	31,230.98	390,292.37	21.69	851.49	
TOTAL EXPENDITURES		553,405.00	553,405.00	107,261.14	31,230.98	445,292.37	19.54	851.49	
Fund 588 - DIAL-A-RIDE FUND:									
TOTAL REVENUES		553,405.00	553,405.00	95,472.50	15,653.50	457,932.50	17.25	0.00	
TOTAL EXPENDITURES		553,405.00	553,405.00	107,261.14	31,230.98	445,292.37	19.54	851.49	
NET OF REVENUES & EXPENDITURES		0.00	0.00	(11,788.64)	(15,577.48)	12,640.13	100.00	(851.49)	

PERIOD ENDING 11/30/2016

GL NUMBER	DESCRIPTION	2016-17		YTD BALANCE	ACTIVITY FOR		UNENCUMBERED BALANCE	% BDGT USED	ENCUMBERED YEAR-TO-DATE
		ORIGINAL BUDGET	2016-17 AMENDED BUDGET	11/30/2016 NORM (ABNORM)	MONTH 11/30/16 INCR (DECR)				
Fund Group <None>									
Fund 633 - PUBLIC SERVICES INV. FUND									
Revenues									
9600	CHARGES FOR SERVICES	215,675.00	215,675.00	1,184.48	20.00	214,490.52	0.55	0.00	
TOTAL REVENUES		<u>215,675.00</u>	<u>215,675.00</u>	<u>1,184.48</u>	<u>20.00</u>	<u>214,490.52</u>	<u>0.55</u>	<u>0.00</u>	
Expenditures									
233.000	PUBLIC SERVICES INVENTORY	215,675.00	215,675.00	7,823.07	290.28	207,851.93	3.63	0.00	
TOTAL EXPENDITURES		<u>215,675.00</u>	<u>215,675.00</u>	<u>7,823.07</u>	<u>290.28</u>	<u>207,851.93</u>	<u>3.63</u>	<u>0.00</u>	
Fund 633 - PUBLIC SERVICES INV. FUND:									
TOTAL REVENUES		215,675.00	215,675.00	1,184.48	20.00	214,490.52	0.55	0.00	
TOTAL EXPENDITURES		215,675.00	215,675.00	7,823.07	290.28	207,851.93	3.63	0.00	
NET OF REVENUES & EXPENDITURES		0.00	0.00	(6,638.59)	(270.28)	6,638.59	100.00	0.00	

PERIOD ENDING 11/30/2016

GL NUMBER	DESCRIPTION	2016-17		YTD BALANCE	ACTIVITY FOR		UNENCUMBERED BALANCE	% BDGT USED	ENCUMBERED YEAR-TO-DATE
		ORIGINAL BUDGET	2016-17 AMENDED BUDGET	11/30/2016 NORM (ABNORM)	MONTH 11/30/16 INCR (DECR)				
Fund Group <None>									
Fund 640 - REVOLVING MOBILE EQUIP. FUND									
Revenues									
9664	INTEREST AND RENTS	365,830.00	365,830.00	106,632.94	21,641.25	259,197.06	29.15	0.00	
9680	OTHER REVENUES	17,000.00	17,000.00	36,432.98	427.18	(19,432.98)	214.31	0.00	
TOTAL REVENUES		<u>382,830.00</u>	<u>382,830.00</u>	<u>143,065.92</u>	<u>22,068.43</u>	<u>239,764.08</u>	<u>37.37</u>	<u>0.00</u>	
Expenditures									
444.000	MOBILE EQUIPMENT MAINTENANCE	501,425.00	501,425.00	122,169.14	20,849.74	351,337.13	29.93	27,918.73	
TOTAL EXPENDITURES		<u>501,425.00</u>	<u>501,425.00</u>	<u>122,169.14</u>	<u>20,849.74</u>	<u>351,337.13</u>	<u>29.93</u>	<u>27,918.73</u>	
Fund 640 - REVOLVING MOBILE EQUIP. FUND:									
TOTAL REVENUES		382,830.00	382,830.00	143,065.92	22,068.43	239,764.08	37.37	0.00	
TOTAL EXPENDITURES		<u>501,425.00</u>	<u>501,425.00</u>	<u>122,169.14</u>	<u>20,849.74</u>	<u>351,337.13</u>	<u>29.93</u>	<u>27,918.73</u>	
NET OF REVENUES & EXPENDITURES		(118,595.00)	(118,595.00)	20,896.78	1,218.69	(111,573.05)	5.92	(27,918.73)	

PERIOD ENDING 11/30/2016

GL NUMBER	DESCRIPTION	2016-17		YTD BALANCE	ACTIVITY FOR		UNENCUMBERED BALANCE	% BDGT USED	ENCUMBERED YEAR-TO-DATE
		ORIGINAL BUDGET	2016-17 AMENDED BUDGET	11/30/2016 NORM (ABNORM)	MONTH 11/30/16 INCR (DECR)				
Fund Group <None>									
Fund 663 - FIRE VEHICLE & EQUIPMENT FUND									
Revenues									
9664	INTEREST AND RENTS	50.00	50.00	104.28	24.62	(54.28)	208.56		0.00
9680	OTHER REVENUES	100.00	100.00	0.00	0.00	100.00	0.00		0.00
TOTAL REVENUES		150.00	150.00	104.28	24.62	45.72	69.52		0.00
Fund 663 - FIRE VEHICLE & EQUIPMENT FUND:									
TOTAL REVENUES		150.00	150.00	104.28	24.62	45.72	69.52		0.00
TOTAL EXPENDITURES		0.00	0.00	0.00	0.00	0.00	0.00		0.00
NET OF REVENUES & EXPENDITURES		150.00	150.00	104.28	24.62	45.72	69.52		0.00

PERIOD ENDING 11/30/2016

GL NUMBER	DESCRIPTION	2016-17		YTD BALANCE	ACTIVITY FOR		UNENCUMBERED BALANCE	% BDGT USED	ENCUMBERED YEAR-TO-DATE
		ORIGINAL BUDGET	2016-17 AMENDED BUDGET	11/30/2016 NORM (ABNORM)	MONTH 11/30/16 INCR (DECR)				
Fund Group <None>									
Fund 677 - UNEMPLOYMENT INSURANCE FUND									
Revenues									
9664	INTEREST AND RENTS	125.00	125.00	198.35	46.73	(73.35)	158.68		0.00
9680	OTHER REVENUES	2,200.00	2,200.00	0.00	0.00	2,200.00	0.00		0.00
TOTAL REVENUES		<u>2,325.00</u>	<u>2,325.00</u>	<u>198.35</u>	<u>46.73</u>	<u>2,126.65</u>	<u>8.53</u>		<u>0.00</u>
Expenditures									
175.000	ADMINISTRATIVE SERVICES	5,000.00	5,000.00	422.26	0.00	4,577.74	8.45		0.00
TOTAL EXPENDITURES		<u>5,000.00</u>	<u>5,000.00</u>	<u>422.26</u>	<u>0.00</u>	<u>4,577.74</u>	<u>8.45</u>		<u>0.00</u>
Fund 677 - UNEMPLOYMENT INSURANCE FUND:									
TOTAL REVENUES		2,325.00	2,325.00	198.35	46.73	2,126.65	8.53		0.00
TOTAL EXPENDITURES		<u>5,000.00</u>	<u>5,000.00</u>	<u>422.26</u>	<u>0.00</u>	<u>4,577.74</u>	<u>8.45</u>		<u>0.00</u>
NET OF REVENUES & EXPENDITURES		(2,675.00)	(2,675.00)	(223.91)	46.73	(2,451.09)	8.37		0.00

PERIOD ENDING 11/30/2016

GL NUMBER	DESCRIPTION	2016-17		YTD BALANCE	ACTIVITY FOR		UNENCUMBERED BALANCE	% BDGT USED	ENCUMBERED YEAR-TO-DATE
		ORIGINAL BUDGET	2016-17 AMENDED BUDGET	11/30/2016 NORM (ABNORM)	MONTH 11/30/16 INCR (DECR)				
Fund Group <None>									
Fund 699 - DPS LEAVE AND BENEFITS FUND									
Revenues									
9680	OTHER REVENUES	178,415.00	178,415.00	92,760.43	17,788.72		85,654.57	51.99	0.00
TOTAL REVENUES		<u>178,415.00</u>	<u>178,415.00</u>	<u>92,760.43</u>	<u>17,788.72</u>		<u>85,654.57</u>	<u>51.99</u>	<u>0.00</u>
Expenditures									
441.000	PUBLIC SERVICES DEPARTMENT	178,415.00	178,415.00	92,760.44	17,788.71		85,409.48	52.13	245.08
TOTAL EXPENDITURES		<u>178,415.00</u>	<u>178,415.00</u>	<u>92,760.44</u>	<u>17,788.71</u>		<u>85,409.48</u>	<u>52.13</u>	<u>245.08</u>
Fund 699 - DPS LEAVE AND BENEFITS FUND:									
TOTAL REVENUES		178,415.00	178,415.00	92,760.43	17,788.72		85,654.57	51.99	0.00
TOTAL EXPENDITURES		178,415.00	178,415.00	92,760.44	17,788.71		85,409.48	52.13	245.08
NET OF REVENUES & EXPENDITURES		0.00	0.00	(0.01)	0.01		245.09	100.00	(245.08)

PERIOD ENDING 11/30/2016

GL NUMBER	DESCRIPTION	2016-17		YTD BALANCE	ACTIVITY FOR	UNENCUMBERED	% BDGT	ENCUMBERED
		ORIGINAL	2016-17	11/30/2016	MONTH 11/30/16			
		BUDGET	AMENDED BUDGET	NORM (ABNORM)	INCR (DECR)	BALANCE	USED	YEAR-TO-DATE
Fund Group <None>								
Fund 711 - CEMETERY PERPETUAL CARE FUND								
Revenues								
9600	CHARGES FOR SERVICES	20,000.00	20,000.00	9,300.00	2,750.00	10,700.00	46.50	0.00
9664	INTEREST AND RENTS	15,000.00	15,000.00	4,303.28	676.20	10,696.72	28.69	0.00
TOTAL REVENUES		<u>35,000.00</u>	<u>35,000.00</u>	<u>13,603.28</u>	<u>3,426.20</u>	<u>21,396.72</u>	<u>38.87</u>	<u>0.00</u>
Expenditures								
965.000	TRANSFERS TO OTHER FUNDS	20,000.00	20,000.00	0.00	0.00	20,000.00	0.00	0.00
TOTAL EXPENDITURES		<u>20,000.00</u>	<u>20,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>20,000.00</u>	<u>0.00</u>	<u>0.00</u>
Fund 711 - CEMETERY PERPETUAL CARE FUND:								
TOTAL REVENUES		35,000.00	35,000.00	13,603.28	3,426.20	21,396.72	38.87	0.00
TOTAL EXPENDITURES		<u>20,000.00</u>	<u>20,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>20,000.00</u>	<u>0.00</u>	<u>0.00</u>
NET OF REVENUES & EXPENDITURES		15,000.00	15,000.00	13,603.28	3,426.20	1,396.72	90.69	0.00

PERIOD ENDING 11/30/2016

GL NUMBER	DESCRIPTION	2016-17		YTD BALANCE	ACTIVITY FOR	UNENCUMBERED	% BDGT	ENCUMBERED
		ORIGINAL BUDGET	2016-17 AMENDED BUDGET	11/30/2016 NORM (ABNORM)	MONTH 11/30/16 INCR (DECR)			
Fund Group <None>								
Fund 712 - STOCK'S PARK PERPETUAL MAINT.								
Revenues								
9664	INTEREST AND RENTS	100.00	100.00	109.01	15.56	(9.01)	109.01	0.00
9680	OTHER REVENUES	7,500.00	7,500.00	3,578.00	345.00	3,922.00	47.71	0.00
TOTAL REVENUES		<u>7,600.00</u>	<u>7,600.00</u>	<u>3,687.01</u>	<u>360.56</u>	<u>3,912.99</u>	<u>48.51</u>	<u>0.00</u>
Fund 712 - STOCK'S PARK PERPETUAL MAINT.:								
TOTAL REVENUES		7,600.00	7,600.00	3,687.01	360.56	3,912.99	48.51	0.00
TOTAL EXPENDITURES		0.00	0.00	0.00	0.00	0.00	0.00	0.00
NET OF REVENUES & EXPENDITURES		<u>7,600.00</u>	<u>7,600.00</u>	<u>3,687.01</u>	<u>360.56</u>	<u>3,912.99</u>	<u>48.51</u>	<u>0.00</u>

PERIOD ENDING 11/30/2016

GL NUMBER	DESCRIPTION	2016-17		YTD BALANCE	ACTIVITY FOR		UNENCUMBERED	% BDGT	ENCUMBERED
		ORIGINAL BUDGET	2016-17 AMENDED BUDGET	11/30/2016 NORM (ABNORM)	MONTH 11/30/16 INCR (DECR)	BALANCE			
Fund Group <None>									
Fund 715 - R. L. OWEN MEMORIAL FUND									
Revenues									
9664	INTEREST AND RENTS	6,000.00	6,000.00	0.00	0.00	6,000.00	0.00	0.00	0.00
TOTAL REVENUES		<u>6,000.00</u>	<u>6,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>6,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Fund 715 - R. L. OWEN MEMORIAL FUND:									
TOTAL REVENUES		6,000.00	6,000.00	0.00	0.00	6,000.00	0.00	0.00	0.00
TOTAL EXPENDITURES		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NET OF REVENUES & EXPENDITURES		<u>6,000.00</u>	<u>6,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>6,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Fund Group <None>:									
TOTAL REVENUES		8,518,155.00	8,518,155.00	3,971,382.93	516,092.58	4,546,772.07	46.62	0.00	0.00
TOTAL EXPENDITURES		9,324,870.00	9,332,765.00	3,235,006.57	547,795.47	5,904,424.53	36.73	193,333.90	193,333.90
NET OF REVENUES & EXPENDITURES		<u>(806,715.00)</u>	<u>(814,610.00)</u>	<u>736,376.36</u>	<u>(31,702.89)</u>	<u>(1,357,652.46)</u>	<u>66.66</u>	<u>(193,333.90)</u>	<u>(193,333.90)</u>
TOTAL REVENUES - ALL FUNDS		8,518,155.00	8,518,155.00	3,971,382.93	516,092.58	4,546,772.07	46.62	0.00	0.00
TOTAL EXPENDITURES - ALL FUNDS		9,324,870.00	9,332,765.00	3,235,006.57	547,795.47	5,904,424.53	36.73	193,333.90	193,333.90
NET OF REVENUES & EXPENDITURES		<u>(806,715.00)</u>	<u>(814,610.00)</u>	<u>736,376.36</u>	<u>(31,702.89)</u>	<u>(1,357,652.46)</u>	<u>66.66</u>	<u>(193,333.90)</u>	<u>(193,333.90)</u>

Fund 101 GENERAL FUND

GL Number	Description	Balance
*** Assets ***		
101-000.000-001.000	CHECKING ACCOUNT - COMMON	651,363.80
101-000.000-004.000	CASH ON HAND	1,600.00
101-000.000-018.000	INVESTMENTS - OTHER CD'S	900,000.00
101-000.000-020.000	INVESTMENTS - MBIA/CLASS	614,233.17
101-000.000-049.000	SPECIAL ASSESSMENTS DEFERRED	73,834.00
101-000.000-084.000	DUE FROM OTHER FUNDS	3,206.36
101-000.000-084.582	DUE FROM UTILITIES DEPARTMENT	4,749.50
101-000.000-084.588	DUE FROM DIAL-A-RIDE	54,748.05
Total Assets		2,303,734.88
*** Liabilities ***		
101-000.000-202.000	ACCOUNTS PAYABLE	138.50
101-000.000-214.000	DUE TO OTHER FUNDS	12,000.00
101-000.000-228.003	DUE TO MMERS-RETIREMENT CONT.	6,993.63
101-000.000-230.000	DUE TO OTHER UNITS OF GOVT.	12,000.00
101-000.000-339.443	DEFERRED REV - SPECIAL ASSMNT	73,834.00
Total Liabilities		104,966.13
*** Fund Balance ***		
101-000.000-390.000	FUND BALANCE	941,505.69
Total Fund Balance		941,505.69
Beginning Fund Balance - 15-16		941,505.69
Net of Revenues VS Expenditures - 15-16		(28,408.54)
*15-16 End FB/16-17 Beg FB		913,097.15
Net of Revenues VS Expenditures - Current Year		1,285,671.60
Ending Fund Balance		2,198,768.75
Total Liabilities And Fund Balance		2,303,734.88

* Year Not Closed

Fund 202 MAJOR ST./TRUNKLINE FUND

GL Number	Description	Balance
*** Assets ***		
202-000.000-001.000	CHECKING ACCOUNT - COMMON	294,929.29
Total Assets		294,929.29
*** Liabilities ***		
Total Liabilities		0.00
*** Fund Balance ***		
202-000.000-390.000	FUND BALANCE	240,382.92
Total Fund Balance		240,382.92
Beginning Fund Balance - 15-16		240,382.92
Net of Revenues VS Expenditures - 15-16		56,631.16
*15-16 End FB/16-17 Beg FB		297,014.08
Net of Revenues VS Expenditures - Current Year		(2,084.79)
Ending Fund Balance		294,929.29
Total Liabilities And Fund Balance		294,929.29

* Year Not Closed

Fund 203 LOCAL ST. FUND

GL Number	Description	Balance
*** Assets ***		
203-000.000-001.000	CHECKING ACCOUNT - COMMON	65,097.40
Total Assets		65,097.40
*** Liabilities ***		
Total Liabilities		0.00
*** Fund Balance ***		
203-000.000-390.000	FUND BALANCE	111,511.52
Total Fund Balance		111,511.52
Beginning Fund Balance - 15-16		111,511.52
Net of Revenues VS Expenditures - 15-16		13,283.41
*15-16 End FB/16-17 Beg FB		124,794.93
Net of Revenues VS Expenditures - Current Year		(59,697.53)
Ending Fund Balance		65,097.40
Total Liabilities And Fund Balance		65,097.40

* Year Not Closed

Fund 208 RECREATION FUND

GL Number	Description	Balance
*** Assets ***		
208-000.000-001.000	CHECKING ACCOUNT - COMMON	1,609.89
208-000.000-004.000	CASH ON HAND	100.00
Total Assets		1,709.89
*** Liabilities ***		
Total Liabilities		0.00
*** Fund Balance ***		
208-000.000-390.000	FUND BALANCE	6,775.83
Total Fund Balance		6,775.83
Beginning Fund Balance - 15-16		6,775.83
Net of Revenues VS Expenditures - 15-16		2,788.20
*15-16 End FB/16-17 Beg FB		9,564.03
Net of Revenues VS Expenditures - Current Year		(7,854.14)
Ending Fund Balance		1,709.89
Total Liabilities And Fund Balance		1,709.89

* Year Not Closed

Fund 244 ECONOMIC DEVELOPMENT CORP FUND

GL Number	Description	Balance
*** Assets ***		
244-000.000-001.000	CHECKING ACCOUNT - COMMON	(3,252.92)
244-000.000-020.000	INVESTMENTS - MBIA/CLASS	154,124.73
244-000.000-130.000	LAND	172,720.95
Total Assets		323,592.76
*** Liabilities ***		
Total Liabilities		0.00
*** Fund Balance ***		
244-000.000-390.000	FUND BALANCE	295,454.40
Total Fund Balance		295,454.40
Beginning Fund Balance - 15-16		295,454.40
Net of Revenues VS Expenditures - 15-16		26,185.52
*15-16 End FB/16-17 Beg FB		321,639.92
Net of Revenues VS Expenditures - Current Year		1,952.84
Ending Fund Balance		323,592.76
Total Liabilities And Fund Balance		323,592.76

* Year Not Closed

Fund 247 TAX INCREMENT FINANCE ATH.

GL Number	Description	Balance
*** Assets ***		
247-000.000-001.000	CHECKING ACCOUNT - COMMON	(13,097.70)
247-000.000-020.000	INVESTMENTS - MBIA/CLASS	232,267.90
247-000.000-130.000	LAND	65,000.00
247-000.000-137.000	ACCUMULATED DEPRECIATION-EQUI	(381,672.00)
247-000.000-138.000	INFRASTRUCTURE	381,672.00
Total Assets		284,170.20
*** Liabilities ***		
Total Liabilities		0.00
*** Fund Balance ***		
247-000.000-390.000	FUND BALANCE	690,261.71
Total Fund Balance		690,261.71
Beginning Fund Balance - 15-16		690,261.71
Net of Revenues VS Expenditures - 15-16		53,832.80
*15-16 End FB/16-17 Beg FB		744,094.51
Net of Revenues VS Expenditures - Current Year		(459,924.31)
Ending Fund Balance		284,170.20
Total Liabilities And Fund Balance		284,170.20

* Year Not Closed

Fund 265 DRUG FORFEITURE/GRANT FUND

GL Number	Description	Balance
*** Assets ***		
265-000.000-001.000	CHECKING ACCOUNT - COMMON	3,399.33
Total Assets		3,399.33
*** Liabilities ***		
Total Liabilities		0.00
*** Fund Balance ***		
265-000.000-390.000	FUND BALANCE	3,041.35
Total Fund Balance		3,041.35
Beginning Fund Balance - 15-16		3,041.35
Net of Revenues VS Expenditures - 15-16		357.98
*15-16 End FB/16-17 Beg FB		3,399.33
Net of Revenues VS Expenditures - Current Year		0.00
Ending Fund Balance		3,399.33
Total Liabilities And Fund Balance		3,399.33

* Year Not Closed

Fund 271 LIBRARY FUND

GL Number	Description	Balance
*** Assets ***		
271-000.000-001.000	CHECKING ACCOUNT - COMMON	5,667.51
271-000.000-001.008	CHECKING ACCOUNT - LITERACY	1.88
271-000.000-004.000	CASH ON HAND	50.00
271-000.000-020.000	INVESTMENTS - MBIA/CLASS	260,630.59
271-000.000-084.000	DUE FROM OTHER FUNDS	1.29
Total Assets		266,351.27
*** Liabilities ***		
Total Liabilities		0.00
*** Fund Balance ***		
271-000.000-390.000	FUND BALANCE	152,626.37
Total Fund Balance		152,626.37
Beginning Fund Balance - 15-16		152,626.37
Net of Revenues VS Expenditures - 15-16		47,788.92
*15-16 End FB/16-17 Beg FB		200,415.29
Net of Revenues VS Expenditures - Current Year		65,935.98
Ending Fund Balance		266,351.27
Total Liabilities And Fund Balance		266,351.27

* Year Not Closed

Fund 274 POLICE - OWI ENFORCEMENT

GL Number	Description	Balance
*** Assets ***		
274-000.000-001.000	CHECKING ACCOUNT - COMMON	10,581.40
Total Assets		10,581.40
*** Liabilities ***		
Total Liabilities		0.00
*** Fund Balance ***		
Total Fund Balance		0.00
Beginning Fund Balance - 15-16		0.00
Net of Revenues VS Expenditures - 15-16		10,266.40
*15-16 End FB/16-17 Beg FB		10,266.40
Net of Revenues VS Expenditures - Current Year		315.00
Ending Fund Balance		10,581.40
Total Liabilities And Fund Balance		10,581.40

* Year Not Closed

Fund 401 CAPITAL IMPROVEMENT FUND

GL Number	Description	Balance
*** Assets ***		
401-000.000-001.000	CHECKING ACCOUNT - COMMON	559,587.52
Total Assets		559,587.52
*** Liabilities ***		
Total Liabilities		0.00
*** Fund Balance ***		
401-000.000-390.000	FUND BALANCE	497,786.72
Total Fund Balance		497,786.72
Beginning Fund Balance - 15-16		497,786.72
Net of Revenues VS Expenditures - 15-16		165,268.14
*15-16 End FB/16-17 Beg FB		663,054.86
Net of Revenues VS Expenditures - Current Year		(103,467.34)
Ending Fund Balance		559,587.52
Total Liabilities And Fund Balance		559,587.52

* Year Not Closed

Fund 408 FIELDS OF DREAMS

GL Number	Description	Balance
*** Assets ***		
408-000.000-001.000	CHECKING ACCOUNT - COMMON	(667.56)
408-000.000-020.000	INVESTMENTS - MBIA/CLASS	19,094.02
Total Assets		18,426.46
*** Liabilities ***		
Total Liabilities		0.00
*** Fund Balance ***		
408-000.000-390.000	Fund Balance	5,936.64
Total Fund Balance		5,936.64
Beginning Fund Balance - 15-16		5,936.64
Net of Revenues VS Expenditures - 15-16		7,706.59
*15-16 End FB/16-17 Beg FB		13,643.23
Net of Revenues VS Expenditures - Current Year		4,783.23
Ending Fund Balance		18,426.46
Total Liabilities And Fund Balance		18,426.46

* Year Not Closed

Fund 409 STOCK'S PARK

GL Number	Description	Balance
*** Assets ***		
409-000.000-001.000	CHECKING ACCOUNT - COMMON	2,226.68
409-000.000-020.000	INVESTMENTS - MBIA/CLASS	29,403.22
Total Assets		31,629.90
*** Liabilities ***		
Total Liabilities		0.00
*** Fund Balance ***		
409-000.000-390.000	Fund Balance	23,904.17
Total Fund Balance		23,904.17
Beginning Fund Balance - 15-16		23,904.17
Net of Revenues VS Expenditures - 15-16		8,286.08
*15-16 End FB/16-17 Beg FB		32,190.25
Net of Revenues VS Expenditures - Current Year		(560.35)
Ending Fund Balance		31,629.90
Total Liabilities And Fund Balance		31,629.90

* Year Not Closed

Fund 471 LIBRARY IMPROVEMENT FUND

GL Number	Description	Balance
*** Assets ***		
471-000.000-001.000	CHECKING ACCOUNT - COMMON	8,526.61
Total Assets		8,526.61
*** Liabilities ***		
Total Liabilities		0.00
*** Fund Balance ***		
471-000.000-390.000	FUND BALANCE	13,026.61
Total Fund Balance		13,026.61
Beginning Fund Balance - 15-16		13,026.61
Net of Revenues VS Expenditures - 15-16		(4,500.00)
*15-16 End FB/16-17 Beg FB		8,526.61
Net of Revenues VS Expenditures - Current Year		0.00
Ending Fund Balance		8,526.61
Total Liabilities And Fund Balance		8,526.61

* Year Not Closed

Fund 481 AIRPORT IMPROVEMENT FUND

GL Number	Description	Balance
*** Assets ***		
481-000.000-001.000	CHECKING ACCOUNT - COMMON	110,585.19
481-000.000-001.007	CHECKING ACCOUNT-AIRPORT FUEL	39,482.47
Total Assets		150,067.66
*** Liabilities ***		
481-000.000-310.000	CONTRACTS PAYABLE - LONG TERM	100,000.00
Total Liabilities		100,000.00
*** Fund Balance ***		
481-000.000-390.000	FUND BALANCE	271,512.26
Total Fund Balance		271,512.26
Beginning Fund Balance - 15-16		271,512.26
Net of Revenues VS Expenditures - 15-16		(213,110.57)
*15-16 End FB/16-17 Beg FB		58,401.69
Net of Revenues VS Expenditures - Current Year		(8,334.03)
Ending Fund Balance		50,067.66
Total Liabilities And Fund Balance		150,067.66

* Year Not Closed

Fund 588 DIAL-A-RIDE FUND

GL Number	Description	Balance
*** Assets ***		
588-000.000-001.000	CHECKING ACCOUNT - COMMON	128,846.65
588-000.000-130.000	LAND	7,419.13
588-000.000-136.000	PLANT AND EQUIPMENT	685,612.37
588-000.000-137.000	ACCUMULATED DEPRECIATION-EQUI	(216,648.86)
588-000.000-137.136	ACCUM. DEPRECIATION - PLANT	(82,273.44)
588-000.000-148.000	EQUIPMENT	374,978.91
Total Assets		897,934.76
*** Liabilities ***		
588-000.000-214.101	DUE TO GENERAL FUND	54,748.05
588-000.000-230.000	DUE TO OTHER UNITS OF GOVT.	7,983.00
588-000.000-260.000	ACCRUED VACATION/SICK LEAVE	5,137.50
588-000.000-343.000	ACCRUED VAC/SICK - LONG TERM	6,038.70
Total Liabilities		73,907.25
*** Fund Balance ***		
588-000.000-390.000	FUND BALANCE	881,221.85
Total Fund Balance		881,221.85
Beginning Fund Balance - 15-16		881,221.85
Net of Revenues VS Expenditures - 15-16		(45,405.70)
*15-16 End FB/16-17 Beg FB		835,816.15
Net of Revenues VS Expenditures - Current Year		(11,788.64)
Ending Fund Balance		824,027.51
Total Liabilities And Fund Balance		897,934.76

* Year Not Closed

Fund 633 PUBLIC SERVICES INV. FUND

GL Number	Description	Balance
*** Assets ***		
633-000.000-001.000	CHECKING ACCOUNT - COMMON	56,245.46
633-000.000-111.000	INVENTORY - MAT. AND SUPPLIES	167,989.81
Total Assets		224,235.27
*** Liabilities ***		
Total Liabilities		0.00
*** Fund Balance ***		
633-000.000-390.000	FUND BALANCE	223,626.93
Total Fund Balance		223,626.93
Beginning Fund Balance - 15-16		223,626.93
Net of Revenues VS Expenditures - 15-16		7,246.93
*15-16 End FB/16-17 Beg FB		230,873.86
Net of Revenues VS Expenditures - Current Year		(6,638.59)
Ending Fund Balance		224,235.27
Total Liabilities And Fund Balance		224,235.27

* Year Not Closed

Fund 640 REVOLVING MOBILE EQUIP. FUND

GL Number	Description	Balance
*** Assets ***		
640-000.000-001.000	CHECKING ACCOUNT - COMMON	240,336.08
640-000.000-136.000	PLANT AND EQUIPMENT	1,923,644.55
640-000.000-137.000	ACCUMULATED DEPRECIATION-EQUI	(1,770,586.14)
Total Assets		393,394.49
*** Liabilities ***		
640-000.000-343.000	ACCRUED VAC/SICK - LONG TERM	6,124.56
Total Liabilities		6,124.56
*** Fund Balance ***		
640-000.000-390.000	FUND BALANCE	340,972.83
Total Fund Balance		340,972.83
Beginning Fund Balance - 15-16		340,972.83
Net of Revenues VS Expenditures - 15-16		25,400.32
*15-16 End FB/16-17 Beg FB		366,373.15
Net of Revenues VS Expenditures - Current Year		20,896.78
Ending Fund Balance		387,269.93
Total Liabilities And Fund Balance		393,394.49

* Year Not Closed

Fund 663 FIRE VEHICLE & EQUIPMENT FUND

GL Number	Description	Balance
*** Assets ***		
663-000.000-020.000	INVESTMENTS - MBIA/CLASS	37,566.19
Total Assets		37,566.19
*** Liabilities ***		
Total Liabilities		0.00
*** Fund Balance ***		
663-000.000-390.000	FUND BALANCE	91,446.40
Total Fund Balance		91,446.40
Beginning Fund Balance - 15-16		91,446.40
Net of Revenues VS Expenditures - 15-16		(53,984.49)
*15-16 End FB/16-17 Beg FB		37,461.91
Net of Revenues VS Expenditures - Current Year		104.28
Ending Fund Balance		37,566.19
Total Liabilities And Fund Balance		37,566.19

* Year Not Closed

Fund 677 UNEMPLOYMENT INSURANCE FUND

GL Number	Description	Balance
*** Assets ***		
677-000.000-020.000	INVESTMENTS - MBIA/CLASS	71,095.47
Total Assets		<u>71,095.47</u>
*** Liabilities ***		
Total Liabilities		<u>0.00</u>
*** Fund Balance ***		
677-000.000-390.000	Fund Balance	67,477.02
Total Fund Balance		<u>67,477.02</u>
Beginning Fund Balance - 15-16		67,477.02
Net of Revenues VS Expenditures - 15-16		<u>3,842.36</u>
*15-16 End FB/16-17 Beg FB		71,319.38
Net of Revenues VS Expenditures - Current Year		(223.91)
Ending Fund Balance		71,095.47
Total Liabilities And Fund Balance		71,095.47

* Year Not Closed

Fund 699 DPS LEAVE AND BENEFITS FUND

GL Number	Description	Balance
*** Assets ***		
699-000.000-001.000	CHECKING ACCOUNT - COMMON	33,869.93
Total Assets		33,869.93
*** Liabilities ***		
699-000.000-343.000	ACCRUED VAC/SICK - LONG TERM	11,290.65
Total Liabilities		11,290.65
*** Fund Balance ***		
699-000.000-390.000	FUND BALANCE	22,579.31
Total Fund Balance		22,579.31
Beginning Fund Balance - 15-16		22,579.31
Net of Revenues VS Expenditures - 15-16		(0.02)
*15-16 End FB/16-17 Beg FB		22,579.29
Net of Revenues VS Expenditures - Current Year		(0.01)
Ending Fund Balance		22,579.28
Total Liabilities And Fund Balance		33,869.93

* Year Not Closed

Fund 703 TREASURER'S TAX COLLECTION FD.

GL Number	Description	Balance
*** Assets ***		
703-000.000-001.001	CHECKING ACCOUNT - SEPARATE	74,924.02
Total Assets		74,924.02
*** Liabilities ***		
703-000.000-214.402	DUE TO CITY - CURRENT TAXES	48,441.72
703-000.000-214.412	DUE TO CITY - DELINQUENT TAXE	808.50
703-000.000-214.442	DUE TO CITY - NEZ	(1,069.35)
703-000.000-214.443	DUE TO CITY - OPRA	(2,013.61)
703-000.000-214.445	DUE TO CITY - PENALTIES & INT	315.06
703-000.000-214.447	DUE TO CITY - ADMIN. FEE	55.51
703-000.000-214.692	DUE TO CITY - MISCELLANEOUS	1,585.70
703-000.000-222.228	DUE TO COUNTY-ST SCHOOL MILLA	1,304.07
703-000.000-222.402	DUE TO COUNTY - CURRENT TAXES	16,328.53
703-000.000-222.412	DUE TO COUNTY - DEL.TAXES	397.36
703-000.000-222.437	DUE TO COUNTY - IFT	241.29
703-000.000-222.442	DUE TO COUNTY - NEZ	(355.21)
703-000.000-222.443	DUE TO COUNTY - OPRA	(816.50)
703-000.000-222.692	DUE TO COUNTY - MISCELLANEOUS	521.24
703-000.000-223.402	DUE TO LIBRARY - CURRENT TAXE	3,228.20
703-000.000-223.412	DUE TO LIBRARY - DEL. TAXES	53.90
703-000.000-223.442	DUE TO LIBRARY - NEZ	(71.30)
703-000.000-223.443	DUE TO LIBRARY - OPRA	(134.22)
703-000.000-223.692	DUE TO LIBRARY - MISCELLANEOU	59.94
703-000.000-225.402	DUE TO SCHOOL - CURRENT TAXES	2,084.00
703-000.000-225.412	DUE TO SCHOOL - DEL. TAXES	230.78
703-000.000-225.437	DUE TO SCHOOL - IFT	276.11
703-000.000-225.442	DUE TO SCHOOLS - NEZ	(71.59)
703-000.000-225.443	DUE TO SCHOOLS - OPRA	(196.49)
703-000.000-225.692	DUE TO SCHOOL - MISCELLANEOUS	316.47
703-000.000-228.437	DUE TO STATE - IFT	888.62
703-000.000-228.440	DUE TO STATE - CRA/CRT	30.00
703-000.000-228.442	DUE TO STATE - NEZ	(569.43)
703-000.000-228.443	DUE TO STATE - OPRA	(2,991.86)
703-000.000-234.402	DUE TO ISD - CURRENT TAXES	835.87
703-000.000-234.412	DUE TO ISD - DELINQUENT TAXES	209.60
703-000.000-234.437	DUE TO ISD - IFT	51.39
703-000.000-234.442	DUE TO ISD - NEZ	(9.59)
703-000.000-234.443	DUE TO ISD - OPRA	(26.29)
703-000.000-234.692	DUE TO ISD - MISCELLANEOUS	185.79
703-000.000-249.692	DUE TO OTHERS - MISCELLANEOUS	338.29
703-000.000-274.000	UNDISTRIB. TAX COL'D (JEPORDY	4,461.52
Total Liabilities		74,924.02
*** Fund Balance ***		
Total Fund Balance		0.00
Beginning Fund Balance - 15-16		0.00
Net of Revenues VS Expenditures - 15-16		0.00
*15-16 End FB/16-17 Beg FB		0.00
Net of Revenues VS Expenditures - Current Year		0.00
Ending Fund Balance		0.00
Total Liabilities And Fund Balance		74,924.02

* Year Not Closed

Fund 711 CEMETERY PERPETUAL CARE FUND

GL Number	Description	Balance
*** Assets ***		
711-000.000-001.000	CHECKING ACCOUNT - COMMON	237,624.71
711-000.000-001.100	LAKEVIEW - TO BE INVESTED	143,545.16
711-000.000-001.200	OAKGROVE - TO BE INVESTED	154,187.60
711-000.000-120.100	INVESTMENTS - LAKEVIEW	81,825.40
711-000.000-120.200	INVESTMENTS - OAKGROVE	118,545.10
711-000.000-122.100	RETURNED INVEST PRIN-LAKEVIEW	(31,840.10)
711-000.000-122.200	RETURNED INVEST PRIN-OAK GROV	(34,910.32)
Total Assets		668,977.55
*** Liabilities ***		
Total Liabilities		0.00
*** Fund Balance ***		
711-000.000-390.000	FUND BALANCE	625,731.59
Total Fund Balance		625,731.59
Beginning Fund Balance - 15-16		625,731.59
Net of Revenues VS Expenditures - 15-16		29,642.68
*15-16 End FB/16-17 Beg FB		655,374.27
Net of Revenues VS Expenditures - Current Year		13,603.28
Ending Fund Balance		668,977.55
Total Liabilities And Fund Balance		668,977.55

* Year Not Closed

Fund 712 STOCK'S PARK PERPETUAL MAINT.

GL Number	Description	Balance
*** Assets ***		
712-000.000-001.000	CHECKING ACCOUNT - COMMON	345.00
712-000.000-018.000	INVESTMENTS - OTHER CD'S	35,002.80
712-000.000-020.000	INVESTMENTS - MBIA/CLASS	13,303.40
Total Assets		48,651.20
*** Liabilities ***		
Total Liabilities		0.00
*** Fund Balance ***		
712-000.000-390.000	Fund Balance	36,428.59
Total Fund Balance		36,428.59
Beginning Fund Balance - 15-16		36,428.59
Net of Revenues VS Expenditures - 15-16		8,535.60
*15-16 End FB/16-17 Beg FB		44,964.19
Net of Revenues VS Expenditures - Current Year		3,687.01
Ending Fund Balance		48,651.20
Total Liabilities And Fund Balance		48,651.20

* Year Not Closed

Fund 715 R. L. OWEN MEMORIAL FUND

GL Number	Description	Balance
*** Assets ***		
715-000.000-001.000	CHECKING ACCOUNT - COMMON	46,919.34
Total Assets		46,919.34
*** Liabilities ***		
Total Liabilities		0.00
*** Fund Balance ***		
715-000.000-390.000	FUND BALANCE	41,036.41
Total Fund Balance		41,036.41
Beginning Fund Balance - 15-16		41,036.41
Net of Revenues VS Expenditures - 15-16		5,882.93
*15-16 End FB/16-17 Beg FB		46,919.34
Net of Revenues VS Expenditures - Current Year		0.00
Ending Fund Balance		46,919.34
Total Liabilities And Fund Balance		46,919.34

* Year Not Closed

Fund 750 IMPREST PAYROLL FUND

GL Number	Description	Balance
*** Assets ***		
750-000.000-001.000	CHECKING ACCOUNT - COMMON	(98,376.45)
750-000.000-011.000	CASH IN BANK - PAYROLL	100,218.47
Total Assets		1,842.02
*** Liabilities ***		
750-000.000-214.101	DUE TO GENERAL FUND	1,588.20
750-000.000-228.004	DUE TO MMERS-HCSA	184.62
750-000.000-228.005	DUE TO-CNB POLICE HSA	50.00
750-000.000-231.003	DUE TO ICMA-RETIREMENT CONT.	19.20
Total Liabilities		1,842.02
*** Fund Balance ***		
Total Fund Balance		0.00
Beginning Fund Balance - 15-16		0.00
Net of Revenues VS Expenditures - 15-16		0.00
*15-16 End FB/16-17 Beg FB		0.00
Net of Revenues VS Expenditures - Current Year		0.00
Ending Fund Balance		0.00
Total Liabilities And Fund Balance		1,842.02

* Year Not Closed

City of Hillsdale Agenda Item Summary

Meeting Date: January 9, 2016

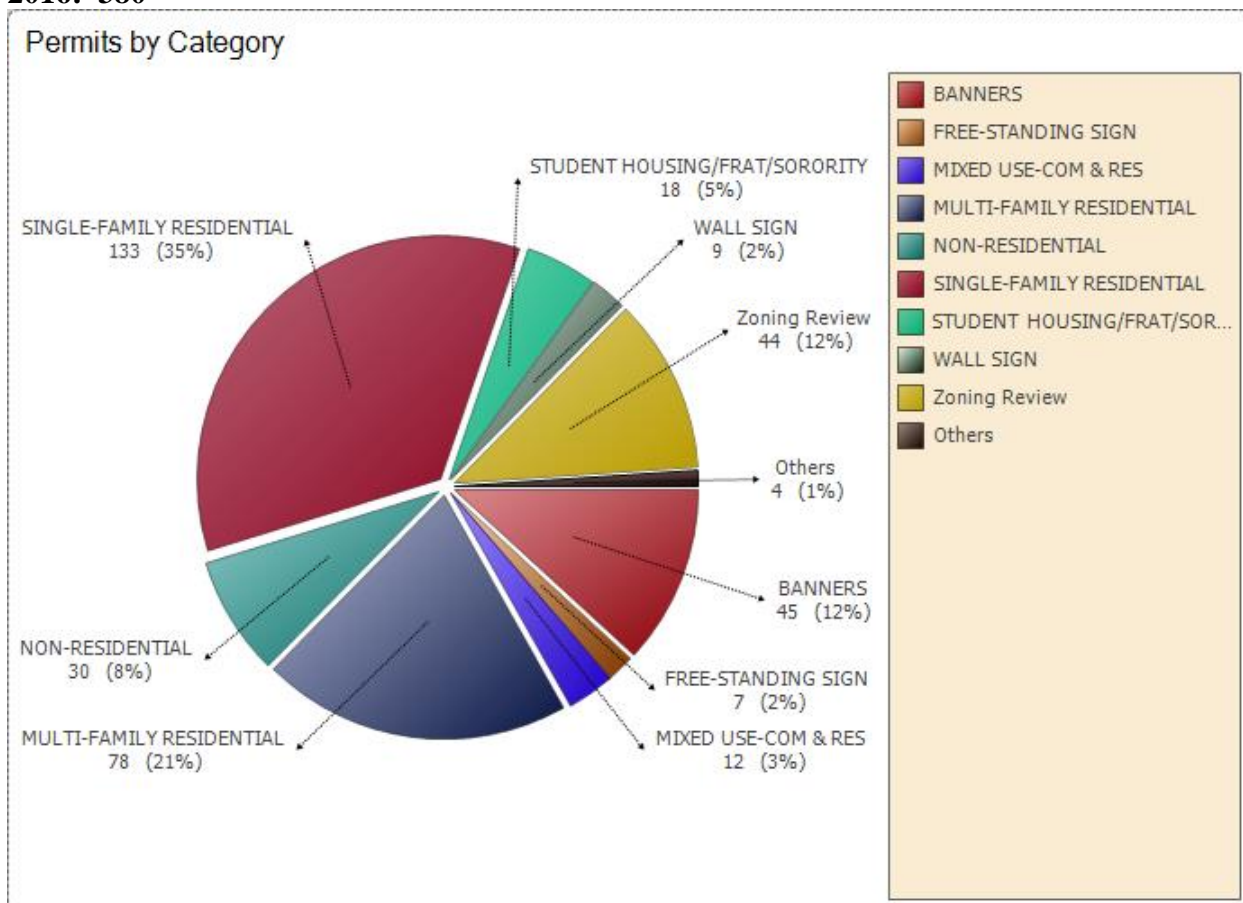
Agenda Item: Consent Agenda

SUBJECT: December 2016 Code Enforcement Report

Prepared by: Kimberly Thomas, Assessor/Code Official

Code Enforcement Statistics as of 12:15 p.m., Tuesday, January 3, 2017:

- Total Open Enforcements: **424**
- New Enforcements opened in **Calendar Year 2016: 394**
- Enforcements closed in **Calendar Year 2016: 395**
- Inspections completed in **Calendar Year 2016** (including permits): **1,636**
- Permits (Use & Occupancy/Zoning Compliance/Signs/Fences) issued in **Calendar Year 2016: 380**



- **Calendar Year 2016 Revenues: \$12,895 (report attached)**

TOP 25 CODE ENFORCEMENT PRIORITIES

Prepared by Code Enforcement staff

1. **23/25 N Broad St** (unmaintained/unsafe downtown building) Unresolved use & occupancy permit violations dating back to at least 2006. The structure has been posted as unsafe/unfit for human occupancy. Evidence of structural work completed without permits - county building inspection approval required prior to occupancy. 2 upper residential units and the lower north commercial unit (25 N Broad St) currently believed to be vacant or used by owner for storage. South lower commercial unit (23 N Broad St) continues to be occupied without an approved use & occupancy permit. Complaints have been received and city staff members have observed evidence of structural failure (falling bricks, cracks along foundation and outer walls, etc...). TIFA has discussed purchasing the property and either demolishing the building or repairing it and making it available for redevelopment. The planning administrator toured the building with an architect in February 2015 at their request – the architect stated, “There are serious structural, environmental, infrastructure, and code safety issues associated with the building.” He expressed concern that demolition and/or continued deterioration of this building could affect the structural integrity of the remainder of the buildings on this block to the north and recommended a detailed study by a structural engineer to determine the cause and severity of the failure. The owner had the structure evaluated by an engineer in June 2016 and his attorney submitted a copy of the report. The matter has been referred to the City Attorney. The owner’s attorney has indicated that the owner wishes to repair the structure to a usable condition. This is a desirable outcome from the City’s perspective, provided that the work is completed timely, under the supervision of a structural engineer and with the proper permits through the county inspection department. **The City attorney has been in contact with the property owner’s attorney to try to find an acceptable solution for all parties involved with no progress to date.**
2. **48 Greenwood St** (2012 fire, 2011 hoarding/solid waste violations still unresolved) – demolition permit pulled September 29, 2015 with an expiration date of January 29, 2016. As of February 3, 2016, the structure has been partially demolished and has now partially collapsed creating an even more unsafe situation. **Declared public nuisance by Council on 2/15/2016** (60 days compliance order to expire April 15, 2016). County demolition permit expired March 28, 2016. This property was included in the Blight Elimination Program grant request to help the owner expedite completion of the demolition and restoration of the yard. Owner refused to sign demolition agreement and failed to bring property into compliance by 60 day deadline. Council issued demolition order at their meeting held April 18, 2016. City and County staff inspected the property on June 1, 2016 and proposed an agreement to allow the owner to fix/alter the structure in compliance with city and state building codes. The owner refused to sign the agreement. A civil infraction citation has been issued and we are waiting for notification of a hearing date in district court. We have requested that the judge order the owner to allow us access to complete the demolition if she fails to bring the property into compliance within a specified timeframe. A formal hearing was scheduled for August 18, 2016. The property owner agreed to sign an agreement at that time to complete the renovation of the structure to convert it to a garage in compliance with the building code by September 11, 2016 to bring it up to code. If they fail to complete the project by that time the City will

have the authority under the agreement (and signed by the judge) to gain immediate access to complete the demolition. As of September 12 significant progress had been made on bringing the structure into compliance for use as a garage/storage building. The permit was extended thru October 2 and a progress inspection will be completed October 3 to verify that the owner is continuing to work to bring the property up to code. The County Building Inspector completed a progress inspection on November 30th and extended the building permit for another 30 days as a result of acceptable progress. There was a complaint received from a neighbor earlier in November regarding some remaining debris, tires, etc... The property owner has been contacted by code enforcement as a result and advised that all remaining debris needed to be removed and confirmed by our office before we would be able to close out the file regarding the declaration of nuisance. **Code Enforcement will continue to monitor and work with all parties to bring the property into compliance.**

3. **33 Charles St** (posted unfit for occupancy 2015 due to sanitation violations and lack of maintenance) Civil infractions issued on 11/24/2015 for failure to secure vacant structure (open/broken/missing windows). Owner agreed to timeline for correction of violations in exchange for civil infraction fines and costs held in abeyance. Failed to meet first deadline, fines and costs to be reinstated by Judge Lisznyai. Structure was occupied without a valid permit between February and May. Judgment filed May 20, 2016 by Judge Lisznyai reinstating fines & costs and ordering owner to bring property into compliance. Owner has enquired with code enforcement about area property managers. Spoke with code enforcement on June 2 and agreed to have utilities turned on in his name with work commencing immediately to clean and make known repairs. Approved inspection for use & occupancy permit is required prior to occupation. Code Enforcement was contacted at the beginning of June with questions of what needed to be completed to make safe to occupy. Owner has utilities turned on in his name and has indicated that work is in progress to clean and make the structure safe to occupy. The owner requested a Use & Occupancy Permit and was inspected on November 17th, but the residence did not pass inspection. **The owner was once again given a copy of the terms agreed to at the last court hearing for the building to be issued a use & occupancy permit.**
4. **24 N Norwood Ave** (posted unfit for occupancy) – Occupied without permit – Renovation in progress? Police confirmed occupied & issued civil infractions on 11/25/2015. Use & occupancy inspection completed 12/2/15, interior under renovation. Occupant given 10 days to complete interior repairs or vacate structure. Neither owner nor occupant has complied with deadlines given, civil infractions to be issued. Owner paid fine but has not schedule inspections. Structure no longer appears to be occupied. **Code Enforcement will continue to monitor.**
5. **65 S Norwood Ave** (abandoned, unsafe residence) – New owner, complete remodel in progress. Anticipated completion date is 2/1/2016. Owner submitted timeline with completion date of August 1, 2016 to repair house & place on market. Very little visible progress as of 8/17/2016 inspection. Sent letter requesting updated timeline and permits to be pulled for repair or demolition by September 16, 2016. Property owner has requested an extension through February 2017 to complete repairs and list property for sale (cash flow shortage due nonpayment and or no sale on other projects outside Hillsdale). The building permit for this property issued by the County was renewed thru

September 14, 2017. **Property owner has made progress on bringing the building into compliance.**

6. **58 N West St** (unrepaired damage from a 2011 meth fire in an eight-unit residential structure, now vacant) - Declared a nuisance by council on November 16, 2015 – 60 days to demolish or otherwise bring into compliance. Property sold December 15, 2015. Staff met with the new owner's contractor on December 22 and walked through the structure to determine the extent of the damage from the fire. There was evidence that the structure had been occupied recently by squatters. The new owner has started cleaning up the property and is in discussions with planning and economic development to develop a plan for future use of the property. City Planning Administrator and Economic Development are working with the owner to develop plans and funding for repair, renovation and viable use of the building.
7. **60 N West St** (same owner as 58, 5-unit residence converted in 1948 from single family, structure posted unfit for occupancy 2014 due to lack of structural maintenance and sanitation violations) – Complete upgrade of electrical systems will be required prior to issuance of a new certificate of occupancy along with repair of all structural deficiencies per County Inspector. Declared a nuisance by council on November 16, 2015 – 60 days to demolish or otherwise bring into compliance. Property sold December 15, 2015. Staff met with the new owner's contractor on December 22 and walked through the structure. The new owner has started work on bring the property into compliance. Staff continues to work with owner and verify progress on cleaning up and repairing the structure. Staff continues to work with owner to develop plans and verify progress on cleaning up and repairing the structure.
8. **55 S Broad St** (posted unsafe by County Building Inspector 2009 – grass is being mowed but no other improvements made) – Property transferred November 11, 2015. New owner repaired broken windows. She has indicated that she is currently working on another project in Reading that she hopes to have finished by April, then will move forward with renovation of this property. Contacted owner April 29, 2016 regarding updated timeline – she said she was finishing up the house in Reading and hoped to start work here within 3-4 weeks. 6/23/2016 sent letter for tall grass & weeds (corrected). 8/10/2016 issued civil infraction. Owner submitted request for extension to find & secure licensed contractors to begin repairs by 2/12/2017 (within 90 days of sale of Reading house – also a rehabbed structure).
9. **178 N Manning St** (Unsafe, owner-occupied residence) – Confirmed with BPU that there is no water service to the property, but there is electrical. Property appears to be occupied (car seen in drive). Structure posted as unfit for human occupancy on November 25, 2015. Owner has indicated that the structure is not occupied. He hired a contractor to start repairs - front porch completely rebuilt. Complaints of unauthorized occupation in April – referred to police. Structure was reposted as unsafe/unfit for occupancy due to lack of water service.
10. **352 Hillsdale St** (abandoned residence – civil infraction citations issued) – Sporadically mowed (only upon notice from city), not trimmed around structure; no progress on demolition or repair of structure. Owner notified code enforcement that sale of property is pending – new owner intends to demolish. The former owner of the adjacent business is reportedly purchasing this property on land contract. His plans for the property are unknown at this time. **Code enforcement continues to monitor.**

11. 4/50/80 S Wolcott St (unsafe structures, demolition debris, former dump site – future church site? Met with owner June 16 to discuss specific goals and set a tentative timeline) – owner is regularly submitting pictures of clean-up progress – dependent on volunteer labor but has made a priority. April, 2016 - Owner sent an email advising that they have a work day on the property coming up and he will send pictures of the progress. 6/17/2016 sent letter for tall grass & weeds – mowed around buildings as of 6/23/16. Spoke to owner’s agent regarding possible future demolition under grant – said he would consider and let us know. **Code Enforcement will continue to monitor.**
12. 10 S Wolcott St (owned by pastor of church that owns 4/50/80 – abandoned former tax sale house – see 4/50/80 S Wolcott St). 6/17/2016 sent letter for tall grass & weeds – mowed around buildings as of 6/23/16. **Code Enforcement will continue to monitor.**
13. 25 Hillsdale St (future Hillsdale Brewery) – Sale has been finalized and renovation started. Site plan was approved by the Planning Commission at their April meeting and preliminary building permit has been issued. Owner is working on finalizing plans for the 1st phase of the renovation (front of building – to be used for Brewery). Rear/warehouse portion will be completed in later phases. Planning/Zoning and Economic Development Departments continue to work with the owner to facilitate renovation (OPRA certificate approved by STC; TIFA façade grant/restaurant attraction program work in progress).
14. 93 Griswold St (abandoned residence – foreclosure interrupted by bankruptcy, bank has now hired a vendor to monitor property and keep it mowed) – Management company has boarded up garage and made basic structural repairs. **Now officially bank owned & listed for sale.**
15. 199/203 Griswold St (vacant structures – yard is maintained but buildings are not. 203 was moved to this location in the 1970’s and never completed) – Progress confirmed – extension granted through January 1, 2017 to complete remainder of repairs.
16. 30 N Norwood Ave (abandoned residence – same owner as 24 N Norwood Ave) – Evidence of renovation in progress without permits. Several people have indicated interest in purchasing but have been unsuccessful in negotiating for sale. 8/30/2016 tree fell from this property onto adjacent property – owner arranged to have it removed immediately upon notification. **Code Enforcement will continue to monitor.**
17. 4 Spring St (abandoned residence) – work has started on making exterior repairs. Grass is mowed regularly and structure is secured. May 2016 – new windows & doors installed. Owner has submitted a tentative timeline for completion by December 2016. **Code Enforcement will continue to monitor.**
18. 324 E Bacon St (abandoned residence, foreclosure). Property was sold to an LLC and is now listed for sale “as is.” **Code Enforcement will continue to monitor.**
19. 16 Hillsdale St (former depot, part occupied by Hillsdale Feed Co – owner is attempting to purchase part of adjacent railroad property for parking & building expansion and renovation). Economic Development is assisting owner in getting cooperation from RR/MDOT for purchase of adjacent property.
20. 115 E Bacon St (Stock’s Mill) – Marvo Properties became the owner on August 27, 2015, and they have made significant progress toward cleaning up the exterior property area. **Code Enforcement will continue to monitor.**
21. 22 W St Joe St (**posted unfit for occupancy 3/23/2016 – already vacant**) Land contract defaulted and property abandoned by purchaser. Formerly used as duplex, planned to

convert back to single family. This house is partially boarded up, the stone front porch needs to be repaired or rebuilt, and the property has not had utilities for several years. **Code Enforcement will continue to monitor.**

22. **38 Highland Ave (vacant structure since 2009 or prior).** Current owner purchased at tax sale 9/11/2012. Permit pulled 2013 for new windows and roof. Some improvements have been made but structure is still vacant. Civil infraction issued 8/31/2016 for grass over 10". **Code Enforcement will continue to monitor.**
23. **155 N Manning St (vacant structure since 2012 or prior).** Current owner purchased from Freddie Mac (foreclosure) 10/23/2012 with the intention of repairing and either selling or renting (probably student housing – College area). Only progress to date has been demolition of unsafe porch roofs and (partial) removal of dead trees. Owner has indicated that he intends to repair the exterior by February of 2017 then start work on renovating the interior. Code enforcement has received complaints that the structure is not adequately secured against trespassers. **Code enforcement is working with the owner and police to ensure that this problem is resolved.**
24. **72 S Broad St (vacant structure – posted unsafe by county inspector 11/9/2012).** Current owner purchased 5/16/1985, sold on land contract 4/1/2010. The purchaser defaulted after the structure was posted unsafe. Permits were pulled for renovation and repairs 6/23/2014 but little to no progress was made other than general clean-up of the exterior. Now listed for sale, property is to be sold “as is” with the understanding that the new owner would be responsible for bringing the structure up to code. Owner has indicated that if it does not sell by 4/5/2017 they will sell it at auction. **Code Enforcement will continue to monitor.**
25. **40 Budlong St (dilapidated garage, 2010 Use & Occupancy Permit never approved due to unresolved violations – owner-occupied residence).** At least three civil infraction tickets have been issued since 2015 with no correction other than to close the broken garage door.

Staff will continue to work with legal counsel to determine the best procedure to follow in each case to obtain court orders to bring properties into compliance where the owner has not been willing and/or able to do so and the violations are presenting a public safety concern. A full report will be made in any case where Council action is required to move forward.

Properties removed from Top 25:
None this month.

Revenue by Category Detail

01/03/2017

COSTS - WORK BY CITY		
City Ordered Repairs	1	25.00
Ordered lawn care	10	1,065.00
<hr/>		
COSTS - WORK BY CITY totals	11	1,090.00

INSPECTION		
CODE ENFORCEMENT INSPECTION	1	25.00
INSPECTION	3	75.00
RE-INSPECTION	61	1,500.00
RE-INSPECTION	1	25.00
<hr/>		
INSPECTION totals	66	1,625.00

PLANNING COMMISSION REVIEW		
PLANNING COMMISSION REVIEW	6	300.00
<hr/>		
PLANNING COMMISSION REVIEW totals	6	300.00

SIGN PERMIT		
Banner	1	20.00
Free Standing/Monument	6	300.00
SIGN REFACE	5	125.00
Wall mount	5	250.00
<hr/>		
SIGN PERMIT totals	17	695.00

Site Plan		
Zoning Site Plan Review	20	1,000.00
<hr/>		
Site Plan totals	20	1,000.00

SITE PLAN REVIEW		
APPLICATION REVIEW	16	800.00
Commercial Site Plan Review	1	50.00
<hr/>		
SITE PLAN REVIEW totals	17	850.00

TEMP SIGNAGE		
BANNER	13	135.00
<hr/>		
TEMP SIGNAGE totals	13	135.00

USE & OCCUPANCY PERMIT		
Use and Occupancy Permit Fee	228	5,700.00
<hr/>		
USE & OCCUPANCY PERMIT totals	228	5,700.00

ZBA APPEAL FEE		
Zoning Board Fee	2	600.00
<hr/>		
ZBA APPEAL FEE totals	2	600.00

ZONING COMPLIANCE PERMIT

Population: All Records

Transaction.DateToPostOn in <Previous year>
[01/01/16 - 12/31/16]

ZONING COMPLIANCE PERMIT	28	700.00
ZONING COMPLIANCE PERMIT	8	200.00
ZONING COMPLIANCE PERMIT totals	36	900.00
Grand Totals	416	12,895.00

Report Filter Query:

Transaction.DateToPostOn in <Previous year> [01/01/16 - 12/31/16]

Population: All Records

Transaction.DateToPostOn in <Previous year>
[01/01/16 - 12/31/16]



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23 N BROAD ST & 25

2016-07-23 CODE ENFORCEM



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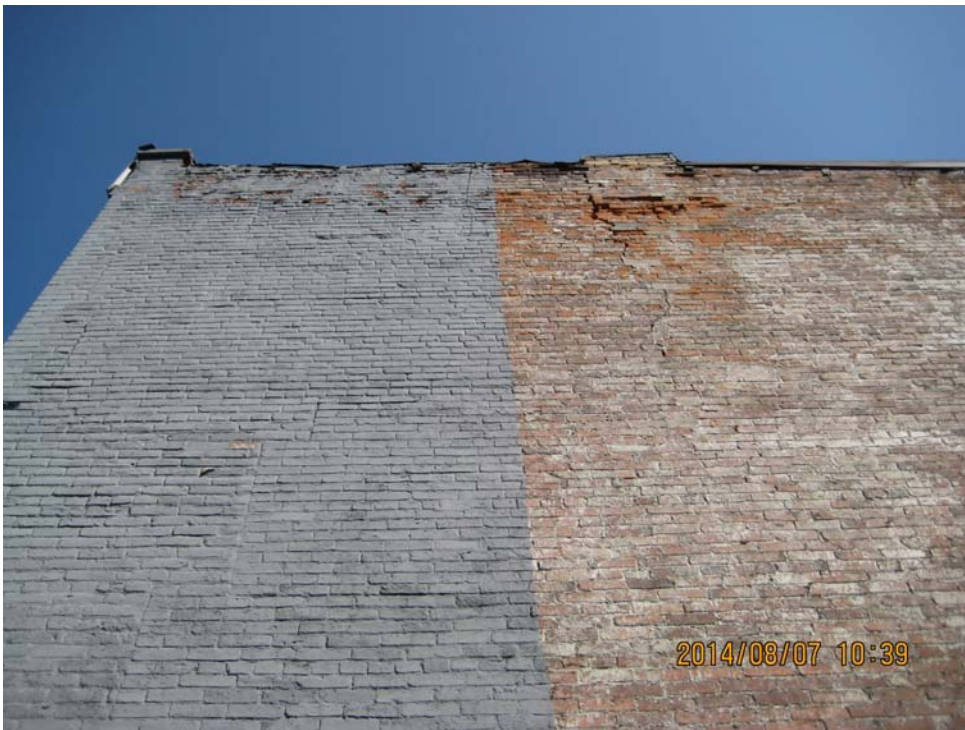
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Minutes of the Public Safety Committee
CITY OF HILLSDALE
December 8, 2016 6:30 p.m. City Hall 2nd Floor Conference Room

Meeting was called to order at 6:31 p.m.

Committee members present: Bruce Sharp, Adam Stockford, Brian Watkins

Staff present: City Manager Mackie, Police Chief Scott Hephner,

Fire Department Staffing

Changes in how medical dispatches are handled combined with platooning the part-paid firefighters has resulted in cost savings. FD is currently under-budget for staffing. Previous methods had the FD over-budget by this time last year.

Corey Burke ready to go as full-time.

Chief Hephner researched going to 3 full-time vs. 4 full-time. Determined cost reduction of salary / benefits would be consumed by part-paid OT and legal fees and leave citizens less protected.

Truck Replacement

As requested by the committee at its previous meeting, information regarding lease / purchase options for truck replacement were presented.

While leasing had some advantages, it was agreed that purchasing would be the most financially responsible option as there are several options that can be utilized to reduce the purchase price of a new truck. New trucks would also be eligible for FEMA grants.

City staff is working on a FEMA grant for a new 100' platform truck. This would replace out existing platform truck which is the oldest operating platform truck in the state.

An FAA grant is also being explored to support the purchase of a specialty engine / pumper to serve the City and the Airport, as well as a second FEMA grant for truck improvements.

Medical Responses

A large percentage of the FD activity is devoted to medical runs. This is due to a lack of ambulance support in the area. Reading Emergency Unit (REU) has a wait time of 20-40 minutes and is often unavailable. This is a growing concern which is leaving our citizens at risk in emergencies.

Discussion surrounding the idea of training some of the FD to be able to transport patients. With over 1000 medical calls in 2016 which bill about \$500 each, this change could not only provide better emergency protection for citizens, but also provide revenue to off-set vehicle and other public safety costs.

This change would require a minimal investment in training and equipment. The committee asked staff to provide more details and a clearer cost / benefit analysis at the next meeting.

Meeting was adjourned at 7:42 p.m.

Respectfully submitted,
Brian Watkins, Public Safety Committee Chair

City of Hillsdale

Agenda Item Summary

Meeting Date: **January 9, 2017**

Agenda Item #10: **New Business**

SUBJECT: **Application for Annual ROW Permit from MDOT (Resolution)**

BACKGROUND PROVIDED BY STAFF (Kathy Flaughner, Administrative Assistant)

Each year it is necessary for the City to adopt a resolution which is required by the Michigan Department of Transportation for purposes of issuing individual permits to use its M-99 right-of-way within the City boundaries. Use of the right-of-way is required from time to time by the Department of Public Services, the Board of Public Utilities, the Police Department and the Fire Department. I have enclosed a proposed Resolution proposed for submission to MDOT. As you can see from the resolution, it authorizes the Directors of the DPS and BPU, and Chief Scott Hephner to apply for permits for various uses throughout the year.

RECOMMENDATION:

Staff recommends that Council adopt the attached Resolution to Approve an Application for Annual ROW Permit from MDOT.

PERFORMANCE RESOLUTION FOR GOVERNMENTAL AGENCIES

Resolution

This Performance Resolution is required by the Michigan Department of Transportation for purposes of issuing to a municipal utility an "Individual Permit for Use of State Highway Right of Way", or an "Annual Application and Permit for Miscellaneous Operations Within State Highway Right of Way".

RESOLVED WHEREAS, the CITY OF HILLSDALE
(city, village, township, etc.)

hereinafter referred to as the "GOVERNMENTAL AGENCY," periodically applies to the Michigan Department of Transportation, hereinafter referred to as the "DEPARTMENT," for permits, referred to as "PERMIT," to construct, operate, use and/or maintain utilities or other facilities, or to conduct other activities, on, over, and under State Highway Right of Way at various locations within and adjacent to its corporate limits;

NOW THEREFORE, in consideration of the DEPARTMENT granting such PERMIT, the GOVERNMENTAL AGENCY agrees that:

1. Each party to this Agreement shall remain responsible for any claims arising out of their own acts and/or omissions during the performance of this Agreement, as provided by law. This Agreement is not intended to increase either party's liability for, or immunity from, tort claims, nor shall it be interpreted, as giving either party hereto a right of indemnification, either by Agreement or at law, for claims arising out of the performance of this Agreement.
2. If any of the work performed for the GOVERNMENTAL AGENCY is performed by a contractor, the GOVERNMENTAL AGENCY shall require its contractor to hold harmless, indemnify and defend in litigation, the State of Michigan, the DEPARTMENT and their agents and employee's, against any claims for damages to public or private property and for injuries to person arising out of the performance of the work, except for claims that result from the sole negligence or willful acts of the DEPARTMENT, until the contractor achieves final acceptance of the GOVERNMENTAL AGENCY. Failure of the GOVERNMENTAL AGENCY to require its contractor to indemnify the DEPARTMENT, as set forth above, shall be considered a breach of its duties to the DEPARTMENT.
3. Any work performed for the GOVERNMENTAL AGENCY by a contractor or subcontractor will be solely as a contractor for the GOVERNMENTAL AGENCY and not as a contractor or agent of the DEPARTMENT. The DEPARTMENT shall not be subject to any obligations or liabilities by vendors and contractors of the GOVERNMENTAL AGENCY, or their subcontractors or any other person not a party to the PERMIT without the DEPARTMENT'S specific prior written consent and notwithstanding the issuance of the PERMIT. Any claims by any contractor or subcontractor will be the sole responsibility of the GOVERNMENTAL AGENCY.
4. The GOVERNMENTAL AGENCY shall take no unlawful action or conduct, which arises either directly or indirectly out of its obligations, responsibilities, and duties under the PERMIT which results in claims being asserted against or judgment being imposed against the State of Michigan, the Michigan Transportation Commission, the DEPARTMENT, and all officers, agents and employees thereof and those contracting governmental bodies performing permit activities for the DEPARTMENT and all officers, agents, and employees thereof, pursuant to a maintenance contract. In the event that the same occurs, for the purposes of the PERMIT, it will be considered as a breach of the PERMIT thereby giving the State of Michigan, the DEPARTMENT, and/or the Michigan Transportation Commission a right to seek and obtain any necessary relief or remedy, including, but not by way of limitation, a judgment for money damages.

- 5. The GOVERNMENTAL AGENCY will, by its own volition and/or request by the DEPARTMENT, promptly restore and/or correct physical or operating damages to any State Highway Right of Way resulting from the installation construction, operation and/or maintenance of the GOVERNMENTAL AGENCY'S facilities according to a PERMIT issued by the DEPARTMENT.
- 6. With respect to any activities authorized by a PERMIT, when the GOVERNMENTAL AGENCY requires insurance on its own or its contractor's behalf it shall also require that such policy include as named insured the State of Michigan, the Transportation Commission, the DEPARTMENT, and all officers, agents, and employees thereof and those governmental bodies performing permit activities for the DEPARTMENT and all officers, agents, and employees thereof, pursuant to a maintenance contract.
- 7. The incorporation by the DEPARTMENT of this resolution as part of a PERMIT does not prevent he DEPARTMENT from requiring additional performance security or insurance before issuance of a PERMIT.
- 8. This resolution shall continue in force from this date until cancelled by the GOVERNMENTAL AGENCY or the DEPARTMENT with no less than thirty (30) days prior written notice provided to the other party. It will not be cancelled or otherwise terminated by the GOVERNMENTAL AGENCY with regard to any PERMIT which has already been issued or activity which has already been undertaken.

BE IT FURTHER RESOLVED, that the following position(s) are authorized to apply to the DEPARTMENT for the necessary permit to work within State Highway Right of Way on behalf of the GOVERNMENTAL AGENCY.

Title and/or Name:

Jake Hammel, Director of Public Services

Michael Barber, Director of Public Utilities

Scott Hephner, Chief of Police

I HEREBY CERTIFY that the foregoing is a true copy of a resolution adopted by

the City Council

(Name of Board, etc)

of the City of Hillsdale

(Name of GOVERNMENTAL AGENCY)

of Hillsdale

(County)

at a regular meeting held on the 9th day

of January A.D. 2017.

Signed _____

Title Mayor

Signed _____

Title City Clerk



City of Hillsdale, Michigan

TO: Mayor Session and City Council Members
City Manager David Mackie

FROM: Stephen M. French, City Clerk

DATE: January 5, 2017

SUBJECT: Liquor License Application – 42 Union Street

BACKGROUND

Marty and Carlyn Hubbard, owners of 3H Coffee House at 42 Union Street, have submitted a Local Government Approval application for a new Class C liquor license for that location. City staff have reviewed the application and have no objections to the request. The application conforms to all local zoning restrictions in that area.

The Local Government Approval provides the State of Michigan with a recommendation from the City of Hillsdale to either approve or deny the request. The final decision to approve the application will rest with the Liquor Control Commission.

RECOMMENDATION

It is the recommendation of city staff that the City Council recommend the application from 3H Coffee House for a new Class C liquor license at 42 Union Street.



Michigan Department of Licensing and Regulatory Affairs
 Liquor Control Commission (MLCC)
 Toll Free: 866-813-0011 • www.michigan.gov/lcc

Business ID: _____

Request ID: _____

(For MLCC use only)

Local Government Approval
 (Authorized by MCL 436.1501)

Instructions for Applicants:

- You must obtain a recommendation from the local legislative body for a new on-premises license application, certain types of license classification transfers, and/or a new banquet facility permit.

Instructions for Local Legislative Body:

- Complete this resolution or provide a resolution, along with certification from the clerk or adopted minutes from the meeting at which this request was considered.

At a _____ Regular _____ meeting of the _____ City of Hillsdale _____ council/board
(regular or special) (township, city, village)
 called to order by _____ Mayor Scott M. Sessions _____ on _____ January 9, 2017 _____ at _____ 7:00 p.m. _____
(date) (time)
 the following resolution was offered:

Moved by _____ and supported by _____

that the application from _____ 3H Coffee House _____
(name of applicant)

for the following license(s): _____ Class C with no entertainment _____
(list specific licenses requested)

to be located at: _____ 42 Union Street, Hillsdale, MI 49242 _____

and the following permit, if applied for:

Banquet Facility Permit Address of Banquet Facility: _____

It is the consensus of this body that it _____ this application be considered for
(recommends/does not recommend)

approval by the Michigan Liquor Control Commission.

If disapproved, the reasons for disapproval are _____

Vote

Yeas: _____

Nays: _____

Absent: _____

I hereby certify that the foregoing is true and is a complete copy of the resolution offered and adopted by the _____ City of Hillsdale _____
 council/board at a _____ Regular _____ meeting held on _____ January 9, 2017 _____
(regular or special) (date) (township, city, village)

Stephen M. French

January 9, 2017

Print Name of Clerk

Signature of Clerk

Date

Under Article IV, Section 40, of the Constitution of Michigan (1963), the Commission shall exercise complete control of the alcoholic beverage traffic within this state, including the retail sales thereof, subject to statutory limitations. Further, the Commission shall have the sole right, power, and duty to control the alcoholic beverage traffic and traffic in other alcoholic liquor within this state, including the licensure of businesses and individuals.

Please return this completed form along with any corresponding documents to:

Michigan Liquor Control Commission

Mailing address: P.O. Box 30005, Lansing, MI 48909

Hand deliveries or overnight packages: Constitution Hall - 525 W. Allegan, Lansing, MI 48933

Fax to: 517-763-0059

City of Hillsdale Agenda Item Summary

Meeting Date: January 9, 2016

Agenda Item: New Business

SUBJECT: 2016 Audit Presentation

BACKGROUND PROVIDED BY STAFF: Bonnie Tew, Finance Director

Condon, Hecht, Bisher, Wade and Company, P.C. (CHBW) performed the audit for fiscal year ending June 30, 2016. The work has been completed and attached please find an electronic copy for your review. A representative from CHBW, Donna Hecht, will be present at the meeting to review the findings and answer any questions.

STAFF RECOMMENDATION:

Council listen to the presentation and receive the audit as presented.

CITY OF HILLSDALE, MICHIGAN

YEAR ENDED JUNE 30, 2016

CITY OF HILLSDALE, MICHIGAN
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
(with required supplementary information)
YEAR ENDED JUNE 30, 2016

CITY OF HILLSDALE, MICHIGAN

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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Hillsdale, Michigan
Hillsdale, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Hillsdale, Michigan, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Hillsdale, Michigan, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages iii – xiii, as well as the budgetary comparison information and retirement system information on pages 36-41, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Hillsdale's basic financial statements. The combining and individual nonmajor fund financial statements, the Dial-A-Ride Enterprise Fund information, as well as the combining statements for the internal service and agency funds, are presented for purposes of additional analysis and are not a part of the required basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2016 on our consideration the City of Hillsdale, 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 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 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 the City of Hillsdale's internal control over financial reporting and compliance.

Condon, Hecht, Bisher, Wade & Co., P.C.

Certified Public Accountants

Hillsdale, Michigan
December 19, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Hillsdale
Management's Discussion and Analysis
June 30, 2016

As management of the *City of Hillsdale, Michigan*, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2016

Financial Highlights

- The amount that the City assets and deferred outflows of resources exceeded its liabilities at the close of the most recent fiscal year was \$56,995,313 (*net position*). Of this amount, \$10,022,376 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- Governmental activities net change in position increased \$828,220, while business-type activities changes in net position decreased \$4,021,774. The combined net change in position decreased more than five percent (5.31%) or \$3,193,554.
- The Government Accounting Standards Board (GASB) Statement No. 68 last year required that the Net Pension Liability be calculated and reported on the Government Wide Statements. The net pension liability is determined by an annual actuarial valuation as of December 31, 2015 combined with the City's pension contributions for January – June 2016. The City's net pension liability for both governmental and business type activities for the fiscal year ending June 30, 2016 was \$5,281,264. This is a 127% increase from fiscal year 2015.
- As of the close of the current fiscal year, the City's Governmental funds reported combined ending fund balances of \$3,119,084. That is up \$56,461 or two percent (2.0%) from the prior year.
- Investment in Michigan South Central Power Agency declined \$5,115,604. The substantial loss is due to the closing of their coal-fired generation plant in Litchfield.
- Council established the policy of maintaining a minimum General Fund fund balance reserve of fifteen percent (15%) back in 1992. At the end of the current fiscal year, total fund balance for the general fund was \$913,097. That represents more than eighteen percent (18.66%) of total budgeted general fund expenditures for fiscal year 2016-17.
- The City issued \$7.5M in sewer revenue bonds through the State Revolving Fund Loan Program to fund sewage disposal system improvements.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction of the City's basic financial statements. The City'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's finances, in a manner similar to a private-sector business.

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

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

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statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City 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 include general government, public safety, public services, parks and recreation, community development, long-term debt. The business-type activities are electric, sewer, water, and transportation.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also two legally separate authorities – the Tax Increment Finance Authority and the Economic Development Corporation – for which the City is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 1-3 of this report.

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

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *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 financing requirements.

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

The City maintains eighteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general and capital improvement funds, each of which are considered to be major funds. Data from the other fourteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for its general and special revenue funds. Budgetary comparison statements or schedules have been provided herein to demonstrate compliance with those budgets.

The basic governmental fund financial statements can be found on pages 4-7 of this report.

Proprietary funds. The City 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 uses enterprise funds to account for its electric, sanitary sewer, water distribution, and public transportation

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operations. *Internal service funds* account for operations that provide services (such as leave and benefits, inventory purchasing, equipment rental and unemployment insurance) and accumulate and allocate costs internally among the City's various functions. Because this service predominantly benefits governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for three major enterprise funds; electric, water, and sewer, and one non-major fund, Dial-A-Ride.

The basic proprietary fund financial statements can be found on pages 8-11 of this report.

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 statements because the resources of those funds are *not* available to support the City'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 12-13 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 14-35 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain other information. This includes combining and individual fund financial statements and schedules, which can be found on pages 42-64 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Hillsdale, assets exceeded liabilities by \$56,995,313 at the close of the 2016 fiscal year.

The total governmental and business-type activities *total liabilities* increased \$3,459,984, or sixty percent (60%) from the prior year. This increase is directly related to the Government Accounting Standard Board's (GASB) Statement No. 68 pension reporting requirements. This statement changed the way the City must now report pension liabilities. Previously only the yearly pension contributions were reported on the government-wide of fund financial statements. The long-term costs of retirement plans were included in the notes section only. The new requirement provides a better picture of all post-employment costs and the government's long-term financial obligations. Over eighty-five percent (85%) of the increased pension liability is pension related.

By far the largest portion of the City's assets, more than seventy-eight percent (78.2%), reflects its investment in land, buildings, vehicles, equipment and infrastructure less any outstanding related debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it is important to note that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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City's Net Position	Governmental		Business-type		Total		Total Percent Change
	Activities		Activities		Total		
	2015	2016	2015	2016	2015	2016	
Current and Other Assets	\$3,873,585	\$3,966,364	\$16,973,942	\$13,223,282	\$20,847,527	\$17,189,646	-17.55%
Capital Assets	\$21,903,244	\$22,654,710	\$22,759,136	\$23,689,155	\$44,662,380	\$46,343,865	3.76%
Total Assets	\$25,776,829	\$26,621,074	\$39,733,078	\$36,912,437	\$65,509,907	\$63,533,511	-3.02%
Deferred Outflows of Resources	\$234,658	\$1,688,953	\$185,454	\$993,985	\$420,112	\$2,662,938	533.86%
Long-term Liabilities Outstanding	\$216,818	\$205,127	\$1,236,173	\$1,908,403	\$1,452,991	\$2,113,530	45.46%
Net Pension Liability	\$1,294,209	\$2,783,193	\$1,022,832	\$2,498,071	\$2,317,041	\$5,281,264	127.93%
Other Liabilities	\$248,126	\$221,153	\$1,722,994	\$1,585,189	\$1,971,120	\$1,806,342	-8.36%
Total Liabilities	\$1,759,153	\$3,209,473	\$3,981,999	\$5,991,663	\$5,741,152	\$9,201,136	60.27%
Net Position:							
Invested In Capital Assets Net of Related Debt	\$21,903,244	\$22,654,710	\$21,198,569	\$21,930,057	\$43,101,813	\$44,584,767	3.44%
Restricted	\$2,116,943	\$2,202,791	\$376,974	\$185,379	\$2,493,917	\$2,388,170	-4.24%
Unrestricted	\$232,147	\$223,053	\$14,360,990	\$9,799,323	\$14,593,137	\$10,022,376	-31.32%
Net Position	\$24,252,334	\$25,080,554	\$35,936,533	\$31,914,759	\$60,188,867	\$56,995,313	-5.31%

A portion of the City's assets (\$2,388,170) represents resources that are subject to internal and external restrictions on how they may be used. The remaining balance of \$10,022,376 is *unrestricted assets* that may be used to meet the government's ongoing obligations to citizens and creditors. That amount decreased \$4,570,761, or thirty-one percent (31.3%) from the prior year. That decrease is the net effect of the increased pension liability for both the government and the business-type activities coupled with the loss on the Michigan South Central Power Agency (MSCPA) investment.

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City's Changes in Net Position

	Governmental		Business-type		Total		Total Percentage Change
	Activities		Activities		Total		
	2015	2016	2015	2016	2015	2016	
Revenues:							
Program Revenues:							
Charges for Services	\$303,524	\$457,179	\$15,825,012	\$15,909,345	\$16,128,536	\$16,366,524	1.48%
Operating Grants & Contributions	\$948,895	\$1,691,304	\$286,881	\$193,870	\$1,235,776	\$1,885,174	52.55%
Capital Grants & Contributions	\$157,529	\$1,348,254	\$0	\$1,072,182	\$157,529	\$2,420,436	1436.50%
Total Revenues	\$1,409,948	\$3,496,737	\$16,111,893	\$17,175,397	\$17,521,841	\$20,672,134	17.98%
Expenses:							
General Government	\$1,158,500	\$1,261,178			\$1,158,500	\$1,261,178	8.86%
Public Safety	\$1,810,531	\$1,856,375			\$1,810,531	\$1,856,375	2.53%
Public Services	\$372,085	\$374,153			\$372,085	\$374,153	0.56%
Highways & Streets	\$1,928,080	\$1,854,900			\$1,928,080	\$1,854,900	-3.80%
Community & economic development	\$147,231	\$902,797			\$147,231	\$902,797	513.18%
Recreation & Culture	\$661,318	\$630,087			\$661,318	\$630,087	-4.72%
Capital Outlay	\$70,811	\$56,369			\$70,811	\$56,369	-20.40%
Unallocated Depreciation	\$35,500	\$35,500			\$35,500	\$35,500	0.00%
Electric			\$12,178,862	\$13,234,326	\$12,178,862	\$13,234,326	8.67%
Water			\$1,164,383	\$1,222,091	\$1,164,383	\$1,222,091	4.96%
Sewer			\$1,280,740	\$1,533,608	\$1,280,740	\$1,533,608	19.74%
Transportation			\$339,222	\$332,391	\$339,222	\$332,391	-2.01%
Total Expenses	\$6,184,056	\$6,971,359	\$14,963,207	\$16,322,416	\$21,147,263	\$23,293,775	10.15%
Increase (Decrease) in Net Position Before Transfers	(\$4,774,108)	(\$3,474,622)	\$1,148,686	\$852,981	(\$3,625,422)	(\$2,621,641)	-27.69%
General Revenues:							
Taxes	\$2,752,652	\$2,738,916			\$2,752,652	\$2,738,916	-0.50%
Grants/Contributions Not Restricted	\$828,856	\$821,926			\$828,856	\$821,926	-0.84%
Unrestricted Investment Earnings	\$25,096	\$28,760	(\$35,714)	\$20,968	(\$10,618)	\$49,728	-568.34%
Other Revenues	\$701,529	\$753,492	\$34,270	\$179,629	\$735,799	\$933,121	26.82%
Transfers - Internal Activity	\$11,125	(\$40,252)	(\$11,125)	\$40,252	\$0	\$0	0.00%
Total General Revenues	\$4,319,258	\$4,302,842	(\$12,569)	\$240,849	4,306,689	4,543,691	5.50%
Extrodinary item - loss on investment				(\$5,115,604)		(\$5,115,604)	
Changes in Net Position	(\$454,850)	\$828,220	\$1,136,117	(\$4,021,774)	\$681,267	(\$3,193,554)	-568.77%
Net Position - Beginning of Year	\$24,707,184	\$24,252,334	\$34,800,416	\$35,936,533	\$59,507,600	\$60,188,867	1.14%
Net Position - End of Year	\$24,252,334	\$25,080,554	\$35,936,533	\$31,914,759	\$60,188,867	\$56,995,313	-5.31%

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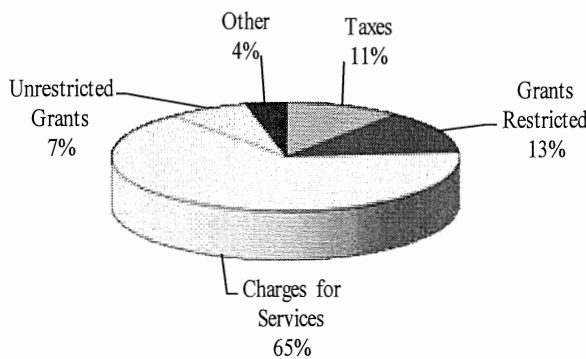
The City's total program revenue for 2016, (including restricted and operating grants and contributions) was \$20,672,134. This represents about an eighteen percent (17.98%) increase from the prior year. The largest increase was in capital grants and contributions and operating grants and contributions which are project specific, one-time sources of revenue.

Government wide, charges for services revenue remained relatively stable, moving upward by about one and one-half percent (1.48%). More than ninety-seven percent (97.2%) of the total charges for services revenue comes from the business-type activities (electric, water, sewer and transportation funds). Of those activities, the electric fund generated about than eighty-three percent (82.7%) of those charges.

The chart above shows that the general revenues, for both the governmental and business-type activities, increased around five and one-half percent (5.50%). These revenues consist of taxes, investment earnings, internal transfers between funds, and various other miscellaneous revenues. The tax revenue declined 0.3 percent (0.3%) from the prior year. Governmental and business-type activities other revenues increase almost twenty-seven percent (26.82%) or \$197,322. These revenues are from various sources and often include one-time revenues.

The pie graph to the below reveals the major sources of revenues collected by the municipality's governmental and business-type activities combined. Charges for services make up sixty-five (65%) of revenues. Eighty-three percent (83%) of those monies come from the electric utility and are not used for general governmental operations. Taxes are used primarily to fund general governmental activities, make up eleven percent (11%) of overall revenues. Grants, restricted and unrestricted combined, account for twenty percent (20%) of total revenues. Investment earnings and other miscellaneous revenue sources make up the remaining four percent (4%).

**Source of Revenue for Fiscal Yr 2016
 Governmental & Business-type Activities**



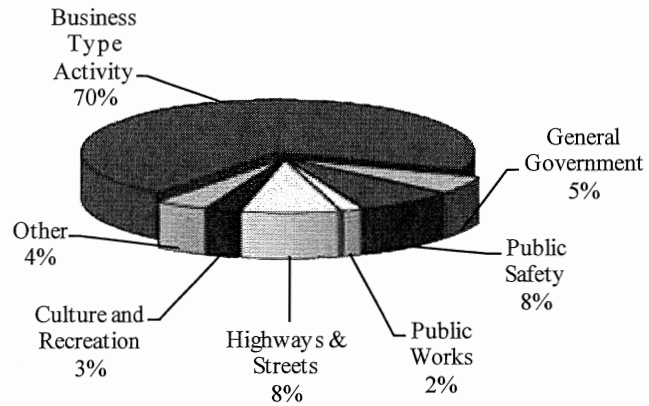
Total expenditures increased overall by more than ten percent (10.15%) from fiscal year 2014-15. Seven (7) of the government's functions/programs experienced a modest increase, while four (4) functions/programs decreased and one experienced no change. The unallocated depreciation was the only function that remained unchanged. The two functions with the greatest variances were the community and economic development governmental activity and the sewer department. Economic development expenditures increase over 500% as the City took advantage of Community Development Block Grants for three projects to renovate and purchase

blighted property for redevelopment. The 20% increase in the sewer department is related to the wastewater treatment plant improvements that got underway in this fiscal year.

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As the functions graph on the below depicts, business type activities (electric, water, sewer, and transportation operations) make up seventy percent (70%) of all the municipality's expenditures. The largest portions of overall expenditures, fifty-six percent (56.5%), are incurred by the electric fund. General governmental activities account for only five percent (5%) of total expenditures; public safety and highways and streets each account for eight percent (8%) each, recreation and culture account for three percent (3%), public works two percent (2%) and other miscellaneous activities make up the remaining four percent (4%).

**Functional Expenses for Fiscal Yr 2016
Governmental & Business-type Activities**



Governmental activities. Governmental activities had a change in net position of \$828,220. Key elements from operations for the year are:

- The City received various federal and state grant awards for a variety of activities: rental rehabilitation (\$94,400) for rehabilitation of a downtown second-story apartment); for construction of a parallel taxiway and an entrance road at the airport (\$1,350,000); Community Development Block Grants totaling \$865,700 to assist property owners in acquisition and renovation of blighted buildings (42 Union Street and the old Stock's Mill facility purchase). The CDBG grants are a pass through for the City but represent a substantial investment in the community that will expand the future tax base.
- As a result of the grant awards, program revenues increased over \$2M from the prior year. It should be noted that these revenues sources are volatile because they are project specific, one time revenues.
- General Revenues for all governmental activities remained relative flat, decreasing less than one percent (0.38%) or \$16,416.
- Overall governmental activities expenditures increased by almost thirteen percent (12.73%). The pass – through economic development expenditures for the CDBG grants account for the increase.
- Another major factor in the City's Net Position change is related to the Government Accounting Standards Board (GASB) Statement No. 68 requirements. Last year was the first year these changes were instituted. This GASB Statement requires that each municipality calculate a net pension liability. This is done through a series of complex calculations. It appears on the government wide statements only. Prior to last year, the pension liability was reported in the notes section of the financial statements. The governmental activities net pension liability for fiscal year 2016 is \$2,783,193. That is a 115% increase from 2015. The increase is a combination of many very complicated and inter-related circumstances surrounding the City's defined benefit retirement program. The City administration is taking the necessary steps to reduce this liability as quickly as possible.

Business-type activities. Business-type activities experienced a net loss for the year of \$4,021,774. Key elements of the business-type activities decrease are as follows:

- This year the electric fund experienced a \$4,811,640 loss in net position. This is directly linked to the MSCPA investment loss of \$5,115,604.
- A net loss of \$22,389 in the water fund is the result of decaling sales and increased operational costs.
- Net pension liability for the business-type activities increased \$1.4M. This increase is related to the Government Accounting Standards Board (GASB) Statement No. 68 requirements. Last year was the first year these changes were instituted. This GASB Statement requires that each municipality calculate a net pension liability. This is done through a series of complex calculations. It appears on the government

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wide statements only. Prior to last year, the pension liability was reported in the notes section of the financial statements. The business-type activities net pension liability for fiscal year 2016 is \$2,498,071. That is a 144% increase from 2015. The increase is a combination of many very complicated and inter-related circumstances surrounding the City's defined benefit retirement program. The City administration is taking the necessary steps to reduce this liability as quickly as possible.

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. As of June 30, 2016 the City's governmental funds reported combined ending fund balances of \$3,119,084. That is a \$3,448 increase from the prior year.

Governmental fund balance is broken into three categories: non-spendable, restricted, and unassigned. Non-spendable fund balance is that portion of fund balance reflecting assets not in spendable form. Prepaid expenditures are the most common type of these expenditures. These are expenses paid in advance for things like health and liability insurances paid in one fiscal year for coverage that extends into the next. The governmental funds prepaid expenditures totaled \$75,711. The restricted portion of fund balance refers to resources subject to externally imposed and legally enforceable constraints put in place by the resource providers, e.g. grantors or creditors, or by law through constitutional provisions or enabling legislation. The governmental funds restricted fund balance is \$2,202,791. This constitutes an increase of just over four percent (4.1%) from the prior year.

Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. That portion of the governmental funds fund balance is \$840,582 and available for spending at the government's discretion.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the total fund balance of the general fund was \$913,097. Of that balance, \$72,515 is classified as non-spendable for prepaid expenditures. The remaining \$840,582 is unassigned and therefore available for spending at the government's discretion.

Public Act 51 of 1951 channels state restricted transportation revenue into special revenue funds, and directs how those funds are spent. The resources that the City of Hillsdale receives from the State through this act are recorded in the Major and Local Street Funds. The fund balances in these two funds, \$297,014 in Major and \$124,795 in Local, are thus designated to be spent only on the streets. These fund balances are classified as restricted.

Other nonmajor governmental funds collectively experienced a combined net increase in fund balances for the year of \$99,527. None of these fund balances are considered unassigned. Of the \$1,784,178 balance, \$3,196 is classified as non-spendable, prepaid expenditures. The remaining nonmajor governmental fund balances are considered restricted for various reasons. There are three permanent endowments (Cemetery Perpetual Care Fund, Stocks Park Perpetual Maintenance Fund, and the R.L. Owen Memorial Trust Fund). Combined they have a total restricted fund balance of \$747,257. The restricted nonmajor special revenue fund balances total \$642,257. These include the fund balances from the Library, Recreation, and Drug Forfeitures Funds. The combined restricted fund balances of the Capital Improvement, Library Improvement, Airport Improvement, Mrs. Stocks Park, Fire Equipment, and Fields of Dreams Funds is \$813,277.

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Proprietary funds. The City's proprietary funds provide the same type of information found in the government wide financial statements, but in more detail. Investment in capital assets net of related debt for all proprietary funds increased over three percent (3.45%). This represents the amount of net position that is invested in capital and therefore not available for future spending. Total restricted investments decreased almost fifty-one percent (50.8%). There were no designated net position funds in this fiscal year. Undesignated net position of the water, sewer, electric, and transportation funds at the end of the year declined by more than nineteen percent (19.5%). The proprietary funds had a total net position at fiscal year-end of \$31,914,759. That is a total overall decrease of more than eleven percent or \$4,021,774. All the loss was realized in undesignated net position.

All but one of the proprietary funds realized a net loss in net position for the year. The sewer fund ended the year with an increase in net position of \$857,660, as the wastewater treatment plant improvement project got underway. The electric fund loss is the result of the MSCPA investment loss. The sewer and transportation funds revenues were down while operational expenditures went up.

General Fund Budgetary Highlights

The general fund revenue budget for fiscal year 2016 was originally \$4,461,060. It was amended up to \$4,976,580. These amendments were made because of CDBG grant funding timing. The grants through the Michigan State Housing Authority for rental rehabilitation and blight elimination were expected in during 2015 but did not actually materialize until after the 2016 budget was adopted. The federal revenues were increased by \$562,520. Other miscellaneous revenues were reduced by \$47,000.

Differences between the original and final amended General Fund expenditure budgets totaled \$454,550. Various adjustments, both positive and negative, in the General Government activities, totaled a net decrease of \$5,000. These adjustments were due to a variety of issues such as: unexpected legal fees, staffing changes and changes in utility costs. Public safety (Police, Fire, and Code Enforcement) budget amendments netted out at a reduction of \$28,000. The Police Department budget was reduced by \$27,000 due to staffing changes. The Fire Department budget was increased by \$55,000 due to the timing on capital grant purchases and unexpected part-paid firefight overtime. There was no change in the Code Enforcement budget. The Public Works classification net budgets increased by \$14,000. Public Services increased \$23,000 due to staffing changes. Street lighting utility costs were not as high as projected so the budget was reduces \$9,000. The Economic Development Department's budget was increased \$409,550 due to the time the MSHDA rental rehab and the CDBG grant funds were actually received. They were initially projected to be recorded in fiscal year 2015. A \$2,000 amount was taken out of the Planning budget to offset the other budgetary increases. The Transfers in and (out) adjustments were made to ensure all funds remained in a positive position at fiscal year-end.

Capital Asset and Debt Administration

Capital assets. The City's cash outlay for capital assets in both its governmental and business type activities as of June 30, 2016, amounted to more than \$1.8M. This investment in capital assets includes land, buildings and system improvements, machinery and equipment, library books, recreational land improvements, roads, and water mains. The combined total capital assets, net of depreciation, increased almost four percent (3.8%).

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City's Capital Assets
(Net of Depreciation)

	Governmental		Business-type		Total		Total
	Activities		Activities				Percent
	2015	2016	2015	2016	2013	2016	Change 2015- 16
Land	\$8,618,707	\$8,613,943	\$361,042	\$361,042	\$8,979,749	\$8,974,985	-0.05%
Buildings and System Improvements	3,545,405	3,422,649	19,766,836	20,896,254	\$23,312,241	\$24,318,903	4.32%
Library Books	222,188	223,811			\$222,188	\$223,811	0.73%
Machinery and Equipment	332,798	296,594	210,213	158,329	\$543,011	\$454,923	16.22%
Infrastructure	9,184,146	10,097,713			\$9,184,146	\$10,097,713	9.95%
Construction in Progress	0	0	2,421,047	2,273,530	2,421,047	2,273,530	-6.09%
Total	\$21,903,244	\$22,654,710	\$22,759,138	\$23,689,155	\$44,662,382	\$46,343,865	3.76%

Major capital asset events during the current fiscal year included the following:

- The governmental activities invested \$756,230 in various capital assets including: books, building and grounds improvements, equipment and vehicles, streets and infrastructure investments.
- The business-type activities invested over \$2.7M in various capital assets such as: overhead and underground electric line construction; replacement of transducers with pad mount transformers; repairs to engines 5 & 6 at the power plant; electric line extensions, electric distribution automation; computer upgrades; rebuild high served pump 2 in the water department; AMIK water meter project; clean and overhaul on well; wastewater treatment plant improvements; sewer main replacement; manhole rehabilitation and replaced ferrous pumps.

Additional information on the City's capital assets can be found in note No. 4 on pages 22-23 of this report.

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$739,471, which consisted of water and sewer revenue bonds. These bonds pledged the City utility's income to be received from the constructed assets to pay the debt service of the bond issue. The City has no general obligation bonds outstanding. The City of Hillsdale, for bonding purposes, has a credit assessment with Standard & Poor's of "Low Investment Grade" and is currently "non-rated" with Moody's and Fitch.

City's Outstanding Debt

Revenue Bonds

	Business-type		Total	
	2015	2016	2015	2016
Revenue Bonds	\$358,000	\$739,471	\$358,000	\$739,471
Total	\$358,000	\$739,471	\$358,000	\$739,471

State statutes limit the amount of general obligation debt a governmental entity may issue to ten percent (10%) of its total State Equalized Value (SEV). The City's state equalized valuation as of December 31, 2015 was \$137,109,300. That translates into a debt limit of \$13,710,930. The City's revenue bond debt is exempt from that limit, so as of June 30, 2016 there is no debt applicable to the limit.

City of Hillsdale
Management's Discussion and Analysis
June 30, 2016

The City's bonded debt increased during the current fiscal year more than 106 percent (106.56%) or \$381,471. The City's total outstanding long-term debt obligation, including the bond debt, as of June 30, 2016 was \$2,113,530, which includes compensated absence liabilities as well as all other outstanding loan obligations, including the revenue bonds. The City's other debt obligations consist of \$354,432 in compensated absences for the governmental and business-type activities combined and the Board of Public Utilities capital lease debt obligation of \$1,019,627.

In the July of 2015 the Board of Public Utilities issued revenue bonds for the construction of improvements to the City's sewage disposal system at the Waste Water Treatment Plant. The project is estimated to cost \$7,616,000. The City took advantage of the State of Michigan Clean Water Revolving Loan Program (the State Revolving Fund Loan Program) to pay the cost of the project comprised of a long-term low-interest loan to be evidenced by revenue bonds issued under Act 94 of the Public Acts of Michigan of 1933 as amended, in a not to exceed amount of \$7,616,000. Through this program the BPU also qualified for a \$1M SRF Loan Program grant.

Additional information on the City's long-term debt can be found in note No. 8 on pages 25-26 of this report.

Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the City's budget for the 2016-17 fiscal year:

- State shared revenues were projected at the constitutional level plus the Economic Vitality Incentive Program revenues as projected by the State of Michigan.
- The City projected a balanced budget in its General Fund.
- The projection for gas and weight taxes, used to maintain the road systems throughout the state was projected to increase about three and one-half percent (3.5%) based on historical trends. These taxes are collected by the state and disbursed to the local governmental agencies (cities, townships, road commissions, and counties) based on population and miles of roads maintained in each classification (major or local).
- Health insurance costs increases were projections at twenty-five percent (25%).
- A 2% wage increases were projected across the board for all employees.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, 97 N. Broad Street, Hillsdale, Michigan 49242.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF HILLSDALE, MICHIGAN
STATEMENT OF NET POSITION
JUNE 30, 2016

	PRIMARY GOVERNMENT			COMPONENT UNITS	
	GOVERNMENTAL	BUSINESS-TYPE	TOTAL	TAX INCREMENT	ECONOMIC
	ACTIVITIES	ACTIVITIES		FINANCE	DEVELOPMENT
				AUTHORITY	CORPORATION
ASSETS					
Cash and investments	\$ 3,047,709	\$ 4,521,754	\$ 7,569,463	\$ 680,140	\$ 148,919
Restricted investments	-	185,379	185,379	-	-
Receivables	262,883	1,577,411	1,840,294	-	-
Internal balances	295,650	(295,650)	-	-	-
Prepaid items and other assets	184,664	349,129	533,793	-	-
Inventory	175,458	868,119	1,043,577	-	-
Investment in M.S.C.P.A.	-	6,017,140	6,017,140	-	-
Capital assets, net:					
Assets not being depreciated	8,613,943	2,634,572	11,248,515	65,000	172,721
Assets being depreciated	14,040,767	21,054,583	35,095,350	-	-
TOTAL ASSETS	26,621,074	36,912,437	63,533,511	745,140	321,640
DEFERRED OUTFLOWS OF RESOURCES					
Pension related	1,668,953	993,985	2,662,938	-	-
LIABILITIES					
Accounts payable	180,411	574,505	754,916	1,046	-
Accrued expenses	39,797	1,000,322	1,040,119	-	-
Accrued interest	-	2,379	2,379	-	-
Due to other governments	945	7,983	8,928	-	-
Net pension liability	2,783,193	2,498,071	5,281,264	-	-
Non-current liabilities:					
Due within one year	-	373,070	373,070	-	-
Due in more than one year	205,127	1,535,333	1,740,460	-	-
TOTAL LIABILITIES	3,209,473	5,991,663	9,201,136	1,046	-
NET POSITION					
Net investment in capital assets	22,654,710	21,930,057	44,584,767	65,000	172,721
Restricted for:					
Special revenues	642,257	-	642,257	-	-
Debt service	-	185,379	185,379	-	-
Capital projects	813,277	-	813,277	-	-
Endowment and trust principal	747,257	-	747,257	-	-
Unrestricted	223,053	9,799,323	10,022,376	679,094	148,919
TOTAL NET POSITION	\$ 25,080,554	\$ 31,914,759	\$ 56,995,313	\$ 744,094	\$ 321,640

See accompanying notes to the basic financial statements.

CITY OF HILLSDALE, MICHIGAN
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2016

FUNCTIONS / PROGRAMS	PROGRAM REVENUES				
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE
PRIMARY GOVERNMENT					
Governmental Activities:					
General government	\$ 1,261,178	\$ 234,515	\$ 18,356	\$ -	\$ (1,008,307)
Public safety	1,856,375	-	52,194	-	(1,804,181)
Public works	374,153	-	-	-	(374,153)
Highways and streets	1,854,900	-	693,506	-	(1,161,394)
Community and economic development	902,797	64,821	766,704	-	(71,272)
Culture and recreation	630,087	87,988	114,977	-	(427,122)
Capital outlay	56,369	69,855	45,567	1,348,254	1,407,307
Unallocated depreciation, excluding direct portion	35,500	-	-	-	(35,500)
Total Governmental Activities	6,971,359	457,179	1,691,304	1,348,254	(3,474,622)
Business-type Activities:					
Electric	13,234,326	13,359,068	-	49,858	174,600
Water	1,222,091	1,149,464	-	11,155	(61,472)
Sewer	1,533,608	1,351,477	-	1,011,169	829,038
Transportation	332,391	49,336	193,870	-	(89,185)
Total Business-type Activities	16,322,416	15,909,345	193,870	1,072,182	852,981
TOTAL PRIMARY GOVERNMENT	\$ 23,293,775	\$ 16,366,524	\$ 1,885,174	\$ 2,420,436	\$ (2,621,641)
COMPONENT UNITS					
Tax Increment Finance Authority	\$ 76,046	\$ -	\$ -	\$ -	\$ (76,046)
Economic Development Corporation	2,091	-	-	-	(2,091)
TOTAL COMPONENT UNITS	\$ 78,137	\$ -	\$ -	\$ -	\$ (78,137)

continued...

See accompanying notes to the basic financial statements.

CITY OF HILLSDALE, MICHIGAN
STATEMENT OF ACTIVITIES (CONCLUDED)
YEAR ENDED JUNE 30, 2016

	<u>PRIMARY GOVERNMENT</u>			<u>COMPONENT UNITS</u>	
	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS - TYPE ACTIVITIES</u>	<u>TOTAL</u>	<u>TAX INCREMENT FINANCE AUTHORITY</u>	<u>ECONOMIC DEVELOPMENT CORPORATION</u>
CHANGES IN NET POSITION					
Net (expense) revenue	\$ (3,474,622)	\$ 852,981	\$ (2,621,641)	\$ (76,046)	\$ (2,091)
General Revenues:					
Property taxes	2,738,916	-	2,738,916	127,793	-
Unrestricted grants and contributions	821,926	-	821,926	-	-
Interest and investment gains	28,760	20,968	49,728	2,085	460
Other revenues (expenses)	753,492	179,629	933,121	-	27,817
Transfers - internal activities	(40,252)	40,252	-	-	-
Total general revenues, contributions and transfers	<u>4,302,842</u>	<u>240,849</u>	<u>4,543,691</u>	<u>129,878</u>	<u>28,277</u>
Extraordinary item - loss on investment	-	(5,115,604)	(5,115,604)	-	-
CHANGES IN NET POSITION	828,220	(4,021,774)	(3,193,554)	53,832	26,186
NET POSITION - BEGINNING OF YEAR	<u>24,252,334</u>	<u>35,936,533</u>	<u>60,188,867</u>	<u>690,262</u>	<u>295,454</u>
NET POSITION - END OF YEAR	<u>\$ 25,080,554</u>	<u>\$ 31,914,759</u>	<u>\$ 56,995,313</u>	<u>\$ 744,094</u>	<u>\$ 321,640</u>

See accompanying notes to the basic financial statements.

FUND FINANCIAL STATEMENTS

CITY OF HILLSDALE, MICHIGAN
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

	GENERAL	MAJOR STREET	LOCAL STREET	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL
ASSETS					
Cash and investments	\$ 587,026	\$ 214,346	\$ 94,092	\$ 1,800,743	\$ 2,696,207
Receivables:					
Accounts receivable	37,046	94,475	41,770	89,592	262,883
Special assessments	73,834	-	-	-	73,834
Due from other funds	297,097	-	-	-	297,097
Other	2,261	-	-	-	2,261
Prepaid expenditures	72,515	-	-	3,196	75,711
TOTAL ASSETS	1,069,779	308,821	135,862	1,893,531	3,407,993
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	49,262	9,159	10,048	105,810	174,279
Due to other funds	-	1,113	39	295	1,447
Salaries payable	33,586	1,535	980	3,248	39,349
Unearned revenue	73,834	-	-	-	73,834
TOTAL LIABILITIES	156,682	11,807	11,067	109,353	288,909
Fund Balances:					
Non-spendable:					
Prepaid expenditures	72,515	-	-	3,196	75,711
Restricted:					
Special revenue funds	-	297,014	124,795	220,448	642,257
Capital project funds	-	-	-	813,277	813,277
Permanent funds	-	-	-	747,257	747,257
Unassigned	840,582	-	-	-	840,582
TOTAL FUND BALANCES	913,097	297,014	124,795	1,784,178	3,119,084
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,069,779	\$ 308,821	\$ 135,862	\$ 1,893,531	\$ 3,407,993

See accompanying notes to the basic financial statements.

CITY OF HILLSDALE, MICHIGAN
RECONCILIATION OF FUND BALANCES ON THE BALANCE SHEET FOR GOVERNMENTAL FUNDS TO
NET POSITION OF GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET POSITION
JUNE 30, 2016

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS **\$ 3,119,084**

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

Capital assets used in governmental activities are not financial resources, and are not reported in the funds.

The cost of capital assets is	\$ 43,460,940	
Accumulated depreciation is	<u>(20,806,230)</u>	22,654,710

Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets (such as certain receivables) are offset by deferred revenues in the governmental funds, and these are not included in fund balance.

Deferred special assessments revenue		73,834
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Internal Service Funds are used by management to charge the costs of certain equipment usage and administrative costs to individual governmental funds. The assets and liabilities of the Internal Service Funds are included in governmental activities in the Statement of Net Position.

Net position of governmental activities accounted for in the Internal Service Fund	691,145	
Less portion included in capital assets	<u>(153,059)</u>	538,086

Long-term liabilities not due and payable in the current period and not reported in the funds:

Compensated absences	190,920	
Net pension liability	<u>2,783,193</u>	(2,974,113)

Governmental funds report actual pension expenditures for the fiscal year, whereas the governmental activities will recognize the net pension liability as of the measurement date. Pension contributions subsequent to the measurement date along with differences between projected and actual pension plan investment earnings are deferred over time in the government-wide financial statements. These amounts consist of:

Deferred outflows of resources related to pensions		<u>1,668,953</u>
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TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES **\$ 25,080,554**

See accompanying notes to the basic financial statements.

CITY OF HILLSDALE, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016

	GENERAL	MAJOR STREET	LOCAL STREET	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL
REVENUES					
Taxes	\$ 2,033,734	\$ -	\$ -	\$ 128,403	\$ 2,162,137
Federal revenues	629,805	-	-	-	629,805
State revenues	824,470	520,028	173,478	1,351,012	2,868,988
Licenses and permits	109,463	-	-	-	109,463
Contributions from local units	-	-	-	13,800	13,800
Charges for services	20,732	-	-	95,600	116,332
Fines and violations	6,638	-	-	65,604	72,242
Interest and rentals	81,680	892	-	70,082	152,654
Miscellaneous	987,558	5,470	7,553	139,059	1,139,640
TOTAL REVENUES	4,694,080	526,390	181,031	1,863,560	7,265,061
EXPENDITURES					
General government	1,264,934	-	-	-	1,264,934
Public safety	1,797,750	-	-	7,875	1,805,625
Public works	334,425	-	-	-	334,425
Highways and streets	-	369,341	301,960	-	671,301
Community and economic development	902,797	-	-	-	902,797
Culture and recreation	152,675	-	-	320,915	473,590
Capital outlay	-	-	-	1,684,232	1,684,232
Other	-	-	-	41,474	41,474
TOTAL EXPENDITURES	4,452,581	369,341	301,960	2,054,496	7,178,378
REVENUES OVER (UNDER) EXPENDITURES	241,499	157,049	(120,929)	(190,936)	86,683
OTHER FINANCING SOURCES (USES)					
Contribution from TIFA	10,000	-	-	-	10,000
Operating transfers in	137,161	-	150,000	222,095	509,256
Operating transfers out	(417,070)	(100,418)	(15,788)	(16,232)	(549,508)
TOTAL OTHER FINANCING SOURCES (USES):	(269,909)	(100,418)	134,212	205,863	(30,252)
NET CHANGES IN FUND BALANCES	(28,410)	56,631	13,283	14,927	56,431
FUND BALANCES - BEGINNING OF YEAR	941,507	240,383	111,512	1,769,251	3,062,653
FUND BALANCES - END OF YEAR	\$ 913,097	\$ 297,014	\$ 124,795	\$ 1,784,178	\$ 3,119,084

See accompanying notes to the basic financial statements.

CITY OF HILLSDALE, MICHIGAN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2016

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 56,431
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which capital outlay expenditures of \$1,669,340 is in excess of depreciation expense of \$825,618.	843,722
Proceeds from the sale of assets are reported as revenue in the fund statements, but are reported as net capital gain or loss on the governmental activities changes in net position.	(4,764)
Disposal of assets have no effect on the fund statements, but are an adjustment on the governmental activities changes in net position.	(27,166)
Revenues for special assessments are reported in the governmental funds as they are paid off, and the balance is reported as a deferred revenue. The net effect of the current year payments is to decrease net position in the entity-wide statements.	(31,424)
Changes in net position of internal service funds that are treated as enterprise fund changes in net position in the fund level statements are treated as governmental fund changes in net position in the entity-wide statements.	36,488
Change to compensated absences are not shown in the fund financial statements. The net effect of the current year decrease is to increase net position	9,622
The change in net pension liability amounts does not require the use of current resources and is not recorded in the governmental funds.	(1,488,984)
The change in deferred outflows of resources related to pensions does not require the use of current resources and is not recorded in the governmental funds.	1,434,295
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 828,220

See accompanying notes to the basic financial statements.

CITY OF HILLSDALE, MICHIGAN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2016

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS					GOVERNMENTAL
	ELECTRIC	WATER	SEWER	NONMAJOR	TOTAL	INTERNAL
				FUND		SERVICE
			DIAL-A-RIDE			FUNDS
ASSETS						
Current assets:						
Cash and investments	\$ 2,221,211	\$ 977,724	\$ 1,183,156	\$ 139,663	\$ 4,521,754	\$ 351,502
Receivables:						
Accounts (net of allowance for bad debts of \$180,000)	849,612	55,791	69,711	-	975,114	-
Due from State	-	-	488,201	-	488,201	-
Other receivables	46,258	-	67,838	-	114,096	-
Due from other funds	1,509,479	1,177	1,177	-	1,511,833	-
Inventory, at cost	782,610	79,801	5,708	-	868,119	175,458
Prepaid expenses	92,387	51,006	43,783	4,056	191,232	35,119
TOTAL CURRENT ASSETS	<u>5,501,557</u>	<u>1,165,499</u>	<u>1,859,574</u>	<u>143,719</u>	<u>8,670,349</u>	<u>562,079</u>
Noncurrent assets:						
Restricted investments	-	185,379	-	-	185,379	-
Capital assets:						
Land	181,108	49,613	122,902	7,419	361,042	-
Plant and equipment	34,756,718	11,026,664	14,224,001	1,060,591	61,067,974	1,923,645
Construction in progress	775,591	4,296	1,493,643	-	2,273,530	-
	<u>35,713,417</u>	<u>11,080,573</u>	<u>15,840,546</u>	<u>1,068,010</u>	<u>63,702,546</u>	<u>1,923,645</u>
Less accumulated depreciation	<u>(22,959,217)</u>	<u>(6,367,881)</u>	<u>(10,387,371)</u>	<u>(298,922)</u>	<u>(40,013,391)</u>	<u>(1,770,586)</u>
NET CAPITAL ASSETS	<u>12,754,200</u>	<u>4,712,692</u>	<u>5,453,175</u>	<u>769,088</u>	<u>23,689,155</u>	<u>153,059</u>
Other assets:						
Prepaid operating lease (net of \$8,310 amortization)	157,897	-	-	-	157,897	-
Investment in M.S.C.P.A.	6,017,140	-	-	-	6,017,140	-
TOTAL OTHER ASSETS	<u>6,175,037</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,175,037</u>	<u>-</u>
TOTAL ASSETS	<u>24,430,794</u>	<u>6,063,570</u>	<u>7,312,749</u>	<u>912,807</u>	<u>38,719,920</u>	<u>715,138</u>
DEFERRED OUTFLOWS OF RESOURCES - Pension	<u>496,993</u>	<u>248,496</u>	<u>248,496</u>	<u>-</u>	<u>993,985</u>	<u>-</u>
LIABILITIES						
Current liabilities:						
Capital lease payable	190,070	-	-	-	190,070	-
Accounts payable	68,262	9,451	495,530	1,262	574,505	6,132
Accrued purchased power	791,597	-	-	-	791,597	-
Accrued expenses	68,842	3,171	4,007	1,822	77,842	445
Customer deposits	113,218	9,720	7,945	-	130,883	-
Due to other funds	205,743	452,419	1,094,573	54,748	1,807,483	-
Due to other governments	-	-	-	7,983	7,983	-
TOTAL CURRENT LIABILITIES	<u>1,437,732</u>	<u>474,761</u>	<u>1,602,055</u>	<u>65,815</u>	<u>3,580,363</u>	<u>6,577</u>
Current liabilities (payable from restricted assets):						
Bonds payable	-	183,000	-	-	183,000	-
Accrued interest	-	2,379	-	-	2,379	-
TOTAL CURRENT LIABILITIES (PAYABLE FROM RESTRICTED ASSETS)	<u>-</u>	<u>185,379</u>	<u>-</u>	<u>-</u>	<u>185,379</u>	<u>-</u>
Noncurrent liabilities:						
Accrued compensated absences	94,745	14,571	28,813	11,176	149,305	17,416
Bonds and capital lease payable	829,557	-	556,471	-	1,386,028	-
Net pension liability	1,249,036	624,518	624,517	-	2,498,071	-
TOTAL NONCURRENT LIABILITIES	<u>2,173,338</u>	<u>639,089</u>	<u>1,209,801</u>	<u>11,176</u>	<u>4,033,404</u>	<u>17,416</u>
TOTAL LIABILITIES	<u>3,611,070</u>	<u>1,299,229</u>	<u>2,811,856</u>	<u>76,991</u>	<u>7,799,146</u>	<u>23,993</u>
NET POSITION						
Net investment in capital assets	11,734,573	4,529,692	4,896,704	769,088	21,930,057	153,059
Restricted investments	-	185,379	-	-	185,379	-
Unrestricted	9,582,144	297,766	(147,315)	66,728	9,799,323	538,086
TOTAL NET POSITION	<u>\$ 21,316,717</u>	<u>\$ 5,012,837</u>	<u>\$ 4,749,389</u>	<u>\$ 835,816</u>	<u>\$ 31,914,759</u>	<u>\$ 691,145</u>

See accompanying notes to the basic financial statements.

CITY OF HILLSDALE, MICHIGAN
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2016

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS					GOVERNMENTAL
	ELECTRIC	WATER	SEWER	NONMAJOR FUND DIAL-A-	TOTAL	INTERNAL SERVICE FUNDS
OPERATING REVENUES						
Charges for services	\$ 13,324,074	\$ 1,145,210	\$ 1,346,060	\$ 49,336	\$ 15,864,680	\$ 439,944
Federal grants	-	-	-	59,532	59,532	-
State grants	-	-	-	134,338	134,338	-
Miscellaneous	34,994	4,254	5,417	-	44,665	164,007
TOTAL OPERATING REVENUES	13,359,068	1,149,464	1,351,477	243,206	16,103,215	603,951
OPERATING EXPENSES						
Purchased power	9,755,976	-	-	-	9,755,976	-
Production expense	479,328	128,823	-	-	608,151	-
Purification expense	-	270,014	-	-	270,014	-
Treatment expense	-	-	707,256	-	707,256	-
Transmission and distribution	1,496,048	495,529	-	-	1,991,577	-
Administrative and general	1,426,911	310,775	514,463	-	2,252,149	-
Sewer collection	-	-	304,634	-	304,634	-
Highways and streets	-	-	-	-	-	567,682
Transportation	-	-	-	332,391	332,391	-
TOTAL OPERATING EXPENSES	13,158,263	1,205,141	1,526,353	332,391	16,222,148	567,682
OPERATING INCOME (LOSS)	200,805	(55,677)	(174,876)	(89,185)	(118,933)	36,269
NONOPERATING REVENUES (EXPENSES)						
Federal grants	49,858	11,155	667,452	-	728,465	-
State grants	-	-	343,717	-	343,717	-
Interest income	19,349	1,619	-	-	20,968	219
Interest expense	(72,825)	(16,950)	(7,255)	-	(97,030)	-
Other income (expense)	110,015	37,464	28,622	-	176,101	-
Other (loss)	(3,238)	-	-	-	(3,238)	-
Gain (loss) on disposal of assets	-	-	-	3,528	3,528	-
Transfers in from other funds	-	-	-	95,000	95,000	-
Transfers out to other funds	-	-	-	(54,748)	(54,748)	-
TOTAL NONOPERATING REVENUES (EXPENSES)	103,159	33,288	1,032,536	43,780	1,212,763	219
EXTRAORDINARY ITEM - loss on investment	(5,115,604)	-	-	-	1,353,344	-
CHANGES IN NET POSITION	(4,811,640)	(22,389)	857,660	(45,405)	(4,021,774)	36,488
NET POSITION - BEGINNING OF YEAR	26,128,357	5,035,226	3,891,729	881,221	35,936,533	654,657
NET POSITION - END OF YEAR	\$ 21,316,717	\$ 5,012,837	\$ 4,749,389	\$ 835,816	\$ 31,914,759	\$ 691,145

See accompanying notes to the basic financial statements.

CITY OF HILLSDALE, MICHIGAN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2016

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS					GOVERNMENTAL
						ACTIVITIES
	ELECTRIC	WATER	SEWER	NONMAJOR FUND DIAL-A-RIDE	TOTAL	INTERNAL SERVICE FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers, residents and users	\$ 12,434,581	\$ 1,150,507	\$ 1,317,960	\$ 49,336	\$ 14,952,384	\$ -
Other operating receipts	34,994	4,253	5,417	282,032	326,696	-
Receipts for interfund services provided	(996,407)	460,786	535,621	-	-	600,320
Cash paid to suppliers of goods and services	(9,766,827)	(638,919)	(1,029,079)	(38,605)	(11,473,430)	(254,995)
Cash paid to employees for services	(1,113,601)	(304,541)	(334,487)	(228,611)	(1,981,240)	(233,350)
Net Cash Provided By (Used In) Operating Activities	592,740	672,086	495,432	64,152	1,824,410	111,975
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Net transfers from other funds	-	-	-	40,252	40,252	-
Other nonoperating income	53,853	19,531	25,539	-	98,923	-
Net Cash Provided By (Used In) Noncapital Financing Activities	53,853	19,531	25,539	40,252	139,175	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Payments on capital debt	(182,940)	(175,000)	-	-	(357,940)	-
Interest on capital debt	(43,797)	(10,461)	-	-	(54,258)	-
Capital grants	20,000	11,155	1,011,169	-	1,042,324	-
Proceeds from the disposal of assets	-	-	-	3,528	3,528	-
Purchase of capital assets, net	(987,012)	(124,019)	(348,984)	-	(1,460,015)	(32,059)
Net Cash Provided By (Used In) Capital and Related Financing Activities	(1,193,749)	(298,325)	662,185	3,528	(826,361)	(32,059)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of investments	-	(189,088)	-	-	(189,088)	-
Proceeds from the sale of investments	-	181,894	-	-	181,894	-
Interest income received	-	13	-	-	13	-
Net Cash Provided By (Used In) Investing Activities	-	(7,181)	-	-	(7,181)	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(547,156)	386,111	1,183,156	107,932	1,130,043	79,916
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	914,056	6,894	-	31,731	952,681	200,267
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 366,900</u>	<u>\$ 393,005</u>	<u>\$ 1,183,156</u>	<u>\$ 139,663</u>	<u>\$ 2,082,724</u>	<u>\$ 280,183</u>

continued...

See accompanying notes to the basic financial statements.

CITY OF HILLSDALE, MICHIGAN
STATEMENT OF CASH FLOWS (CONCLUDED)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2016

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS					GOVERNMENTAL
	ELECTRIC	WATER	SEWER	NONMAJOR		INTERNAL
				FUND	TOTAL	SERVICE
BALANCE SHEET CLASSIFICATION OF CASH AND CASH EQUIVALENTS				DIAL-A-RIDE		FUNDS
Cash and investments	\$ 2,221,211	\$ 977,724	\$ 1,183,156	\$ 139,663	\$ 4,521,754	\$ 351,502
Less amounts classified as investments	(1,854,311)	(584,719)	-	-	(2,439,030)	(71,319)
Total cash and cash equivalents	<u>\$ 366,900</u>	<u>\$ 393,005</u>	<u>\$ 1,183,156</u>	<u>\$ 139,663</u>	<u>\$ 2,082,724</u>	<u>\$ 280,183</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES						
Operating income (loss)	\$ 200,805	\$ (55,677)	\$ (174,876)	\$ (89,185)	\$ (118,933)	\$ 32,646
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation and amortization	708,642	250,654	184,316	65,596	1,209,208	95,595
(Increase)/decrease in:						
Receivables	(16,735)	5,297	(28,100)	88,162	48,624	614
Due from other funds	(766,429)	(1,177)	(1,177)	-	(768,783)	-
Inventory	35,909	(1,801)	(641)	-	33,467	(21,435)
Prepaid expenses	(64,476)	(10,867)	13,469	4,485	(57,389)	14,174
Deferred outflows	(410,574)	(198,597)	(199,360)	-	(808,531)	-
Increase/(decrease) in:						
Accounts payable	14,183	(10,279)	(78,088)	(254)	(74,438)	(5,289)
Accrued expenses	(37,667)	(18,554)	(12,861)	3,655	(65,427)	(4,330)
Due to other funds	156,673	363,777	439,230	(8,307)	951,373	-
Net pension liability	772,409	349,310	353,520	-	1,475,239	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ 592,740</u>	<u>\$ 672,086</u>	<u>\$ 495,432</u>	<u>\$ 64,152</u>	<u>\$ 1,824,410</u>	<u>\$ 111,975</u>

See accompanying notes to the basic financial statements.

CITY OF HILLSDALE, MICHIGAN
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2016

	<u>HOSPITAL PRIVATE PURPOSE TRUST FUND</u>	<u>AGENCY FUNDS</u>
ASSETS		
Cash and investments	<u>\$ 15,042</u>	<u>\$ 6,106</u>
LIABILITIES		
Due to other agencies	<u>-</u>	<u>\$ 6,106</u>
NET POSITION		
Unrestricted	<u>15,042</u>	
TOTAL NET POSITION	<u>\$ 15,042</u>	

See accompanying notes to the basic financial statements.

CITY OF HILLSDALE, MICHIGAN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2015

	HOSPITAL PRIVATE PURPOSE TRUST FUND
ADDITIONS:	
Investment income	\$ <u>142</u>
DEDUCTIONS:	
Other	<u>149</u>
CHANGES IN NET POSITION	(7)
NET POSITION - BEGINNING OF YEAR	<u>15,049</u>
NET POSITION - END OF YEAR	<u>\$ 15,042</u>

See accompanying notes to the basic financial statements.

NOTES TO FINANCIAL STATEMENTS

CITY OF HILLSDALE, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

Note 1: Summary of Significant Accounting Policies

The financial statements of the City of Hillsdale, Michigan have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

Reporting Entity

The City of Hillsdale, Michigan (the "City") was organized in 1847 and covers an area of approximately 5.5 square miles in Hillsdale County. In 1957, the City adopted the Home Rule Charter. The City operates under a Council-Manager form of government and provides the following services as authorized by its charter to its more than 8,305 residents (2010 census): public safety (police and fire), highways and streets, sanitation, health, housing, recreation, public improvements, planning and zoning, and general administrative services.

The accompanying financial statements of the City have been prepared in accordance with criteria established by the Governmental Accounting Standards Board (GASB) for determining the various governmental organizations to be included in the reporting entity. The criteria established by the GASB for determining which of the governmental organizations are a part of the City's reporting entity includes oversight responsibility, fiscal dependency, scope of public service, and whether the financial statements would be misleading if data were not included. The component units discussed below are included in the City's reporting entity because the City is considered to be financially accountable for them.

Discretely Presented Component Units - The City maintains three component units, one which is inactive and thus has no financial data to report. The other two component units are reported in the component unit columns in the combined financial statements. These units are reported in separate columns to emphasize that they are legally separate from the City. The City's component units are the following:

Tax Increment Finance Authority (TIFA) - Operated as a separate Board, this Authority is responsible for directing improvements to a District in the City of Hillsdale using funds derived from the capturing of real and personal property taxes within that District. The City has the ability to significantly influence operations and has accountability for fiscal matters.

Economic Development Corporation - This entity is governed by a separate Board appointed by the City Council to grant loans to businesses operating in the City.

Brownfield Redevelopment Authority - This entity was established in order to revitalize environmentally distressed areas within a Brownfield Redevelopment Area and is operated by a separate Board. To date, the Authority has had no activity.

Related Organization - The Hillsdale Housing Commission was established by the City of Hillsdale to provide qualifying senior and low income family housing. The financial statements of the Housing Commission are excluded from the accompanying financial statements since the Housing Commission's operating and capital expenditures, including debt service, are financed entirely from federal grants and rentals; the City has no involvement in the determination of the Housing Commission's outstanding debt. The Hillsdale Housing Commission financial statements can be obtained at 45 North West Avenue, Hillsdale, Michigan 49242.

CITY OF HILLSDALE, MICHIGAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

Note 1: Summary of Significant Accounting Policies (Continued)

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are 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 revenues. 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 not properly included among program revenues are reported instead as general revenues.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Statements - 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. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Amounts reported as program revenues 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 revenues rather than as program revenues. Likewise, general revenues include all taxes.

Fund-Based Statements - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available if they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures related to compensated absences, claims, and judgments, are recorded only when payment is due.

CITY OF HILLSDALE, MICHIGAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

Note 1: Summary of Significant Accounting Policies (Continued)

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

Fund-Based Statements (Concluded) – Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments 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.

The government reports the following major governmental funds:

General Fund – This 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 Street Fund – This fund is a special revenue fund. It accounts for revenues received primarily from the State of Michigan Department of Transportation and accounts for street activity relating to the major street functions of the City.

Local Street Fund – This fund is a special revenue fund. It accounts for revenues received primarily from the State of Michigan Department of Transportation and accounts for street activity relating to the local street functions of the City.

The government reports the following major proprietary funds:

Electric Fund – The electric fund accounts for the activities of the government’s electric generation and distribution systems.

Water Fund – The water fund accounts for the activities of the government’s water production, purification, and distribution systems.

Sewer Fund – The sewer fund accounts for the activities of the government’s sewage collection and treatment systems.

Additionally, the government reports the following fund types:

Special Revenue Funds – These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.

Capital Project Funds – These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary and trust funds).

Internal Service Funds – The internal service funds account for operations that provide services (such as leave and benefits, inventory purchasing, equipment rental and unemployment insurance) to other departments of the City on a cost-reimbursement basis.

CITY OF HILLSDALE, MICHIGAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

Note 1: **Summary of Significant Accounting Policies (Continued)**

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

Permanent Funds – Permanent funds account for monies held in trust to be used for specified activities. The City maintains the R.L. Owen Memorial Fund to account for monies to be used for the activities specified in the related trust agreement. The City also maintains the Cemetery Perpetual Care Fund and the Stock Park Maintenance Fund as permanent funds.

Proprietary Funds – In addition to the major proprietary funds noted above, the City maintains the Dial-A-Ride Fund which accounts for the operations of the local transportation system in the City of Hillsdale.

Trust and Agency Funds – These funds are held to account for monies that are not owned by the City, but are administered by the City. The City maintains the Hospital Private Purpose Trust Fund to account for contributions earmarked for hospital care. The City also maintains agency funds to account for assets held for other governments in an agency capacity.

Additional Financial Statement Presentation Information – Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the electric, water and sewer enterprise funds and of the government's internal service fund are charges to customers for sales and services. The enterprise funds also recognize as operating revenues the portion of fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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.

Reclassifications of prior year's data, if any, have been made in the accompanying financial statements where appropriate to conform to the current presentation. These reclassifications, if any, have no effect on overall changes in fund balance/net position.

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenditures. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Cash, Cash Equivalents and Investments – Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Investments are stated at fair value.

State statutes authorize the City to invest in bonds, and other direct and certain indirect obligations of the U.S. Treasury; certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank, savings and loan association, or credit union, which is a member of the Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, or National Credit Union Administration, respectively; in commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase. The City is also authorized to invest in U.S. Government or federal agency obligation repurchase agreements, bankers' acceptances of U.S. banks, and mutual funds composed of investments as outlined above.

CITY OF HILLSDALE, MICHIGAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

Note 1: Summary of Significant Accounting Policies (Continued)

Receivables and Payables – All receivables are reported at their net value. They are reduced, where appropriate, by the estimated portion that is expected to be uncollectible.

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the noncurrent portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

Inventory – Inventory is valued at cost (purchase price), which approximates market, using the first-in, first-out method. Inventory of the Hillsdale Board of Public Utilities (reported as business-type activities, major proprietary funds) is valued using the average cost method. Inventories of governmental funds are recorded as expenditures when purchased.

Prepaid items – Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Assets – Certain proceeds of the Enterprise Funds’ revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

Capital Assets – Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if any, is included as part of the capitalized value of the assets constructed. No such interest expense was incurred during the current fiscal year.

Capital assets of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land improvements	20
Buildings and improvements	50
Vehicles	5 - 12
Books	7
Equipment and vehicles	5 - 20
Infrastructure	15 - 50
Plant and systems	10 - 65

CITY OF HILLSDALE, MICHIGAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

Note 1: Summary of Significant Accounting Policies (Concluded)

Compensated Absences – It is the government’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation, sick and personal days are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if the obligation is expected to be liquidated from expendable available financial resources.

Long-Term Obligations – In the government-wide financial statements (Statement of Net Position) and 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 types. Bond premiums and discounts are reported as a deferred inflow or outflow of resources, separate from assets or liabilities, over the life of the bonds using the effective interest method. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Equity – Governmental funds are categorized according to five defined categories of fund balance. These categories consist of nonspendable amounts which are legally or contractually required to be maintained intact, restricted amounts that are constrained for specific purposes set by external parties or law, committed amounts that are constraints set by the highest decision-making authority (City Council) and may only be removed by those individuals, assigned amounts that have an intended but no formal specific purpose, and unassigned amounts which are the residual of the other categories and have no specific purpose.

It is the City’s policy to generally use fund balance in order according to the hierarchy of fund balance categories, from restricted down to unassigned.

Property Taxes – The government’s property taxes are levied each July 1 on the taxable valuation of property located in the City as of the preceding December 31, the lien date. Property taxes are payable without penalty and interest through September 14; as of March 1 of the succeeding year, unpaid real property taxes are sold to and collected by Hillsdale County.

Assessed values as established annually by the government, and subject to acceptance by the County, are equalized by the State at an estimated 50% of current market value. Real and personal property in the City for 2015 had a taxable value of approximately \$133,910,488 (not including properties subject to Industrial Facilities Tax exemption), representing 50% of estimated current market value. The government’s general operating tax rate for fiscal year 2015-16 was 14.9205 mills, with an additional .9947 mills levied for operations of the Mitchell Public Library.

Property taxes for the Tax Increment Finance Authority (TIFA) are derived from a tax increment financing agreement between the TIFA and other related taxing districts. Under this arrangement, the TIFA receives those property taxes levied on the increment of current taxable valuations (determined as of the preceding December 31, the lien date) over base year assessed valuations on certain property located in the City of Hillsdale, which are within the DDA district. Property taxes are recognized in the fiscal year in which they are levied.

Subsequent Events – Management has evaluated subsequent events through the auditor’s report date, the date the financial statements were available to be issued. No such significant events or transactions were identified.

CITY OF HILLSDALE, MICHIGAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

Note 2: Stewardship, Compliance and Accountability

Budgetary Information – Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General and Special Revenue Funds. All annual appropriations lapse at fiscal year end. The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them. The Council holds public hearings and a final budget must be prepared and adopted prior to July 1.

The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. The adopted budgets of the City for these budgetary funds were adopted on a functional basis for the General Fund and a fund basis for the Special Revenue Funds. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Excess of Expenditures over Appropriations – For the year ended June 30, 2016, expenditures that exceeded appropriations in the General Fund or major special revenue funds, if any, are disclosed in the Required Supplementary Information on pages 36 – 39.

Note 3: Cash and Investments

A reconciliation of cash and investments as shown on the Statement of Net Position and Statement of Fiduciary Net Position to deposits and investments as classified for note disclosure purposes is as follows:

	Primary	Component	Totals
Statement of Net Position:			
Cash and investments	\$ 7,569,463	\$ 829,059	\$ 8,398,522
Restricted investments	185,379	-	185,379
Statement of Fiduciary Net Position:			
Cash and investments	21,148	-	21,148
Total	\$ 7,775,990	\$ 829,059	\$ 8,605,049

Deposits and Investments

Bank deposits (checking, savings, certificates of deposit and money market)	\$ 6,172,193
Investments	2,430,206
Cash on hand	2,650
Total	\$ 8,605,049

The City's investments are summarized as follows:

Investment	Maturity	Fair Value	Rating	FV Level
MBIA Investment Fund	N/A	\$ 1,427,745	S&P – AAAm	Level 2
U.S. Governmental Agency Bonds	1 – 2 yrs.	250,271	N/A	Level 1
GNMA – Mortgage-backed Securities	-	348,097	N/A	Level 1
Municipal Bonds	1 – 3 yrs.	404,093	S&P – A+ – AA-	Level 2
		\$ 2,430,206		

CITY OF HILLSDALE, MICHIGAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

Note 3: **Cash and Investments (Continued)**

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. State law limits the allowable investments and the maturities of some of the allowable investments as identified in Note 1. 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. Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided in the following table that shows the distribution of the City's investments by maturity.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented above is the actual rating as of year-end for each investment type. The City's investment policy does not have specific limits in excess of State law on investment credit risk.

The MBIA investment pool is a Michigan CLASS public sector investment program invested under an interlocal trust agreement according to provisions of the Urban Cooperation Act of 1967. This investment pool is held by a bank serving as custodian for Michigan CLASS and the pool is regulated by the SEC. Financial statements may be obtained via the Michigan CLASS website, michiganclass.org, or through Michigan CLASS, 3135 South State Street, Ann Arbor, Michigan 48108.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Deposits are exposed to custodial credit risk if they are not covered by depository insurance and are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the name of the local unit. The City has not adopted and State law does not require a policy for deposit custodial credit risk. As of year-end, \$1,439,425 of the City's bank balance of \$6,020,535 was exposed to custodial credit risk because it was uninsured and uncollateralized.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Michigan law and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. There is no custodial risk to the City as all investments are held in the City's name.

Fair Value Measurement

The City is required to disclose amounts within a framework established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

CITY OF HILLSDALE, MICHIGAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

Note 3: Cash and Investments (Concluded)

Fair Value Measurement (Concluded)

Level 1: Quoted prices in active markets for identical securities.

Level 2: Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include prices for similar securities, interest rates, prepayment speeds, credit risk and others.

Level 3: Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant, unobservable inputs may be used. Unobservable inputs reflect the City's own assumptions about the factors market participants would use in pricing an investment and would be based on the best information available.

Supplemental Disclosure of Cash Flow Information

For the year ended June 30, 2016, the City purchased \$115,961 of equipment with a capital lease financing arrangement.

Note 4: Capital Assets

Capital assets activity for the year ended June 30, 2016 was as follows:

Primary Government	Beginning Balance	Additions	Disposals and Adjustments	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 8,618,707	\$ -	\$ (4,764)	\$ 8,613,943
Capital assets being depreciated:				
Land improvements	720,507	-	-	720,507
Buildings and improvements	4,992,738	-	-	4,992,738
Books	312,207	24,167	(23,956)	312,418
Equipment and vehicles	2,924,900	116,050	(105,204)	2,935,746
Infrastructure	26,552,001	1,583,362	(2,249,776)	25,885,587
Total capital assets being depreciated	35,502,353	1,723,579	(2,378,936)	34,846,996
Accumulated depreciation:				
Land improvements	279,736	26,355	-	306,091
Buildings and improvements	1,888,104	96,401	-	1,984,505
Books	90,019	22,544	(23,956)	88,607
Equipment and vehicles	2,592,102	152,254	(105,204)	2,639,152
Infrastructure	17,367,855	669,795	(2,249,776)	15,787,874
Total accumulated depreciation	22,217,816	967,349	(2,378,936)	20,806,229
Total capital assets being depreciated - net	13,284,537	756,230	-	14,040,767
Governmental activities capital assets - net	\$ 21,903,244	\$ 756,230	\$ (4,764)	\$ 22,654,710

CITY OF HILLSDALE, MICHIGAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

Note 4: Capital Assets (Concluded)

Business-Type Activities	Beginning Balance	Additions	Disposals and Adjustments	Ending Balance
Capital assets not being depreciated:				
Land	\$ 361,042	\$ -	\$ -	\$ 361,042
Construction in progress	2,421,047	1,685,840	(1,833,357)	2,273,530
Total capital assets not being depreciated	2,782,089	1,685,840	(1,833,357)	2,634,572
Capital assets being depreciated:				
Equipment	448,388	-	(73,410)	374,978
Plant and systems	58,413,032	2,279,964	-	60,692,996
Total capital assets being depreciated	58,861,420	2,279,964	(73,410)	61,067,974
Accumulated depreciation:				
Equipment	238,175	51,884	(73,410)	216,649
Plant and systems	38,646,198	1,149,014	1,530	39,796,742
Total accumulated depreciation	38,884,373	1,200,898	(71,880)	40,013,391
Total capital assets being depreciated - net	19,977,047	1,079,066	(1,530)	21,054,583
Business-type activities capital assets - net	\$ 22,759,136	\$ 2,764,906	\$ (1,834,887)	\$ 23,689,155

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

Governmental Activities:		
Public safety		\$ 3,790
Highways and streets		615,962
Culture and recreation		131,617
Public works		38,748
Unallocated		35,500
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets		95,595
Total depreciation expense – governmental activities		\$ 921,212
Business-Type Activities:		
Electric		\$ 700,332
Water		250,654
Sewer		184,316
Transportation		65,596
Total depreciation expense – business-type activities		\$ 1,200,898

Note 5: Interfund Receivables, Payables and Transfers

The City reports interfund balances between many of its funds. The sum of all balances presented in the tables below agrees with the sum of interfund balances presented in the statements of net position/balance sheet for governmental funds and proprietary funds. These interfund balances resulted primarily from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

CITY OF HILLSDALE, MICHIGAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

Note 5: Interfund Receivables, Payables and Transfers (Concluded)

	Receivable	Payable
Due from/to other funds:		
General Fund	\$ 297,097	\$ -
Major Street Fund	-	1,113
Local Street Fund	-	39
Nonmajor Governmental Funds	-	295
Water Fund	1,177	452,419
Sewer Fund	1,177	1,094,573
Electric Fund	1,509,479	205,743
Nonmajor Enterprise Fund	-	54,748
	\$ 1,808,930	\$ 1,808,930
	Transfers In	Transfers Out
Transfers:		
General Fund	\$ 137,161	\$ 417,070
Major Street Fund	-	100,418
Local Street	150,000	15,788
Nonmajor Governmental Funds	222,095	16,232
Nonmajor Enterprise Fund	95,000	54,748
	\$ 604,256	\$ 604,256

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Note 6: Prepaid Operating Lease

The City entered into a 20-year operating lease with KEPS Technologies, Inc. d/b/a ACD.net, for 48 strands of dark fiber to support its business operations. The agreement was for total upfront costs of \$166,208, and is amortized over the 20-year life of the lease.

Note 7: Investment in Michigan South Central Power Agency

The Michigan South Central Power Agency (MSCPA) was organized in 1978 under the authority of Michigan Public Act 448 of 1976, to supply electricity to member municipalities in South Central Michigan. The Act provides that the agency will establish rates and charges to produce revenues sufficient to cover its costs, but may not operate for profit, except for the benefit of the public. The agency is governed by a Board of Commissioners which is comprised of one representative from each participating municipality and the general manager of the agency. Participating municipalities and their respective shares of ownership are as follows:

	Percent of Ownership
City of Coldwater	40.0%
City of Hillsdale	25.5
City of Marshall	24.0
Village of Clinton	6.5
Village of Union City	4.0
	100.0%

CITY OF HILLSDALE, MICHIGAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

Note 7: Investment in Michigan South Central Power Agency (Concluded)

The City is accounting for its investment in MSCPA as a joint venture in accordance with GASB Statement No. 14. Information presented below is taken from financial statements of the MSCPA for the year ended June 30, 2016, audited by other auditors whose report dated August 26, 2016 expressed an unmodified opinion for those statements.

The City has entered into a Power Sales Contract with MSCPA which requires the City to purchase all of its bulk power supply from MSCPA and to pay its share of the agency's operating and debt service costs. The HBPU has also entered into an agreement for services to be provided by the MSCPA in respect to substation facilities and an agreement which requires the HBPU to sell to the agency power generated by its facilities.

Currently, the MSCPA has decommissioned its power generation operation, resulting in a significant decrease in net position. The City's share of changes in net position \$(5,115,604) is reported as an extraordinary item in the Statement of Activities.

Summary information of the City's investment in the MSCPA as of and for the year ended June 30, 2016, is as follows:

	Total MSCPA	Hillsdale Board of Public Utilities' Portion
Total assets and deferred outflows of resources	\$ 52,025,728	\$ 9,396,242
Total liabilities and deferred inflows of resources	28,269,024	3,379,102
Net Position	\$ 23,756,704	\$ 6,017,140

Note 8: Debt

Long-term liability activity for the year ended June 30, 2016 was as follows:

Primary Government	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	\$ 216,818	\$ -	\$ 11,691	\$ 205,127	\$ -
Business-type activities:					
Revenue bonds	\$ 358,000	\$ 556,471	\$ 175,000	\$ 739,471	\$ 183,000
Capital lease	1,202,567	-	182,940	1,019,627	190,070
Compensated absences	162,427	-	13,122	149,305	-
	\$ 1,722,994	\$ 556,471	\$ 371,062	\$ 1,908,403	\$ 373,070

CITY OF HILLSDALE, MICHIGAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

Note 8: Debt (Concluded)

Business-Type Activities

2009 Water Supply and Sewage Disposal Revenue Bonds – interest rates varying from 3.30% to 3.90%, annual principal payments ranging from \$151,000 to \$183,000 through October 1, 2016.	\$ 183,000
2015 Sewage Disposal System Revenue Bonds – interest rate of 2.50%, annual principal payments ranging from \$250,000 to \$405,000 through 2037. Payments are estimated to begin in April 2018 after completion of project.	556,471
Capital lease – Government Capital Corporation annual lease payments of \$226,737 including interest at 3.60% through September 16, 2020.	<u>1,019,627</u>
Total bonds and capital lease	<u>\$ 1,759,098</u>

Annual debt service requirements to maturity are as follows:

	Principal	Interest	Total
2017	\$ 373,070	\$ 40,702	\$ 413,305
2018	446,041	59,647	506,155
2019	453,665	35,561	489,226
2020	267,552	15,655	283,208
2021	218,770	7,968	226,738
Thereafter	0	0	0
Total	\$ 1,759,098	\$ 159,533	\$ 1,918,632

Note 9: Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended June 30, 2016, the City carried commercial insurance to cover all risks of losses. The City has had no settled claims resulting from these risks that exceeded their commercial coverage in any of the past three fiscal years.

Note 10: Defined Benefit Pension Plan

Plan Description

The employer's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The employer participates in the Municipal Employees Retirement System (MERS) of Michigan. MERS is a agent multiple-employer, statewide public employee pension plan established by the Michigan's Legislature under Public Act 135 of 1945 and administered by a nine (9) member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing MERS' website at www.mersofmich.com.

CITY OF HILLSDALE, MICHIGAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

Note 10: Defined Benefit Pension Plan (Continued)

Summary of Significant Accounting Policies

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

Benefits Provided

Benefits provided include plans with multipliers ranging from 2.00% to 2.50%.

Vesting period of 10 years.

Normal retirement age is 60 with early retirement at 50/55 with 25/15 years of service.

Final average compensation is calculated based on 3 years. Member contributions range from 3.00% to 9.16%.

At the December 31, 2015 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefits	73
Inactive employees entitled to but not yet receiving benefits	14
Active employees	<u>66</u>
	<u>153</u>

Contributions

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees. Employer contributions range from 0.00% to 24.49% based on annual payroll for open divisions.

Net Pension Liability

The employer's Net Pension Liability was measured as of December 31, 2015, and the total pension liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation as of that date.

Actuarial assumptions – The total pension liability in the December 31, 2015 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.5%

Salary Increases: 3.75% in the long-term

Investment rate of return: 7.75%, net of investment expense including inflation

Although no specific price inflation assumptions are needed for the valuation, the 2.5% long-term wage inflation assumption would be consistent with a price inflation of 3% - 4%.

Mortality rates used were based on the RP-2014 Group Mortality Table of a 50% Male and 50% Female blend.

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

CITY OF HILLSDALE, MICHIGAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

Note 10: Defined Benefit Pension Plan (Continued)

Actuarial assumptions (Concluded)

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	57.50%	5.02%
Global Fixed Income	20.00%	2.18%
Real Assets	12.50%	4.23%
Diversifying Strategies	10.00%	6.56%

Discount Rate – The discount rate used to measure the total pension liability is 8.25% for 2015. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability - The following table provides the calculation of the change in net pension liability:

	Changes in Net Pension Liability		
		Increase (Decrease)	
	Liability	Fiduciary Net Position	Liability
	(a)	(b)	(a) - (b)
Balances at 12/31/14	\$ 20,843,207	\$ 18,526,166	\$ 2,317,041
Changes for the Year			
Service Cost	355,050	-	355,050
Interest on Total Pension Liability	1,677,361	-	1,677,361
Difference between expected and actual experience	110,760	-	110,760
Changes in assumptions	1,013,079	-	1,013,079
Employer Contributions	-	346,141	(346,141)
Employee Contributions	-	156,571	(156,571)
Net investment income	-	(270,721)	270,721
Benefit payments, including employee refunds	(1,378,158)	(1,378,158)	-
Administrative expense	-	(39,960)	39,960
Other changes	4	-	4
Net changes	1,778,096	(1,186,127)	2,964,223
Balances as of 12/31/15	<u>\$ 22,621,303</u>	<u>\$ 17,340,039</u>	<u>\$ 5,281,264</u>

CITY OF HILLSDALE, MICHIGAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

Note 10: Defined Benefit Pension Plan (Concluded)

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

	1% Decrease	Current Discount Rate	1% Increase
Net Pension Liability	<u>\$ 7,686,552</u>	<u>\$ 5,281,264</u>	<u>\$ 3,235,183</u>

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions – For the year ended June 30, 2016 the City recognized pension expense of \$1,135,702. The City reported deferred outflows and inflows of resources related to the pension at June 30, 2016 from the following sources:

	Deferred Outflows of Resources
Differences in experience	\$ 83,070
Differences in assumptions	759,809
Excess (Deficit) investment returns	1,660,819
Pension contributions subsequent to measurement date	<u>159,240</u>
	<u>\$ 2,662,938</u>

The amount reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources will be recognized in pension expense as follows:

Year Ended June 30	
2017	\$ 696,165
2018	696,165
2019	696,165
2020	<u>415,203</u>
	<u>\$ 2,503,698</u>

Note 11: Commitments and Contingencies

The City participates in a number of federally-assisted grant programs. These programs are subject to program compliance audits. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

CITY OF HILLSDALE, MICHIGAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

Note 12: Dial-A-Ride Enterprise Fund

The following disclosures are required by the Michigan Department of Transportation (MDOT) relative to the City's Dial-A-Ride program which is funded by and through MDOT:

Cost Allocation Plans – The Hillsdale Dial-A-Ride Enterprise Fund has three cost allocation plans where the methodology has been approved by the Office of Passenger Transportation (OPT). Currently, only the administrative cost allocation plan is needed and used. The cost allocation plan was adhered to in the preparation of the financial statements.

Nonfinancial Data – The methodology used for compiling mileage on OAR Schedule 4N (Nonurban) is an adequate and reliable method for recording vehicle mileage.

Depreciation – The depreciation charges do not include any eligible depreciation. Therefore all depreciation charges are ineligible for reimbursement and have been excluded from the computation of eligible costs to be reimbursed with State Formula Funds.

Capital Money – No capital money was used to pay for operating expenses and none are included in total expenses to be reimbursed with State Formula Funds.

Ineligible Expenses – Ineligible expenses are classified appropriately according to the definition in the Local Public Transit Revenue and Expense manual. Audit costs are the only cost in which eligibility differs from the State R&E Manual and the federal OMB Circular A-87. The Hillsdale Dial-A-Ride Enterprise Fund does not have any local revenues with associated expenses that would be required to be subtracted out as ineligible.

Pension Plan – During the fiscal year July 1, 2015 through June 30, 2016, Dial-A-Ride paid \$1,372 in 50201 Pension. Of this amount, \$1,372 paid the actuarial required minimum contribution and \$-0- was paid in excess of the actuarial required minimum contribution. The entire amount of \$1,372 was expensed on the books and is included in Dial-A-Ride's total eligible expenses for the fiscal year ending September 30, 2016.

Other Post-Employment Benefits – The transit agency did not incur, nor pay, any 50202 Other Post-Employment Benefits (OPEB).

CITY OF HILLSDALE, MICHIGAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

Note 13: Purchased Power Contracts

American Municipal Power (AMP)

The City is a member of American Municipal Power (AMP) and has participated in the AMP Generating Station (AMPGS) Project. This project intended to develop a pulverized coal power plant in Meigs County, Ohio. The City's share was 12,000 kilowatts of a total 771,281 kilowatts, giving the City a 1.55 percent share. The AMPGS Project required participants to sign "take or pay" contracts with AMP. As such, the participants are obligated to pay any costs incurred for the project. In November 2009, the participants voted to terminate the AMPGS Project due to projected escalating costs. These costs were therefore deemed impaired and participants were obligated to pay costs already incurred. In prior years, the payment of these costs was not considered probable due to AMP's pursuit of legal action to void them. As a result of a March 31, 2014 legal ruling, the AMP Board of Trustees on April 15, 2014 and the AMPGS participants on April 16, 2014 approved the collection of the impaired costs and provided the participants with an estimate of their liability. The City's estimated share at March 31, 2014 of the impaired costs is \$2,076,796. The City received a credit of \$775,876 related to their participation in the AMP Fremont Energy Center (AFEC) Project, and another credit of \$542,698 related to the AMPGS costs deemed to have future benefit for the project participants, leaving a net impaired cost estimate of \$758,222. Because payment is now probable and reasonably estimable, the City is reporting a payable to AMP in its business-type activities and in its electric enterprise fund for these impaired costs. AMP financed these costs on its revolving line of credit. Any additional costs (including line-of-credit interest and legal fees) or amounts received related to the project will impact the City's liability. These amounts will be recorded as they become estimable. Since March 31, 2014, AMPGS has incurred additional costs and interest expense. The City's share of those costs is \$17,850 and additional interest expense of \$3,716. The City has made payments to AMP totaling \$758,222 leaving a net impaired cost estimate at June 30, 2016 of \$21,566.

The impaired costs have been included in the business-type activities and the electric enterprise fund as a 2016 purchased power expense.

AMP Fremont Energy Center (AFEC) (87 Members)

In February 3, 2011 American Municipal Power, Inc. (AMP) entered into a non-binding memorandum of understanding (MOU) with FirstEnergy Corp. regarding the Fremont Energy Center ("AFEC"). AFEC is a 707 MW natural gas fired combined cycle generation plant with a Base Capacity of 512 MW, located near the city of Fremont, Ohio. The closing date to purchase was July 28, 2011. AMP's acquisition of the plant was financed with draws on an additional line of credit for \$600,000,000 secured solely for the purpose of purchasing the plant.

To provide permanent financing for the AFEC Project on June 29, 2012 AMP issued in two series \$546,085,000 of its AMP Fremont Center Project Revenue Bonds consisting of taxable and tax-exempt obligations to (i) with other available funds, to repay the \$600,000,000 principal amount of an interim loan that financed the acquisition of the AMP Fremont Energy Center ("AFEC") and development costs and completion of construction and commissioning of AFEC; (ii) to make deposits to the Construction Accounts under the Indenture to finance additional capital expenditures allocable to AMP's 90.69% undivided ownership interest in AFEC; (iii) to fund deposits to certain reserve accounts; and (iv) to pay the costs of issuance of the Series 2012 Bonds.

CITY OF HILLSDALE, MICHIGAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

Note 13: Purchased Power Contracts (Continued)

AMP Fremont Energy Center (AFEC) (87 Members) (Concluded)

On January 21, 2012 the AMP Fremont Energy Center ("AFEC") began commercial operation. The total cost of construction of the AFEC at the date it was placed in service was \$582,200,642. This amount included a development fee of \$35,535,448 paid by AFEC participants for the account of AMP Generating Station participants who are also AFEC participants. The amount was previously recorded as a noncurrent regulatory asset at December 31, 2011. In June 2012, AMP sold 26.419 MW or 5.16% undivided ownership interest in AFEC to Michigan Public Power Agency ("MPPA") and entered into a power sales contract with Central Virginia Electric Cooperative ("CVEC") for the output of a 21.248 MW or 4.15% interest in AFEC. AMP has sold the output of the remaining 464.355 MW or 90.69% interest to the AFEC participants, which consist of the 87 members, pursuant to a take-or-pay power sales contract. As of August 31, 2016 the outstanding obligation on the Fremont Energy Center ("AFEC") on AMP's books is \$520,620,000. The City of Hillsdale has executed a take-or-pay power sales contract with AMP for a Project Share of 7,220 kW or 1.55% of capacity and associated energy from the AFEC facility. The City's share of debt as of June 30, 2016 is approximately \$8,069,000.

Combined Hydroelectric Projects (79 Members)

AMP is currently developing three hydroelectric projects, the Cannelton, the Smithland and the Willow Island hydroelectric generating facilities (the "Combined Hydroelectric Projects"), all on the Ohio River, with an aggregate generating capacity of approximately 208 MW. Each of the Combined Hydroelectric Projects entails the installation of run-of-the-river hydroelectric generating facilities on existing United States Army Corps of Engineers' dams and includes associated transmission facilities. The Combined Hydroelectric Projects, including associated transmission facilities, will be constructed and operated by AMP. AMP holds the licenses from FERC for the Combined Hydroelectric Projects. AMP received the last of the material permits needed to begin construction on the Cannelton hydroelectric facility and Smithland hydroelectric facility, respectively in 2009. Ground breaking ceremonies were held for Cannelton on August 25, 2009 and for Smithland on September 1, 2010. AMP received the last of the material permits for the Willow Island hydroelectric facility in the last quarter of 2010 and ground breaking ceremonies took place on July 21, 2011.

The Cannelton Hydro Project (88MW), now in operation as of 2016, is located on the Kentucky shore of the Cannelton Locks and Dam on federal land. AMP has a FERC license for the project that expires May 31, 2041. The hydro project diverts water from the locks and dam through bulb turbines, which have a horizontal shaft and Kaplan-type turbines. The site includes an intake channel, a reinforced concrete powerhouse (to house turbine and 3 generator units), and a tailrace or downstream channel.

The Willow Island Hydro Project, 44MW, now in operation, diverts water from the existing Willow Island Locks and Dam through bulb turbines. The FERC license for the Willow Project expires August 31, 2030. Average gross annual output is 279 million kWh. The powerhouse houses two horizontal 29.3 MW bulb type turbines and generating units.

The Smithland Hydro Project (76MW) is located 62.5 miles upstream of the confluence of the Ohio and Mississippi Rivers. The Smithland project has a FERC license that expires May 31, 2038. The powerhouse houses three horizontal 29.3 MW bulb type turbines and generating units. Average gross annual output is 379 million kWh. AMP expects the three unit Smithland Hydro Project (76MW) to be in commercial operation by first quarter of 2017.

Please note that these projected commercial operation dates set forth above are, and the other information herein is, subject to change and are dependent on a number of factors affecting the Project's overall remaining construction schedule, including weather. As a result, the commercial operation dates may occur earlier or later than the time frames set forth above.

CITY OF HILLSDALE, MICHIGAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

Note 13: Purchased Power Contracts (Continued)

Combined Hydroelectric Projects (79 Members) (Concluded)

On February 12, 2015, AMP reached agreement with Barnard Construction Company, Inc. (“Barnard”) to serve as the replacement powerhouse contractor on AMP’s Smithland Hydroelectric Project (“Smithland Project”), which is one of the three projects constituting the Combined Hydroelectric Projects replacing C.J. Mahan whose contract was terminated by mutual agreement between AMP and C.J. Mahan. Barnard is a highly experienced hydropower construction contractor. AMP and Barnard are working together to achieve an orderly transition of the Smithland Project from the prior powerhouse contractor. Nearly all of the subcontractors currently working on the Smithland Project have been retained. The Project Engineer, MWH Americas, Inc., all owner furnished equipment suppliers and all other prime contractors remain in place.

To provide financing for the Combined Hydroelectric Projects, in 2009 and 2010 AMP has issued in seven series \$2,045,425,000 of its Combined Hydroelectric Projects Revenue Bonds (the “Combined Hydroelectric Bonds”), consisting of taxable, tax-exempt and tax advantaged obligations (Build America Bonds, Clean Renewable Energy Bonds and New Clean Renewable Energy Bonds). As of August 31, 2016 the total outstanding Hydro Project debt on AMP’s books is approximately \$1,995,529,118. The Combined Hydroelectric Bonds are net revenue obligations of AMP, secured by a master trust indenture and payable from amounts received by AMP under a take-or-pay power sales contract with 79 of its Members.

AMP will issue the Combined Hydro Project Revenue Bonds, Series 2016A (Green Bonds) (the “Series 2016A Bonds”) for \$194,500,000 on October 6, 2016. The bonds will finance final completion costs and also reimbursement to the AMP credit line, which provided interim financing for costs related to the construction of the three run-of-the-river hydroelectric facilities (8 units) along the Ohio River, fund a deposit to the Parity Common Reserve Account, deposit to Escrow Account and pay the cost of issuance of the Series 2016A. The purpose of the “Green bonds” label is to allow investors to invest in an environmentally beneficial project.

The City of Hillsdale has executed a take-or-pay power sales contract with AMP for a Project Share of 3,398 kW or 1.63% of capacity and associated energy from the Combined Hydro Project facility. The City’s share of debt as of June 30, 2016 is approximately \$32,527,000.

Meldahl Hydroelectric Project (48 Members)

AMP constructed a three unit hydroelectric generation facility on the Captain Anthony Meldahl Locks and Dam, an existing dam, on the Ohio River, constructed by the United States Army Corps of Engineers and of related equipment and associated transmission facilities (the “Meldahl Project”). Now that the Meldahl Project has entered commercial operation, it has a generating capacity of approximately 105 MW. The City of Hamilton, Ohio, a Member of AMP and a participant in the Meldahl Project, and AMP hold, as co-licensees, the Federal Energy Regulatory Commission license to operate the Meldahl Project.

In June 2008, Hamilton received a FERC license to operate a hydroelectric generation facility to be constructed on the Captain Anthony Meldahl Locks Dam, an existing dam on the Ohio River (“Meldahl Project”). In March 2009, AMP and Hamilton executed a series of agreements (the “AMP-Hamilton Agreements”) pursuant to which AMP committed to finance the development and the construction of Meldahl Project and to acquire within 60 days of the date on which Meldahl Project entered commercial operation, a 48.6% undivided ownership interest in the Greenup Facility (the “AMP Interest”).

CITY OF HILLSDALE, MICHIGAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

Note 13: Purchased Power Contracts (Continued)

Meldahl Hydroelectric Project (48 Members) (Concluded)

Pursuant to the various agreements between Hamilton and AMP, the Meldahl Project is owned by Meldahl, LLC, a single member, Delaware not-for-profit limited liability company ("Meldahl, LLC"). AMP is the sole member of Meldahl, LLC and appoints three members of its Board of Directors (the Meldahl Board). AMP, acting as agent of Meldahl LLC, has financed the development, acquisition, construction and equipping of the Meldahl Project. In order to finance the construction of the Meldahl Project and related costs, in 2010 and 2011 AMP issued six series of its Meldahl Hydroelectric Project Revenue Bonds (the "Meldahl Bonds") in the amount of \$685,100,000 consisting of taxable, tax-exempt and tax advantaged obligations (Build America Bonds, Clean Renewable Energy Bonds and New Clean Renewable Energy Bonds). The Meldahl Bonds are secured by a master trust indenture and payable from amounts received by AMP under a take-or-pay power sales contract with 48 of its Members. The Meldahl Project entered commercial operation on April 12, 2016. The Meldahl Project entered commercial operation on April 12, 2016.

By resolution adopted on June 23, 2016 the AMP Board of Trustees authorized the issuance and sale of the Series 2016A Bonds. AMP issued Meldahl Hydro Project Revenue Bonds, Series 2016A (Green Bonds) (the "Series 2016A Bonds") in the amount of \$80,050,000 on July 27, 2016. The proceeds of which were utilized to make a deposit to the Construction Account to retire balances held for the costs and expenses associated with the Project on AMP's line of credit, fund a deposit to the Parity Common Reserve Account and pay the cost of issuance of the Series 2016A. As of August 31, 2016, the outstanding debt for the Meldahl Hydroelectric Projects facility on AMP's books was approximately \$702,370,000. The City of Hillsdale has executed a take-or-pay power sales contract with AMP for a Project Share of 731 kW or 0.70% of capacity and associated energy from the Meldahl Hydroelectric Projects facility. The City's share of debt as of June 30, 2016 is approximately \$4,916,000.

Greenup Hydroelectric Project (47 Members)

The Greenup Hydroelectric Facility (the "Greenup Facility") is a 70.2 MW run-of-the river hydroelectric generating facility located on the Greenup Locks and Dam on the Ohio River. The Greenup Facility entered commercial operation in 1982 and owned and operated by the City of Hamilton, Ohio ("Hamilton") since 1988. In June 2008, Hamilton received a FERC license to operate a hydroelectric generation facility to be constructed on the Captain Anthony Meldahl Locks Dam, an existing dam on the Ohio River ("Meldahl Project"). In March 2009, AMP and Hamilton executed a series of agreements (the "AMP-Hamilton Agreements") pursuant to which AMP committed to finance the development and the construction of Meldahl Project and to acquire, within 60 days of the date on which Meldahl Project entered commercial operation, a 48.6% undivided ownership interest in the Greenup Facility (the "AMP Interest"). The Meldahl Project entered commercial operation on April 12, 2016.

On May 11, 2016, in order to finance the acquisition of AMP's Interest as well as AMP's share of certain capital expenditures at the Greenup Facility and related costs, AMP issued its Greenup Hydroelectric Project Revenue Bonds, Series 2016A (the "Greenup Bonds") in the principal amount of \$125,630,000. The Greenup Bonds are secured by a master trust indenture and payable from amounts received by AMP under a take-or-pay power sales contract with 47 of its Members.

AMP and Hamilton are responsible for an aliquot share, equal to their respective undivided ownership interest in the Greenup Facility (51.4% for Hamilton and 48.6% for AMP), of the operating and maintenance expenses of the Greenup Facility. In accordance with, and subject to the provisions of, the AMP-Hamilton Agreements, Hamilton continues to operate the Greenup Facility.

CITY OF HILLSDALE, MICHIGAN

NOTES TO FINANCIAL STATEMENTS (CONCLUDED)

JUNE 30, 2016

Note 13: Purchased Power Contracts (Concluded)

Greenup Hydroelectric Project (47 Members) (Concluded)

The City of Hillsdale has executed a take-or-pay power sales contract with AMP for a Project Share of 479 kW or 1.40% of capacity and associated energy from the Greenup Hydroelectric Facility. The City's share of debt as of June 30, 2016 is approximately \$1,758,000.

Note 14: Upcoming Accounting Pronouncements

In June 2015, the GASB issued Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. The statement follows the framework for financial reporting of defined benefit OPEB plans in Statement No. 45 by requiring a statement of fiduciary net position and a statement of changes in fiduciary net position. The statement requires more extensive note disclosures and RSI related to the measurement of the OPEB liabilities for which assets have been accumulated, including information about the annual money-weighted rates of return on plan investments. The City is currently evaluating the impact this standard will have on the financial statements when adopted during the City's 2017-2018 fiscal year.

In June 2015, the GASB issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The statement replaces the requirements of GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. The statement requires governments providing other postemployment benefits (OPEB) to recognize their unfunded OPEB obligations as a liability for the first time, and to more comprehensibly and comparably measure the annual costs of OPEB benefits. The statement also enhances accountability and transparency through revised note disclosures and requires supplementary information (RSI). The City is currently evaluating the impact this standard will have on the financial statements when adopted during the City's 2018-2019 fiscal year.

In June 2015, the GASB issued Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. The statement supersedes Statement No. 55, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. The statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified with a source of authoritative GAAP. The City is currently evaluating the impact this standard will have on the financial statements when adopted during the City's 2016-2017 fiscal year.

In August 2015, the GASB issued Statement No. 77, Tax abatement disclosures. The statement improves financial reporting through the disclosure of information about the nature and magnitude of tax abatements that are not consistently or comprehensively reported to the public at present. The City is currently evaluating the impact this standard will have on the financial statements when adopted during the City's 2016-2017 fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF HILLSDALE, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2016

	BUDGETED AMOUNTS		ACTUAL
	ORIGINAL	FINAL	
REVENUES			
City Taxes:			
Property	\$ 1,922,500	\$ 1,922,500	\$ 1,892,866
Administrative fees	60,000	60,000	60,479
Interest and penalties	25,000	25,000	28,279
Industrial facilities tax	50,250	50,250	52,110
Total City taxes	<u>2,057,750</u>	<u>2,057,750</u>	<u>2,033,734</u>
State revenue	857,500	857,500	824,470
Federal revenue	292,680	855,200	629,805
Licenses and permits	108,100	108,100	109,463
Charges for services	19,600	19,600	20,732
Fines and violations	4,500	4,500	6,638
Interest and rentals	87,430	87,430	81,680
Miscellaneous	1,033,500	986,500	987,558
TOTAL REVENUES	<u>4,461,060</u>	<u>4,976,580</u>	<u>4,694,080</u>
EXPENDITURES			
General government:			
Council	28,650	25,650	24,750
City manager	241,650	231,650	224,493
Administrative	172,000	177,000	168,992
Elections	15,100	12,100	11,684
Assessor	95,000	95,000	95,317
Clerk	106,140	125,640	117,931
Finance department	99,070	99,070	94,947
Treasurer	136,730	156,730	145,520
Building and grounds	130,940	117,440	112,989
Parking lots	30,240	20,240	18,183
Cemetery	117,200	117,200	119,651
Airport	147,640	147,640	130,477
Total general government	<u>1,320,360</u>	<u>1,325,360</u>	<u>1,264,934</u>
Public safety:			
Police	1,325,990	1,298,990	1,270,498
Fire	454,700	509,700	485,680
Code enforcement	44,000	44,000	41,572
Total public safety	<u>1,824,690</u>	<u>1,852,690</u>	<u>1,797,750</u>
Public works:			
Public services	263,680	286,680	273,772
Street lights	71,600	62,600	60,653
Total public works	<u>335,280</u>	<u>349,280</u>	<u>334,425</u>

continued...

CITY OF HILLSDALE, MICHIGAN
BUDGETARY COMPARISON SCHEDULE (CONCLUDED)
GENERAL FUND
YEAR ENDED JUNE 30, 2016

	BUDGETED AMOUNTS		ACTUAL
	ORIGINAL	FINAL	
EXPENDITURES (CONTINUED)			
Community and economic development:			
Planning	\$ 74,750	\$ 72,750	\$ 70,670
Economic development	660,900	1,070,450	832,127
Total community and economic development	735,650	1,143,200	902,797
Culture and recreation	156,010	156,010	152,675
TOTAL EXPENDITURES	4,371,990	4,826,540	4,452,581
REVENUES OVER (UNDER) EXPENDITURES	89,070	150,040	241,499
OTHER FINANCING SOURCES (USES)			
Contribution from TIFA	10,000	10,000	10,000
Operating transfers in	134,700	138,900	137,161
Operating transfers (out)	(360,490)	(445,490)	(417,070)
TOTAL OTHER FINANCING SOURCES (USES)	(215,790)	(296,590)	(269,909)
NET CHANGE IN FUND BALANCE	(126,720)	(146,550)	(28,410)
FUND BALANCE - BEGINNING OF YEAR	941,507	941,507	941,507
FUND BALANCE - END OF YEAR	<u>\$ 814,787</u>	<u>\$ 794,957</u>	<u>\$ 913,097</u>

CITY OF HILLSDALE, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
MAJOR STREET FUND
YEAR ENDED JUNE 30, 2016

	BUDGETED AMOUNTS		ACTUAL
	ORIGINAL	FINAL	
REVENUES			
State revenue	\$ 493,500	\$ 513,500	\$ 520,028
Interest and rentals	750	750	892
Miscellaneous	2,500	2,500	5,470
TOTAL REVENUES	496,750	516,750	526,390
EXPENDITURES			
Highways and streets:			
Street surface	98,110	98,110	54,780
Trunkline street surface	14,200	14,200	7,085
R.O.W. maintenance	72,040	72,040	95,313
Trunkline R.O.W. maintenance	8,850	8,850	3,759
Trees	44,990	44,990	38,566
Trunkline trees	710	710	348
Drainage	39,020	39,020	41,399
Trunkline R.O.W. drainage	5,120	5,120	2,586
Traffic	48,450	48,450	44,877
Trunkline traffic	7,530	7,530	5,298
Winter maintenance	98,860	98,860	59,888
Trunkline winter maintenance	26,020	26,020	15,442
TOTAL EXPENDITURES	463,900	463,900	369,341
REVENUES OVER (UNDER) EXPENDITURES	32,850	52,850	157,049
OTHER FINANCING SOURCES (USES)			
Transfers out	(98,000)	(101,000)	(100,418)
TOTAL OTHER FINANCING SOURCES (USES)	(98,000)	(101,000)	(100,418)
NET CHANGES IN FUND BALANCES	(65,150)	(48,150)	56,631
FUND BALANCES - BEGINNING OF YEAR	240,383	240,383	240,383
FUND BALANCES - END OF YEAR	\$ 175,233	\$ 192,233	\$ 297,014

CITY OF HILLSDALE, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
LOCAL STREET FUND
YEAR ENDED JUNE 30, 2016

	BUDGETED AMOUNTS		ACTUAL
	ORIGINAL	FINAL	
REVENUES			
State revenue	\$ 160,500	\$ 172,500	\$ 173,478
Miscellaneous	-	-	7,553
TOTAL REVENUES	<u>160,500</u>	<u>172,500</u>	<u>181,031</u>
EXPENDITURES			
Highways and streets:			
Street surface	80,510	80,510	83,868
R.O.W. maintenance	68,800	105,300	92,675
Trees	52,130	52,130	45,978
Drainage	22,270	22,270	31,245
Traffic	11,740	11,740	13,844
Winter maintenance	60,350	60,350	34,350
TOTAL EXPENDITURES	<u>295,800</u>	<u>332,300</u>	<u>301,960</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(135,300)</u>	<u>(159,800)</u>	<u>(120,929)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	150,000	150,000	150,000
Transfers out	(14,700)	(15,900)	(15,788)
TOTAL OTHER FINANCING SOURCES (USES)	<u>135,300</u>	<u>134,100</u>	<u>134,212</u>
NET CHANGES IN FUND BALANCES	-	(25,700)	13,283
FUND BALANCES - BEGINNING OF YEAR	<u>111,512</u>	<u>111,512</u>	<u>111,512</u>
FUND BALANCES - END OF YEAR	<u>\$ 111,512</u>	<u>\$ 85,812</u>	<u>\$ 124,795</u>

CITY OF HILLSDALE, MICHIGAN
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
DEFINED BENEFIT PENSION PLAN
CALENDAR YEAR DECEMBER 31
Last 10 Years*

	<u>2015</u>	<u>2014</u>
Total Pension Liability		
Service cost	\$ 355,050	\$ 364,196
Interest	1,677,361	1,621,607
Changes of benefit terms	-	-
Difference between expected and actual experience	110,760	-
Changes of assumptions	1,013,079	-
Benefit payments including employee refunds	(1,378,158)	(1,232,671)
Other	1	(1)
Net Change in Total Pension Liability	<u>1,778,093</u>	<u>753,131</u>
Total Pension Liability - beginning	<u>20,843,207</u>	<u>20,090,076</u>
Total Pension Liability - ending	<u>\$ 22,621,300</u>	<u>\$ 20,843,207</u>
Plan Fiduciary Net Position		
Contributions-employer	\$ 346,141	\$ 332,464
Contributions-employee	156,571	137,790
Net investment income	(270,721)	1,138,603
Benefit payments including employee refunds	(1,378,158)	(1,232,671)
Administrative expense	(39,960)	(41,685)
Other	-	2
Net Change in Plan Fiduciary Net Position	<u>(1,186,127)</u>	<u>334,503</u>
Plan Fiduciary Net Position - beginning	<u>18,526,166</u>	<u>18,191,663</u>
Plan Fiduciary Net Position - ending	<u>\$ 17,340,039</u>	<u>\$ 18,526,166</u>
Employer Net Pension Liability - ending	<u>\$ 5,281,261</u>	<u>\$ 2,317,041</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	76.65%	88.88%
Covered Employee Payroll	\$ 3,426,822	\$ 3,531,325
Employer's Net Pension Liability as a percentage of covered employee payroll	154.12%	65.61%

Notes to schedule:

Benefit changes: There were no changes made to benefits in the December 31, 2015 valuation.

Changes in assumptions: There were no changes in actuarial assumptions or methods affecting the December 31, 2015 valuation, with the exception of:

Assumed rate of investment return was lowered from 8% to 7.75%

Inflation decreased from 4.5% to 2.5%

Salary increase was lowered from 4.5% to 3.75%

The mortality table was adjusted to reflect longer lifetimes

The asset smoothing was changed from 10 to 5 years

Above dates are based on measurement date, which may not necessarily tie to the fiscal year end June 30, 2016

* - Fiscal year 2015 was the 1st year of implementation, therefore only two years are shown.

CITY OF HILLSDALE, MICHIGAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS
YEAR ENDED JUNE 30, 2016
Last 10 Years*

	<u>2016</u>	<u>2015</u>
Actuarial Determined Contributions	\$ 348,500	\$ 330,003
Contributions in relation to the actuarially determined contribution	<u>348,500</u>	<u>330,003</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>
 Covered Employee Payroll	 3,955,056	 3,531,325
 Contributions as a percentage of covered employee payroll	 8.81%	 9.35%

* - Fiscal year 2015 was the 1st year of implementation, therefore only two years are shown.

OTHER SUPPLEMENTARY INFORMATION

CITY OF HILLSDALE, MICHIGAN
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2016

	SPECIAL REVENUE	CAPITAL PROJECT	PERMANENT FUNDS	TOTAL
ASSETS				
Cash and investments	\$ 161,804	\$ 891,702	\$ 747,237	\$ 1,800,743
Accounts receivable	65,597	23,975	20	89,592
Due from other funds	-	-	-	-
Prepaid expenditures	3,196	-	-	3,196
TOTAL ASSETS	230,597	915,677	747,257	1,893,531
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	3,410	102,400	-	105,810
Accrued payroll and related liabilities	3,248	-	-	3,248
Due to other funds	295	-	-	295
TOTAL LIABILITIES	6,953	102,400	-	109,353
Fund Balances:				
Non-spendable				
Prepaid expenditures	3,196	-	-	3,196
Restricted	220,448	813,277	747,257	1,780,982
TOTAL FUND BALANCES	223,644	813,277	747,257	1,784,178
TOTAL LIABILITIES AND FUND BALANCES	\$ 230,597	\$ 915,677	\$ 747,257	\$ 1,893,531

CITY OF HILLSDALE, MICHIGAN
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2016

	SPECIAL REVENUE	CAPITAL PROJECT	PERMANENT FUNDS	TOTAL
REVENUES				
Taxes	\$ 128,403	\$ -	\$ -	\$ 128,403
State revenues	15,491	1,335,521	-	1,351,012
Contributions from local units	13,800	-	-	13,800
Charges for services	68,597	-	27,003	95,600
Fines and violations	65,604	-	-	65,604
Interest and rentals	17,552	32,261	20,269	70,082
Miscellaneous	49,431	78,632	10,996	139,059
TOTAL REVENUES	358,878	1,446,414	58,268	1,863,560
EXPENDITURES				
General government	-	-	-	-
Public safety	7,875	-	-	7,875
Culture and recreation	320,915	-	-	320,915
Capital outlay	8,957	1,675,275	-	1,684,232
Other	-	41,474	-	41,474
TOTAL EXPENDITURES	337,747	1,716,749	-	2,054,496
REVENUES OVER (UNDER) EXPENDITURES	21,131	(270,335)	58,268	(190,936)
OTHER FINANCING SOURCES (USES)				
Transfers in	42,070	180,000	25	222,095
Transfers out	(2,000)	-	(14,232)	(16,232)
TOTAL OTHER FINANCING SOURCES (USES)	40,070	180,000	(14,207)	205,863
CHANGES IN FUND BALANCES	61,201	(90,335)	44,061	14,927
FUND BALANCES - BEGINNING OF YEAR	162,443	903,612	703,196	1,769,251
FUND BALANCES - END OF YEAR	\$ 223,644	\$ 813,277	\$ 747,257	\$ 1,784,178

CITY OF HILLSDALE, MICHIGAN
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2016

	<u>LIBRARY</u>	<u>RECREATION COMMISSION</u>	<u>DRUG FORFEITURES</u>	<u>POLICE</u>	<u>TOTAL</u>
ASSETS					
Cash and investments	\$ 137,795	\$ 10,569	\$ 3,399	\$ 10,041	\$ 161,804
Accounts receivable	65,000	372	-	225	65,597
Prepaid expenditures	308	2,888	-	-	3,196
TOTAL ASSETS	<u>203,103</u>	<u>13,829</u>	<u>3,399</u>	<u>10,266</u>	<u>230,597</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	977	2,433	-	-	3,410
Accrued payroll and related liabilities	1,465	1,783	-	-	3,248
Due to other funds	246	49	-	-	295
TOTAL LIABILITIES	<u>2,688</u>	<u>4,265</u>	<u>-</u>	<u>-</u>	<u>6,953</u>
Fund Balances:					
Non-spendable					
Prepaid expenditures	308	2,888	-	-	3,196
Restricted	200,107	6,676	3,399	10,266	220,448
TOTAL FUND BALANCES	<u>200,415</u>	<u>9,564</u>	<u>3,399</u>	<u>10,266</u>	<u>223,644</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 203,103</u>	<u>\$ 13,829</u>	<u>\$ 3,399</u>	<u>\$ 10,266</u>	<u>\$ 230,597</u>

CITY OF HILLSDALE, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	<u>LIBRARY</u>	<u>RECREATION COMMISSION</u>	<u>DRUG FORFEITURES</u>	<u>POLICE</u>	<u>TOTAL</u>
REVENUES					
Taxes	\$ 128,403	\$ -	\$ -	\$ -	\$ 128,403
State revenue	15,491	-	-	-	15,491
Contributions from local units	13,800	-	-	-	13,800
Charges for services	9,801	58,796	-	-	68,597
Fines and violations	63,192	-	2,412	-	65,604
Interest and rentals	1,452	16,100	-	-	17,552
Miscellaneous	24,868	8,476	-	16,087	49,431
TOTAL REVENUES	<u>257,007</u>	<u>83,372</u>	<u>2,412</u>	<u>16,087</u>	<u>358,878</u>
EXPENDITURES					
Public safety	-	-	2,054	5,821	7,875
Culture and recreation	198,261	122,654	-	-	320,915
Capital outlay	8,957	-	-	-	8,957
TOTAL EXPENDITURES	<u>207,218</u>	<u>122,654</u>	<u>2,054</u>	<u>5,821</u>	<u>337,747</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>49,789</u>	<u>(39,282)</u>	<u>358</u>	<u>10,266</u>	<u>21,131</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	42,070	-	-	42,070
Transfers out	(2,000)	-	-	-	(2,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,000)</u>	<u>42,070</u>	<u>-</u>	<u>-</u>	<u>40,070</u>
CHANGES IN FUND BALANCES	47,789	2,788	358	10,266	61,201
FUND BALANCES - BEGINNING OF YEAR	<u>152,626</u>	<u>6,776</u>	<u>3,041</u>	<u>-</u>	<u>162,443</u>
FUND BALANCES - END OF YEAR	<u>\$ 200,415</u>	<u>\$ 9,564</u>	<u>\$ 3,399</u>	<u>\$ 10,266</u>	<u>\$ 223,644</u>

CITY OF HILLSDALE, MICHIGAN
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2016

	LIBRARY IMPROVEMENT	FIELDS OF DREAMS	STOCK PARK	CAPITAL IMPROVEMENT	AIRPORT IMPROVEMENT	FIRE EQUIPMENT	TOTAL
ASSETS							
Cash and investments	\$ 8,526	\$ 13,643	\$ 32,190	\$ 641,625	\$ 158,256	\$ 37,462	\$ 891,702
Accounts receivable	-	-	-	23,830	145	-	23,975
Due from other funds	-	-	-	-	-	-	-
TOTAL ASSETS	8,526	13,643	32,190	665,455	158,401	37,462	915,677
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	-	-	-	2,400	100,000	-	102,400
TOTAL LIABILITIES	-	-	-	2,400	100,000	-	102,400
Fund Balances:							
Restricted	8,526	13,643	32,190	663,055	58,401	37,462	813,277
TOTAL FUND BALANCES	8,526	13,643	32,190	663,055	58,401	37,462	813,277
TOTAL LIABILITIES AND FUND BALANCES	\$ 8,526	\$ 13,643	\$ 32,190	\$ 665,455	\$ 158,401	\$ 37,462	\$ 915,677

CITY OF HILLSDALE, MICHIGAN
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECT FUNDS
 YEAR ENDED JUNE 30, 2016

	LIBRARY IMPROVEMENT	FIELD OF DREAMS	STOCK PARK	CAPITAL IMPROVEMENT	AIRPORT IMPROVEMENT	FIRE EQUIPMENT	TOTAL
REVENUES							
State revenue	\$ -	\$ -	\$ -	\$ 95,319	\$ 1,240,202	\$ -	\$ 1,335,521
Interest and rentals	-	35	88	-	31,965	173	32,261
Miscellaneous	-	15,301	12,733	7,557	38,041	5,000	78,632
TOTAL REVENUES	-	15,336	12,821	102,876	1,310,208	5,173	1,446,414
EXPENDITURES							
Capital outlay	4,500	7,630	4,535	117,608	1,481,845	59,157	1,675,275
Other	-	-	-	-	41,474	-	41,474
TOTAL EXPENDITURES	4,500	7,630	4,535	117,608	1,523,319	59,157	1,716,749
REVENUES OVER (UNDER) EXPENDITURES	(4,500)	7,706	8,286	(14,732)	(213,111)	(53,984)	(270,335)
OTHER FINANCING SOURCES (USES)							
Transfers in (out)	-	-	-	180,000	-	-	180,000
CHANGES IN FUND BALANCES	(4,500)	7,706	8,286	165,268	(213,111)	(53,984)	(90,335)
FUND BALANCES - BEGINNING OF YEAR	13,026	5,937	23,904	497,787	271,512	91,446	903,612
FUND BALANCES - END OF YEAR	\$ 8,526	\$ 13,643	\$ 32,190	\$ 663,055	\$ 58,401	\$ 37,462	\$ 813,277

CITY OF HILLSDALE, MICHIGAN
 COMBINING BALANCE SHEET
 NONMAJOR PERMANENT FUNDS
 JUNE 30, 2016

	R.L. OWEN MEMORIAL	CEMETERY PERPETUAL CARE	STOCK PARK MAINTENANCE	TOTAL
ASSETS				
Cash and investments	\$ 46,919	\$ 655,374	\$ 44,944	\$ 747,237
Due from other funds	-	-	-	-
Accounts receivable	-	-	20	20
	\$ 46,919	\$ 655,374	\$ 44,964	\$ 747,257
TOTAL ASSETS	\$ 46,919	\$ 655,374	\$ 44,964	\$ 747,257
LIABILITIES AND FUND BALANCES				
Liabilities:				
Due to other funds	-	-	-	-
Fund Balances:				
Restricted	46,919	655,374	44,964	747,257
TOTAL FUND BALANCES	46,919	655,374	44,964	747,257
TOTAL LIABILITIES AND FUND BALANCES	\$ 46,919	\$ 655,374	\$ 44,964	\$ 747,257

CITY OF HILLSDALE, MICHIGAN
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR PERMANENT FUNDS
 YEAR ENDED JUNE 30, 2016

	<u>R.L. OWEN MEMORIAL</u>	<u>CEMETERY PERPETUAL CARE</u>	<u>STOCK PARK MAINTENANCE</u>	<u>TOTAL</u>
REVENUES				
Charges for services	\$ -	\$ 27,003	\$ -	\$ 27,003
Interest and rentals	5,883	14,232	154	20,269
Miscellaneous	-	2,640	8,356	10,996
TOTAL REVENUES	<u>5,883</u>	<u>43,875</u>	<u>8,510</u>	<u>58,268</u>
EXPENDITURES				
General government	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>5,883</u>	<u>43,875</u>	<u>8,510</u>	<u>58,268</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	-	(14,232)	25	(14,207)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(14,232)</u>	<u>25</u>	<u>(14,207)</u>
CHANGES IN FUND BALANCES	5,883	29,643	8,535	44,061
FUND BALANCES - BEGINNING OF YEAR	<u>41,036</u>	<u>625,731</u>	<u>36,429</u>	<u>703,196</u>
FUND BALANCES - END OF YEAR	<u>\$ 46,919</u>	<u>\$ 655,374</u>	<u>\$ 44,964</u>	<u>\$ 747,257</u>

CITY OF HILLSDALE, MICHIGAN
 LOCAL REVENUES
 DIAL-A-RIDE ENTERPRISE FUND
 YEAR ENDED JUNE 30, 2016

	<u>7/1/2015 - 9/30/2015</u>	<u>10/1/2015 - 6/30/2016</u>	<u>7/1/2015 - 6/30/2016</u>
OPERATING REVENUES AND TRANSFERS			
Demand response (farebox) - nonurban	\$ 10,417	\$ 38,919	\$ 49,336
Transfer in from general fund	-	95,000	95,000
TOTAL LOCAL REVENUES	<u>\$ 10,417</u>	<u>\$ 133,919</u>	<u>\$ 144,336</u>

CITY OF HILLSDALE, MICHIGAN
 LOCAL REVENUES
 DIAL-A-RIDE ENTERPRISE FUND
 BASED ON A SEPTEMBER 30, 2015 YEAR END

	<u>10/1/2014 - 6/30/2015</u>	<u>7/1/2015 - 9/30/2015</u>	<u>10/1/2014 - 9/30/2015</u>
OPERATING REVENUES AND TRANSFERS			
Demand response (farebox) - nonurban	\$ 43,925	\$ 10,417	\$ 54,342
Transfer in from general fund	109,260	-	109,260
TOTAL LOCAL REVENUES	<u>\$ 153,185</u>	<u>\$ 10,417</u>	<u>\$ 163,602</u>

CITY OF HILLSDALE, MICHIGAN
 FEDERAL AND STATE AWARDS
 DIAL-A-RIDE ENTERPRISE FUND
 YEAR END JUNE 30, 2016

	7/1/2015 - 9/30/2015	10/1/2015 - 6/30/2016	7/1/2015 - 6/30/2016
Michigan Department of Transportation			
Local bus operating	\$ 31,144	\$ 98,955	\$ 130,099
Preliminary reconciliation payback - FY 2014	4,239	-	4,239
Federal Transit Administration			
Section 5311	15,852	43,680	59,532
 TOTAL FEDERAL AND STATE AWARDS	\$ 51,235	\$ 142,635	\$ 193,870

CITY OF HILLSDALE, MICHIGAN
FEDERAL AND STATE AWARDS
DIAL-A-RIDE ENTERPRISE FUND
BASED ON A SEPTEMBER 30, 2015 YEAR END

	<u>10/1/2014 - 6/30/2015</u>	<u>7/1/2015 - 9/30/2015</u>	<u>TOTAL</u>
Michigan Department of Transportation			
Local bus operating	\$ 93,420	\$ 31,144	\$ 124,564
Preliminary reconciliation - FY 2014	-	4,239	4,239
Final audit - FY 2011	1,504	-	1,504
Final audit - FY 2012	2,093	-	2,093
Federal Transit Administration			
Section 5311	42,134	15,852	57,986
Capital grant - bus replacement	87,404	-	87,404
 TOTAL FEDERAL AND STATE AWARDS	 <u>\$ 226,555</u>	 <u>\$ 51,235</u>	 <u>\$ 277,790</u>

CITY OF HILLSDALE, MICHIGAN
EXPENDITURES OF FEDERAL AND STATE AWARDS
DIAL-A-RIDE ENTERPRISE FUND
YEAR ENDED JUNE 30, 2016

FEDERAL CFDA NUMBER	GRANT NUMBER AUTHORIZATION NUMBER	PROGRAM AWARD AMOUNT	CURRENT YEAR'S EXPENDITURES			PRIOR YEARS' EXPENDITURES	AWARD AMOUNT REMAINING
			TOTAL	FEDERAL	STATE		
FEDERAL AND STATE GRANTOR / PASS THROUGH							
GRANTOR / PROGRAM TITLE							
U.S. DEPARTMENT OF TRANSPORTATION							
Passed through Michigan Department of Transportation							
Operating assistance - Section 5311	20.509	2012-0097/P6/R1 \$ 63,409	\$ 34,013	\$ 34,013	\$ -	\$ 26,633	\$ 2,763
Operating assistance - Section 5311	20.509	2012-0097/P7/R1 68,265	25,519	25,519	-	-	42,746
RTAP Training reimbursement	WK0050/0055						-
MICHIGAN DEPARTMENT OF TRANSPORTATION							
Operating Assistance - Act 51							
Nonurban 2014 Reconciled	N/A	N/A 136,326	-	-	-	136,326	-
Nonurban 2015 Budgeted	N/A	N/A 124,564	31,144	-	31,144	93,420	-
Nonurban - 2016 Budgeted	N/A	N/A 131,940	98,955	-	98,955	-	32,985
		<u>\$ 524,504</u>	<u>\$ 189,631</u>	<u>\$ 59,532</u>	<u>\$ 130,099</u>	<u>\$ 256,379</u>	<u>\$ 78,494</u>

CITY OF HILLSDALE, MICHIGAN
OPERATING AND CONTRACT EXPENSES
DIAL-A-RIDE ENTERPRISE FUND
YEAR ENDING JUNE 30, 2016

	<u>NONURBAN</u>	<u>TOTAL</u>
Labor	\$ 176,549	\$ 176,549
Fringe benefits	77,280	77,280
Services	18,186	18,186
Materials & supplies	21,421	21,421
Insurance	15,724	15,724
Utilities	10,618	10,618
Miscellaneous	1,765	1,765
Depreciation	<u>65,596</u>	<u>65,596</u>
 TOTAL EXPENSES	 <u>\$ 387,139</u>	 <u>\$ 387,139</u>

CITY OF HILLSDALE, MICHIGAN
 OPERATING AND CONTRACT EXPENSES
 DIAL-A-RIDE ENTERPRISE FUND
 YEAR ENDING JUNE 30, 2016

	NONURBAN		TOTAL
	07/01/2015 - 9/30/2015	10/01/2015 - 6/30/2016	
Labor	\$ 41,491	\$ 135,058	\$ 176,549
Fringe benefits	24,306	52,974	77,280
Services	1,644	16,542	18,186
Materials & supplies	3,886	17,535	21,421
Insurance	-	15,724	15,724
Utilities	1,118	9,500	10,618
Miscellaneous	-	1,765	1,765
Depreciation	-	65,596	65,596
	\$ 72,445	\$ 314,694	\$ 387,139
TOTAL EXPENSES	\$ 72,445	\$ 314,694	\$ 387,139

CITY OF HILLSDALE, MICHIGAN
OPERATING AND CONTRACT EXPENSES
DIAL-A-RIDE ENTERPRISE FUND
BASED ON A SEPTEMBER 30, 2015 YEAR END

	NONURBAN		TOTAL
	10/1/2014 - 6/30/2015	7/1/2015 - 9/30/2015	
Labor	\$ 140,848	\$ 41,491	\$ 182,339
Fringe benefits	55,654	24,306	79,960
Services	22,182	1,645	23,827
Materials & supplies	13,476	3,885	17,361
Insurance	12,446	-	12,446
Utilities	9,719	1,118	10,837
Miscellaneous	1,052	-	1,052
Depreciation	53,139	-	53,139
TOTAL EXPENSES	\$ 308,516	\$ 72,445	\$ 380,961

CITY OF HILLSDALE, MICHIGAN
 NONURBAN REGULAR SERVICE REVENUE REPORT
 DIAL-A-RIDE ENTERPRISE FUND
 BASED ON A SEPTEMBER 30, 2015 YEAR END

<u>CODE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
401	Farebox Revenue	
40100	Passenger Fares	\$ 54,342
409	Local Revenues	
40910	Local operating assistance	109,260
411	State Formula and Contracts	
41101	State operating assistance	119,131
413	Federal Contracts	
41301	Federal Section 5311 (operating funds only)	<u>52,244</u>
	TOTAL REVENUES	<u><u>\$ 334,977</u></u>

CITY OF HILLSDALE, MICHIGAN
NONURBAN REGULAR SERVICE EXPENSE REPORT
DIAL-A-RIDE ENTERPRISE FUND
BASED ON A SEPTEMBER 30, 2015 YEAR END

CODE	DESCRIPTION	OPERATIONS	MAINTENANCE	GENERAL ADMINISTRATION	TOTAL
501	Labor				
50101	Operators' salaries and wages	\$ 106,886	\$ -	\$ -	\$ 106,886
50102	Other salaries and wages	-	3,789	18,769	22,558
50103	Dispatchers' salaries and wages	52,895	-	-	52,895
502	Fringe Benefits				
50200	Other fringe benefits	67,444	2,370	10,146	79,960
503	Services				
50399	Other	6,045	512	8,398	14,955
504	Materials and Supplies				
50401	Fuel and lubricants	19,798	-	-	19,798
50402	Tires and tubes	2,084	-	-	2,084
50499	Other materials and supplies	2,068	2,182	-	4,250
505	Utilities				
50500	Utilities	6,235	-	-	6,235
506	Insurance				
50603	Liability insurance	8,187	-	-	8,187
50699	Other insurance	-	-	4,259	4,259
509	Miscellaneous Expenses				
50902	Travel, meetings and training	4,868	-	-	4,868
50999	Miscellaneous	-	-	-	-
512	Operating Leases and Rentals				
51200	Operating leases and rentals	887	-	-	887
513	Depreciation				
51300	Depreciation	53,139	-	-	53,139
540	Ineligible refunds & credits				
54000	Ineligible refunds & credits (insurance)	-	-	-	-
550	Ineligible Expenses				
55007	Ineligible depreciation	53,139	-	-	53,139
574	Ineligible Expenses				
57402	Ineligible RTAP	-	-	-	-
	Total expenses				<u>\$ 380,961</u>
	Total ineligible expenses				<u>\$ 53,139</u>
	Total eligible expenses				<u>\$ 327,822</u>

CITY OF HILLSDALE, MICHIGAN
NONURBAN REGULAR SERVICE NON-FINANCIAL INFORMATION
DIAL-A-RIDE ENTERPRISE FUND
BASED ON A SEPTEMBER 30, 2015 YEAR END

	<u>WEEKDAY</u>	<u>SATURDAY</u>	<u>SUNDAY</u>	<u>TOTAL</u>
Non-Financial Information				
Annual Reconciliation				
10/1/2014 - 9/30/2015				
Vehicle Hours	5,201	-	-	5,201
Vehicle Miles	<u>52,072</u>	<u>-</u>	<u>-</u>	<u>52,072</u>
Passengers Reg.	16,704	-	-	16,704
Passengers - Sr.	3,072	-	-	3,072
Passengers - Per. Disb.	8,005	-	-	8,005
Passengers - Sr. Disb.	<u>3,813</u>	<u>-</u>	<u>-</u>	<u>3,813</u>
Total Demand - Response	<u>31,594</u>	<u>-</u>	<u>-</u>	<u>31,594</u>
Days Operated	<u>250</u>	<u>-</u>	<u>-</u>	<u>250</u>
	<u>Quantity</u>			
Total Demand - Response Vehicles	4			
Demand-Response Vehicles w/Lifts	4			
Diesel/Gasoline Gallons Consumed	8,414			
Total Transit (full-time equivalent) Employees	4			
Total Revenue Vehicles (full-time equivalent) Operators	4			

CITY OF HILLSDALE, MICHIGAN
OPERATING ASSISTANCE CALCULATION
DIAL-A-RIDE ENTERPRISE FUND
BASED ON A SEPTEMBER 30, 2015 YEAR END

	<u>NONURBAN</u>
Total expenses	\$ 380,961
Less ineligible expenses:	
Depreciation	53,139
RTAP	-
Insurance refund	-
Total State eligible expenses	<u>327,822</u>
Eligible expenses for State reimbursement	327,822
Reimbursement percentage	<u>0.3634</u>
State operating assistance	<u>119,131</u>
Total federal eligible expenses	327,822
Less additional federal ineligible expenses per A-87:	
Audit costs	1,296
Eligible expenses for federal reimbursement	<u>326,526</u>
Reimbursement percentage	<u>0.1600</u>
Section 5311 operating assistance	<u>\$ 52,244</u>

CITY OF HILLSDALE, MICHIGAN
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2016

	DEPARTMENT OF PUBLIC SERVICE LEAVE & BENEFITS	PUBLIC SERVICE INVENTORY	REVOLVING MOBILE EQUIPMENT	UNEMPLOYMENT INSURANCE	TOTAL
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 18,570	\$ 57,325	\$ 204,288	\$ -	\$ 280,183
Investments	-	-	-	71,319	71,319
Inventory	-	175,458	-	-	175,458
Prepaid expenses	15,439	-	19,680	-	35,119
TOTAL CURRENT ASSETS	34,009	232,783	223,968	71,319	562,079
Capital assets:					
Equipment	-	-	1,923,645	-	1,923,645
Less: accumulated depreciation	-	-	(1,770,586)	-	(1,770,586)
TOTAL CAPITAL ASSETS, NET	-	-	153,059	-	153,059
TOTAL ASSETS	34,009	232,783	377,027	71,319	715,138
LIABILITIES					
Current liabilities:					
Accounts payable	139	1,886	4,107	-	6,132
Accrued payroll and related liabilities	-	23	422	-	445
TOTAL CURRENT LIABILITIES	139	1,909	4,529	-	6,577
Other liabilities:					
Compensated absences	11,291	-	6,125	-	17,416
TOTAL LIABILITIES	11,430	1,909	10,654	-	23,993
NET POSITION					
Net investment in capital assets	-	-	153,059	-	153,059
Unrestricted	22,579	230,874	213,314	71,319	538,086
TOTAL NET POSITION	\$ 22,579	\$ 230,874	\$ 366,373	\$ 71,319	\$ 691,145

CITY OF HILLSDALE, MICHIGAN
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 INTERNAL SERVICE FUNDS
 YEAR ENDED JUNE 30, 2016

	DEPARTMENT OF PUBLIC SERVICE LEAVE & BENEFITS	PUBLIC SERVICE INVENTORY	REVOLVING MOBILE EQUIPMENT	INSURANCE	TOTAL
OPERATING REVENUES					
Charges for services	\$ -	\$ 79,796	\$ 360,148	\$ -	\$ 439,944
Miscellaneous	135,258	-	24,349	4,400	164,007
TOTAL OPERATING REVENUES	135,258	79,796	384,497	4,400	603,951
OPERATING EXPENSES					
Salaries	34,872	2,169	59,660	-	96,701
Fringe benefits	100,386	1,565	39,191	-	141,142
Supplies	-	64,955	85,128	-	150,083
Contracted services	-	3,860	17,195	-	21,055
Maintenance	-	-	12,756	-	12,756
Insurance	-	-	38,665	-	38,665
Miscellaneous	-	-	5,918	777	6,695
Capital outlay	-	-	4,990	-	4,990
Depreciation	-	-	95,595	-	95,595
TOTAL OPERATING EXPENSES	135,258	72,549	359,098	777	567,682
OPERATING INCOME (LOSS)	-	7,247	25,399	3,623	36,269
NONOPERATING REVENUES					
Gain (loss) on disposal of assets	-	-	-	-	-
Interest income	-	-	-	219	219
	-	-	-	219	219
CHANGES IN NET POSITION	-	7,247	25,399	3,842	36,488
NET POSITION - BEGINNING OF YEAR	22,579	223,627	340,974	67,477	654,657
NET POSITION - END OF YEAR	\$ 22,579	\$ 230,874	\$ 366,373	\$ 71,319	\$ 691,145

CITY OF HILLSDALE, MICHIGAN
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 YEAR ENDED JUNE 30, 2016

	DEPARTMENT OF PUBLIC SERVICE LEAVE & BENEFITS	PUBLIC SERVICE INVENTORY	REVOLVING MOBILE EQUIPMENT	INSURANCE	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash paid to suppliers	\$ -	\$ (92,628)	\$ (162,367)	\$ -	\$ (254,995)
Cash paid to employees	(128,864)	(4,295)	(100,191)	-	(233,350)
Receipts for interfund services provided	135,258	80,565	384,497	-	600,320
	<u>6,394</u>	<u>(16,358)</u>	<u>121,939</u>	<u>-</u>	<u>111,975</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of capital assets	-	-	(32,059)	-	(32,059)
	<u>-</u>	<u>-</u>	<u>(32,059)</u>	<u>-</u>	<u>(32,059)</u>
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES					
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS					
	6,394	(16,358)	89,880	-	79,916
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR					
	12,176	73,683	114,408	-	200,267
CASH AND CASH EQUIVALENTS - END OF YEAR					
	<u>\$ 18,570</u>	<u>\$ 57,325</u>	<u>\$ 204,288</u>	<u>\$ -</u>	<u>\$ 280,183</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating income (loss)	\$ -	\$ 7,247	\$ 25,399	\$ -	\$ 32,646
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	-	-	95,595	-	95,595
(Increase)/decrease in:					
Accounts receivable	-	614	-	-	614
Due from other funds	-	-	-	-	-
Inventory	-	(21,435)	-	-	(21,435)
Prepaid expenses	8,684	-	5,490	-	14,174
Increase/(decrease) in:					
Accounts payable	139	(2,223)	(3,205)	-	(5,289)
Accrued expenses	(2,429)	(561)	(1,340)	-	(4,330)
	<u>6,394</u>	<u>(16,358)</u>	<u>121,939</u>	<u>-</u>	<u>111,975</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					

CITY OF HILLSDALE, MICHIGAN
ADDITIONAL REPORTS REQUIRED BY
THE UNIFORM GUIDANCE
YEAR ENDED JUNE 30, 2016

CITY OF HILLSDALE, MICHIGAN

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor and
Members of City Council
City of Hillsdale
Hillsdale, Michigan

We have audited, in accordance with the 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, 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 Hillsdale, Michigan, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Hillsdale, Michigan's basic financial statements and have issued our report thereon dated December 19, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies in the accompanying schedule of findings and questioned costs to be material weaknesses - Findings 2016-2, 2016-3 and 2016-4.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a significant deficiency - Finding 2016-1.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Hillsdale, Michigan's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

City of Hillsdale, Michigan's Response to Findings

City of Hillsdale, Michigan's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. City of Hillsdale, Michigan's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Condon, Hecht, Bisher, Wade & Co., P.C.

Certified Public Accountants

Hillsdale, Michigan
December 19, 2016

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Mayor and
Members of City Council
City of Hillsdale
Hillsdale, Michigan

Report on Compliance for Each Major Federal Program

We have audited the City of Hillsdale's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of City of Hillsdale's major federal programs for the year ended June 30, 2016. The City of Hillsdale's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of City of Hillsdale's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Hillsdale's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of City of Hillsdale's compliance.

Opinion on Each Major Federal Program

In our opinion, City of Hillsdale complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of City of Hillsdale is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City of Hillsdale's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Hillsdale's internal control over compliance.

A deficiency in internal over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, however, material weaknesses may exist that were not identified.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of Hillsdale, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise City of Hillsdale basic financial statements. We issued our report thereon dated December 19, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Candon, Hecht, Bisher, Wade & Co., P.C.

Certified Public Accountants

Hillsdale, Michigan
December 19, 2016

**CITY OF HILLSDALE, MICHIGAN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Federal CFDA Number</u>	<u>Federal or Pass-Through Grant Number</u>	<u>Award Amount</u>	<u>Federal Expenditures</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Passed-through the Michigan Strategic Fund				
CDBG Blight Elimination	14.228	MSC-215008-ESB	\$ 785,500	\$ 457,754
CDBG Acquisition	14.228	MSC-214066-CSP	80,200	80,150
Passed-through Michigan State Housing Development Authority				
CDBG Rental Rehab	14.228	MSC-2013-5994-HO	94,400	89,400
Total U.S. Department of Housing and Urban Development			<u>960,100</u>	<u>627,304</u>
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>				
Passed-through the Michigan Department of Environmental Quality				
Wellhead Protection	66.468	WSSN-3170	15,700	11,155
Capitalization Grants for Clean Water State Revolving Loan Funds	66.468	5610-01	7,435,000	667,452
Total U.S. Environmental Protection Agency			<u>7,450,700</u>	<u>678,607</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
Passed-through Michigan Department of Transportation				
Operating assistance - Section 5311	20.509	2012-0097/P6/R1	63,409	34,013
Operating assistance - Section 5311	20.509	2012-0097/P7/R1	68,265	25,519
Total U.S. Department of Transportation			<u>131,674</u>	<u>59,532</u>
<u>U.S. DEPARTMENT OF ENERGY</u>				
Passed-through Michigan Energy Office				
LED Street Lighting Grant Program	81.041	MEO-15-007	20,000	20,000
LED Street Lighting Grant Program	81.041	MEO-16-004	30,000	29,858
Total U.S. Department of Energy			<u>50,000</u>	<u>49,858</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>				
Bullet Proof Vest Program 2015	16.607	2015		2,501
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 8,592,474</u>	<u>\$ 1,417,802</u>

See Accompanying Notes to the Schedule of Expenditures of Federal Awards.

CITY OF HILLSDALE, MICHIGAN
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
JUNE 30, 2016

Note 1: Basis of presentation – The schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Hillsdale under programs of the federal government for the year ended June 30, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and reconciles with the amounts presented in the preparation of the financial statements.

Note 2: The following was audited as a major program:

Formula School Improvement – CFDA #66.458

Note 3: The threshold for distinguishing Type A and Type B programs was \$750,000.

Note 4: Federal expenditures are reported as revenue in the following funds in the financial statements:

Governmental funds	\$	629,805
Proprietary funds		787,997
	\$	1,417,802

Note 5: Outstanding loans – the City has an outstanding loan commitment under the Clean Water State Revolving Loan Fund from the Michigan Department of Environmental Quality, as a pass through agency for the Environmental Protection Agency (CFDA #66.458. As of June 30, 2016 the outstanding loan payable was \$556,471.

CITY OF HILLSDALE, MICHIGAN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2016

Section I - Summary of Auditor's Results

Financial Statements

Type of auditors' report issued:	Unqualified	
Internal control over financial reporting:		
Material weakness(es) identified?	<u> X </u> Yes	<u> </u> No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	<u> </u> Yes	<u> X </u> No
Noncompliance material to financial statements noted?	<u> </u> Yes	<u> X </u> No

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	<u> </u> Yes	<u> X </u> No
Type of auditors' report issued:	Unqualified	
Any audit findings disclosed that are required to be reported in accordance with §200.516 of the Uniform Guidance?	<u> </u> Yes	<u> X </u> No

Major Programs

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.377	Formula School Improvement
Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$750,000</u>
Auditee qualified as low-risk auditee?	<u> </u> Yes <u> X </u> No

CITY OF HILLSDALE, MICHIGAN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2016

Section II - Financial Statement Findings

Finding 2016-1 Financial Statement Preparation (Repeat finding)

Internal Control Finding considered a significant deficiency

Requirement: The preparation of GAAP financial statements requires internal controls over (1) recording, processing, and summarizing accounting data, and (2) reporting the fund financial statements, including the related footnotes.

Condition: The City has historically relied on its independent external auditors to assist in the preparation of the financial statements and footnotes as part of its external financial reporting process. Accordingly, the City's ability to prepare financial statements is based, in part, on its reliance on its external auditors, who cannot by definition be considered part of the City's internal controls.

Cause: This condition is caused by the City's decision that it is more cost effective to outsource the preparation of its annual financial statements to the auditors than to incur the added time and expense of outsourcing to another accounting firm, or obtaining the necessary training for its Treasurer to perform this task.

Effect: The result of this condition is that the City lacks internal controls over the preparation of financial statements and notes, and instead relies, in part, on its external auditors for assistance with this task.

View of responsible officials: The City will continue to evaluate the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP. In addition, the City will carefully review the draft financial statements and notes prior to approving them and accept responsibility for their content and presentation.

Finding 2016-2 Utility Funds - Bank Reconciliations

Internal Control Finding considered a material weakness

Requirement: The accounting records should be reconciled to the bank statements on a timely basis, usually between 15-30 days following the end of each month.

Condition: During the year, bank reconciliations were prepared between six to nine months subsequent to month end.

Cause: The condition was caused by 1) turnover in accounting personnel; 2) New personnel were not familiar with the various complexities surrounding the bank reconciliation process.

Effect: The result of these conditions is that management did not have internal controls in place to prevent and/or detect unreconciled balances.

View of responsible officials: The City Board of Public Utilities is in the process of implementing BS&A software and plans to use the bank reconciliation feature within on a timely basis.

CITY OF HILLSDALE, MICHIGAN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONCLUDED)
YEAR ENDED JUNE 30, 2016

Finding 2016-3 Utility Funds - Year End Close and Audit Adjustments (repeat finding)

Internal Control Finding considered a material weakness

Requirement: The business office is responsible for the reconciliation of all general ledger accounts to their proper underlying balances for the purpose of creating a reasonably adjusted trial balance, from which the basic financial statements are derived.

Condition: During the course of the audit, there were many adjusting journal entries posted to the original trial balance we received. Specific and significant material items that required correction included cash, accounts receivable, accounts payable, bonds payable, and prior year audit adjustments not recorded in the accounting records.

Cause: This condition was caused by accounting personnel turnover.

Effect: At the time of audit, the financial statements were materially misstated.

View of responsible officials: The City Board of Public Utilities is currently seeking to place a qualified person in the business office whose duty will be to maintain an accurate set of accounting records.

Finding 2016-4 Utility Funds - Internal Journal Entries

Internal Control Finding considered a material weakness

Requirement: Controls over the journal entry process should include a standardized journal entry form, the reason for the entry and supporting documentation.

Condition: During our audit, when reviewing the detail of an account balance, there were journal entries made to the account without documentation or explanation.

Cause: The condition was caused by lack of policies and procedures to ensure the propriety or completeness of journal entries. Also, the business office did not have proper segregation of duties related to the preparation and posting of journal entries.

Effect: Financial statement amounts may be misstated and/or not properly supported. Failure to implement effective processes and procedures could increase the risks of fraud and mismanagement of funds.

View of responsible officials: The City Board of Public Utilities, while seeking to place a qualified person in the business office, intends to review all internal control processes.

Section III – Federal Award Findings and Questioned Costs

None

CITY OF HILLSDALE, MICHIGAN
SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2016

Finding 2015-1 Financial Statement Preparation

Finding considered a significant deficiency

Requirement: The preparation of GAAP financial statements requires internal controls over (1) recording, processing, and summarizing accounting data, and (2) reporting the fund financial statements, including the related footnotes.

Condition: The City has historically relied on its independent external auditors to assist in the preparation of the financial statements and footnotes as part of its external financial reporting process. Accordingly, the City's ability to prepare financial statements is based, in part, on its reliance on its external auditors, who cannot by definition be considered part of the City's internal controls.

Cause: This condition is caused by the City's decision that it is more cost effective to outsource the preparation of its annual financial statements to the auditors than to incur the added time and expense of outsourcing to another accounting firm, or obtaining the necessary training for its Treasurer to perform this task.

Effect: The result of this condition is that the City lacks internal controls over the preparation of financial statements and notes, and instead relies, in part, on its external auditors for assistance with this task.

Status: No Change

Finding 2015-2 Inventory Reporting

Finding considered a material weakness

Criteria: The amount of ending inventory recorded within the HBPU's general ledger must be supported by detailed subsidiary ledgers.

Condition: At the time of our audit, management was unable to provide a detailed inventory listing that agreed to the general ledger, and the internal controls over periodic reconciliation to the general ledger was lacking.

Cause: This condition was caused by the following circumstances – 1) the reports from the inventory module of the software were not reconciled to the general ledger on a monthly basis; 2) inventory average costs were not being accumulated correctly in the software due to a technical flaw within the system.

Effect: The result of these conditions is that management did not have internal controls in place to prevent and/or detect unreconciled balances.

Status: Resolved

CITY OF HILLSDALE, MICHIGAN
SCHEDULE OF PRIOR AUDIT FINDINGS (CONCLUDED)
YEAR ENDED JUNE 30, 2016

Finding 2015-3 Utility Funds - Year End Financial Close and Reporting Process

Finding considered a material weakness

Criteria: The business office should maintain a process of both manual and automated procedures to close the books and prepare the financial statements and related disclosures.

Condition: At the time of our audit, the following balance sheet accounts were not adjusted to agree to supporting documentation. They were subsequently adjusted as follows:

- Payroll cash - \$55,245
- Investment in MSCPA - \$68,874
- Accrued purchased power - \$225,369

In addition, through our audit procedures, we discovered unrecorded payables in the amount of \$69,291

Cause: The condition was caused by accounting personnel not fully developing and implementing financial close processes and procedures.

Effect: At the time of audit, the financial statements were materially misstated

Status: No change.

Finding 2015-4 Uniform Budget Act as it relates to Budgeted Revenues

(Compliance finding)

Criteria: Michigan Public Act 621 of 1978 defines procedures for the preparation, adoption and maintenance of the budgets of local units of government. Section 16 (and others) of the Act specify the elements required in the adoption of the budget. The general appropriations budget must include not only local mills to be levied, but also all other estimated revenues by source.

Condition: The general appropriations budget adopted by the City does not include estimated revenues by source for its General Fund.

Cause: This condition was caused by not reviewing the Michigan Department of Treasury *uniform Budget Manual* and the related requirements therein.

Effect: The general appropriations budget for the General Fund includes estimated expenditures for the current year, however it does not provide an estimate of the means to finance them.

Status: Resolved

City of Hillsdale

Agenda Item Summary

Meeting Date: January 9, 2017

NEW BUSINESS ITEM: Wheel loader purchase

SUBJECT: Department of Public Services

BACKGROUND PROVIDED BY: DPS Director Jake Hammel

This loader is one of the most essential and frequently used pieces of equipment within our fleet. It is used to load and move heavy materials during many operations within each of the DPS divisions. Tasks such as curbside leaf collection, brush collection, construction material loading and grading, de-icing material handling and loading and snow removal are each accomplished with this machine.

This new wheel loader will replace our 1994 machine which has amassed over 14,000 hours of service and has cost approximately \$35,000 in maintenance and repairs over the last three years.

We solicited quotes on four different machines, all in the 150 horsepower size class. All prices are for similarly equipped machines, and reflect a trade-in value \$16,500-\$20,000 for our 1994 loader. Prices also include refurbishing and converting our existing claw bucket for use on the new machine.

- Case \$149,918
- Caterpillar \$141,950
- Komatsu \$152,500
- John Deere \$130,350

Council approved a wheel loader purchase in the 16/17 budget for the amount of \$147,580. The purchase of a new machine will be paid with the DPS Revolving Mobile Equipment Fund (RMEF).

**RMEF allocates money used for purchase of vehicles/equipment used by Public Services and Police. It is self-supporting in that it generates its revenues from rent charged through the use of any equipment, interest, and the sale of used vehicles/equipment.*

RECOMMENDATION:

The department was able to demo three of the machines (Caterpillar, John Deere, and Komatsu) at our facility for about a week. After 10-12 hours of operation on each machine DPS staff unanimously selected the John Deere.

I recommend proceeding with the purchase of the John Deere wheel loader for \$130,350.

524K

WHEEL LOADER

FEATURES & SPECS

- Final Tier 4 emission-certified engine
- Load sensing for right power
- Smooth and adjustable ride control
- Smart Shift ensures gear changes are smooth

▶ See All Features

Net Power	105 kW (141 hp) @ 1,700 rpm
Bucket Capacity	2.1 m ³ (2.75 cu. yd.)
Bucket Width	2.54 m (8 ft. 4 in.)
Breakout Force	9060 kg (19,974 lb.)





GRAND RAPIDS
600 AIS Drive Southwest
Grand Rapids, MI 49548
Telephone: (616) 538-2400

LANSING
3600 North Grand River Avenue
Lansing, MI 48906
Telephone: (517) 321-8000

SAGINAW
4600 AIS Drive
Bridgeport, MI 48722
Telephone: (989) 777-0090

RICHMOND
65809 Gratiot Avenue
Lenox, MI 48050
Telephone: (586) 727-7311

TRAVERSE CITY
8300 M-72 East
Williamsburg, MI 49690
Telephone: (231) 267-9513

WEST DETROIT
56555 Pontiac Trail
New Hudson, MI 48165
Telephone: (248) 437-8121

City of Hillsdale
149 Waterworks Ave
Hillsdale, MI 49242

1-3-2017

AIS is pleased to offer for your consideration a new John Deere 524K. This loader will come equipped w/ the all the standard features John Deere offers plus the following items.

- Z-Bar Hydraulic Attachment JRB Coupler
- High Lift Boom
- Embedded Payload Scale
- 2.5 Yard bucket
- Axle Coolers and Filtration System for roading
- Rear Camera
- 24 volt to 12 Volt Converter for two way radio
- 5 speed transmission for roading
- 3 Function Joystick w/ FNR
- 3rd function Auxiliary Hydraulics
- ROPS Quiet Cab w/ Standard A/C, Heat and Defrost
- 2 Inside Mirrors and 2 Outside Mirrors
- Ride Control
- Beacon low profile w/ fold down bracket
- Titan Radials 23.5R25 L3
- Front Hydraulically Locking Differential and Rear Conventional Differential Axles
- Manual Axle Differential Lock
- Full Coverage Front Fenders
- Halogen Work and Drive Lights
- Rear Cast Bumper/Counterweight w/ Rear Hitch and Locking Pin
- JDLink Ultimate Cellular – 5 years
- Standard Warranty 12 months Full Comprehensive w/ no Travel Time Charge
- Rework your current Tink Bucket to fit our coupler and re-bush pivots.

Price for the John Deere 524K loader w/ your trade in of the Cat loader is \$130,350.00

Options:

- Radar Detection in Rear Camera \$3304.00 (Alerts operator when working in congested areas of unseen objects or objects that move into rear working zone).
- 3 Year, 3000 Hours Powertrain and Hydraulic Warranty \$1229.00

Respectfully Submitted,

Jeff Ely
Governmental Sales Manager



Southeastern Equipment Co., Inc.

*Customer should exercise his purchase options within 30 days to secure pricing.
Taxes, freight, and other fees are additional, if applicable.
All items subject to prior sale.*

Expiration Date: 5/19/2016

NEW 2016 Case 621F XT Wheel Loader

Prepared By

Dave Curtis
Southeastern Equipment
1776 S. Cedar St
Holt, MI 48842
Phone(517) 694-0471
dcurtis@southeasternequip.com



Prepared For

Jake Hammel
City Of Hillsdale MI
97 Broad St
Hillsdale, MI 49242
517-437-6490
jhammel@cityofhillsdale.org

Quoted Price \$158,872.70

Stock Number: New Order,
Case 621F XT T4F Wheel Loader
782122 Limited Slip Differentials
782454 Cooling System w/Hyd. Cooler
782440 Cab with heater and a/c
482953 Cloth Heated Air Seat, 2" Belt
782774 Headrest
782114 AM/FM Stereo Radio
X05042X No Convenience Package
X05008X No Right Hand Brake Pedal
782441 Standard Hydraulic Steering
782495 3 Spool Valve, Joystick, Lever
782510 Std Fenders w/RH & LH Steps
482595 No Tire Brand Preference
424248 Bucket 3.0 cu. yd. w/CNH Coupler(JRB)
424250 Full length bolt-on edge
482059 Heavy Counterweight
482105 English Literature
482322 Cold Weather package
734005 Right/Left Heated Mirrors
734069 LED Lighting 4 front 2 rear
782108 Rotating amber beacon
782503 Ride Control
782897 Rear Frame Side Covers
482141 Tool box
424234 Rear Camera with Accessory Mount
780100 Fire Extinguisher
482027 Skid Plate/Transmission Guard

NJPA sale price* \$156,322.70*
Convert Existing Tink Claw \$2,550.00
Total with conversion \$158,872.70

Must Register With NJPA To Receive Municipal Discounts

Deduct \$16,500.00 For CAT IT28F Loader Trade From Quoted Price

Option NOT Included In Quoted Price:
Weighlog Vue 47923056 Scale System \$7,545.00
Printer Kit for WL Vue \$1,069.00



December 20, 2016

City of Hillsdale
97 N BROAD ST
Hillsdale, Michigan 49242

Dear , Jake

Thank you for this opportunity to quote a solution from Michigan CAT for your business needs. We are pleased to submit the following for your purchase consideration.

One (1) New CATERPILLAR Model: 926M Wheel Loader with the following factory and dealer options included below:

STOCK NUMBER:	SERIAL NUMBER:	YEAR:	SMU:
MACHINE			
926M WHEEL LOADER			430-2805
PREP PACK, UNITED STATES			430-2943
HYD,4V,COUPLER READY,STD LIFT			430-2824
STEERING, STANDARD			430-2996
DIFFERENTIAL, OPEN REAR			333-6528
ENVIRONMENT, STANDARD			430-2855
WEATHER, COLD START 120V			454-0610
ENGINE AR			430-3038
CAB, DELUXE			521-3244
SEAT, DELUXE			423-7201
LIGHTS, AUX HALOGEN			488-1113
RADIO, READY			342-0130
PRODUCT LINK, CELLULAR PL641			454-0589
TIRES, 20.5R25 TI MXL * L3			376-0827
FENDERS, EXTENDED COVER			366-8149
COUNTERWEIGHT, HEAVY			348-2579
TOOLBOX AUX, NONE			519-8081
KIT,SERIALIZED TECHNICAL MEDIA			0P-2491
RIDE CONTROL			430-2859
CAMERA, REAR VIEW			377-5635
WARNING, BEACON, LED STROBE			333-1425
QUICK COUPLER, FUSION			430-2977
BUCKET, GP, 2.7YD3, FUS			360-3320
CUTTING EDGE, BOLT ON(4 PIECE)			8E-4566
TRANSPORT PROTECTION			398-6472

1-888-MICH CAT
www.michigancat.com

Novi . Shelby Twp. . Grand Rapids . Saginaw . Lansing
Kalkaska . Brownstown Twp. Kalamazoo



GRAND RAPIDS
600 AIS Drive Southwest
Grand Rapids, MI 49548
Telephone: (616) 538-2400

SAGINAW
4600 AIS Drive
Bridgeport, MI 48722
Telephone: (989) 777-0090

TRAVERSE CITY
8300 M-72 East
Williamsburg, MI 49690
Telephone: (231) 267-9513

LANSING
3600 North Grand River Avenue
Lansing, MI 48906
Telephone: (517) 321-8000

RICHMOND
65809 Gratiot Avenue
Lenox, MI 48050
Telephone: (586) 727-7311

WEST DETROIT
56555 Pontiac Trail
New Hudson, MI 48165
Telephone: (248) 437-8121

City of Hillsdale
149 Waterworks Ave
Hillsdale, MI 49242

12-16-16

Jake,

AIS is pleased to offer for your consideration a Komatsu WA 200 or a WA 270. Both of these machines will come w/ full warranty and the full Komatsu Care package. The machines are equipped w/ a JRB coupler and 3rd function auxiliary hydraulics. Price includes the modification of your Tink bucket to hook up to the JRB coupler. Both loaders will have a back- up camera.

The WA200 has a bucket capacity of 2.5 Cu. Yards.
Full Turn Tip Capacity is 16,898 lbs.
HP is rated at 126 @ 2000 RPM.

Price for a WA 200 is \$123,000.00

The WA 270 has a bucket capacity of 3.0 Cu. Yards
Full Turn Tip Capacity is 20,216 lbs.
HP is rated at 149 @ 2000 RPM

Price for a WA 270 is \$142,000.00

Prices reflect the trade in of your Cat IT28 Wheel Loader.
High Lift add \$4000.00 (not available on the WA200)
Scale system add \$6500.00

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Jeff Ely'.

Jeff Ely
Governmental Sales Manager





CITY OF HILLSDALE

97 NORTH BROAD STREET
HILLSDALE, MICHIGAN 49242-1695
(517) 437-6442 FAX: (517) 437-6448
cityofhillsdale.org

EDC 9/6/16

Name: EDMOND SUMNAR

Address: [Redacted] HILLSDALE 49242
Street City Zip

Phone: Home [Redacted] Work

E-Mail [Redacted]

Are you a resident of City of Hillsdale? Yes X No

Occupation: (if retired, former occupation) RETIRED - INSURANCE

Please check the expertise and skills you can contribute:

- Accounting, Fund Raising, Marketing, Advocacy, Human Resources, Planning, Computers, Knowledge of the Cause, Public Relations, Legal, Community Relations, Public Speaking, Finance, Management, Other

Brief Educational Background: UNDERGRADUATE DEGREE + GRADUATE SCHOOL

What charitable or community activities have you actively participated in? Please describe any leadership role(s) you have (had) in the organization(s):
BOARD - HILLSDALE COUNTY NATIONAL BANK
BOARD - ECONOMIC DEVELOPMENT CORPORATION
BOARD - TAX INCREMENT FINANCE AUTHORITY
BOARD - HILLSDALE COUNTY INDUSTRIAL DEVELOPMENT COMMISSION
BOARD - HILLSDALE AREA DEVELOPMENT CORPORATION
On what other volunteer boards/committees have you served?
VOLUNTEER - ST. ANTHONY CHURCH OUTREACH
PARISH CHAIRMAN - VATICAN II - ST. ANTHONY CHURCH
VOLUNTEER - HOSPICE

Describe any previous activities related to government:

VOLUNTEER - ELECTED OFFICIALS COMPENSATION COMMITTEE - 2015

Please explain why you would be interested in serving on the council or committee:

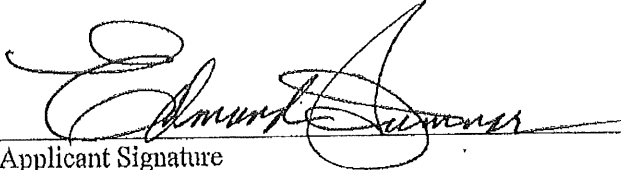
I AM INTERESTED IN SEEING HILLSDALE BRING SKILLED WORKER JOBS TO THE AREA. ALSO WOULD LIKE TO ESTABLISH A TRAINING FACILITY FOR ROBOTICS AND WELDING.

Please explain your understanding of the City of Hillsdale:

A CITY THAT OPERATES UNDER A CITY MANAGER, MAYOR, COUNCIL CHARTER.

Additional comments: ANNET - HILLSDALE COLLEGE

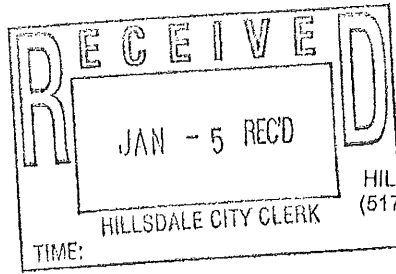
Please send your completed application to City of Hillsdale, City Manager at 97 North Broad Street, Hillsdale, MI 49242.


Applicant Signature

7-12-16
Date



CITY OF HILLSDALE



97 NORTH BROAD STREET
HILLSDALE, MICHIGAN 49242-1695
(517) 437-6442 FAX: (517) 437-6448
cityofhillsdale.org

Name: TROY BARKER

Address: [Redacted] Hillsdale 49242
Street City Zip

Phone: Home [Redacted] Work

E-Mail [Redacted]

Are you a resident of City of Hillsdale? Yes X No

Occupation: (if retired, former occupation) Stay Home Father

Please check the expertise and skills you can contribute:

- Accounting, Fund Raising, Marketing, Advocacy, Human Resources, Planning, Computers, Knowledge of the Cause, Public Relations, Legal, Community Relations, Public Speaking, Finance, Management, Other

Brief Educational Background:
2 YRS ADRIAN COLLEGE
MICHIGAN DEPT CORRECTION

What charitable or community activities have you actively participated in? Please describe any leadership role(s) you have (had) in the organization(s) if any:
Vol. HESD VISUAL IMPAIRMENT (MENTOR)

What other volunteer boards/committees have you served? N/A

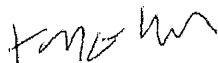
Describe any previous activities related to government: N/A

Please explain why you would be interested in serving on the committee: _____

COMMUNITY INVOLVEMENT, USE
DART FOR 15 YEARS

Please explain your understanding of the City of Hillsdale:

Please send your completed application to City of Hillsdale, City Manager at 97 North Broad Street, Hillsdale, MI 49242.



Applicant Signature

1/5/17
Date



CITY OF HILLSDALE

97 NORTH BROAD STREET
HILLSDALE, MICHIGAN 49242-1695
(517) 437-6442 FAX: (517) 437-6448
cityofhillsdale.org

Name: Penny Swan

Address: [REDACTED]
Street City Zip

Phone: Home [REDACTED] Work

E-Mail [REDACTED]

Are you a resident of City of Hillsdale? Yes No

Occupation: (if retired, former occupation) retired Respiratory Therapist

Please check the expertise and skills you can contribute:

- Accounting
- Fund Raising
- Marketing
- Advocacy
- Human Resources

- Planning
- Computers
- Knowledge of the Cause
- Public Relations
- Legal
- Community Relations
- Public Speaking
- Finance
- Management
- Other Medical

Brief Educational Background:

Pe Med,

What charitable or community activities have you actively participated in? Please describe any leadership role(s) you have (had) in the organization(s):

Mission Agape at Hillsdale First United Methodist Church.
Board member for Habitat for Humanity
Past Officer at the ELKS Lodge.

On what other volunteer boards/committees have you served?

Past Trustee at the Hillsdale First United Methodist Church.
Founder and manager of Mission Agape.
On many committees at Hillsdale First United Methodist Church

Describe any previous activities related to government: _____

Officer of Hillsdale GOP.
I have been coming to the Hillsdale City Council
meeting for 3 years.

Please explain why you would be interested in serving on the council or committee: _____

To be able to better my community.

Please explain your understanding of the City of Hillsdale:

A city in need of more community involvement.
Hillsdale was once an amazing thriving community and
I would love to see this again

Additional comments: _____

Please send your completed application to City of Hillsdale, City Manager at 97 North Broad Street, Hillsdale, MI 49242.

Penny S. Smith
Applicant Signature

1-4-2017
Date

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