



# CITY OF ALBION CITY COUNCIL MEETING AGENDA

Meetings: First and Third Mondays – 7:00 p.m.

City Council Chambers ♦ Second Floor ♦ 112 West Cass Street ♦ Albion, MI 49224

COUNCIL-MANAGER  
GOVERNMENT

Council members and  
other officials normally in  
attendance.

## REVISED AGENDA

**COUNCIL MEETING**  
**Monday, July 15, 2019**  
**7:00 P.M.**

**David Atchison**  
Mayor

**Vicky Clark**  
Council Member  
1<sup>st</sup> Precinct

**Lenn Reid**  
Council Member  
2<sup>nd</sup> Precinct

**Sonya Brown**  
Mayor Pro-Tem  
Council Member  
3<sup>rd</sup> Precinct

**Marcola Lawler**  
Council Member  
4<sup>th</sup> Precinct

**Jeanette Spicer**  
Council Member  
5<sup>th</sup> Precinct

**Shane Williamson**  
Council Member  
6<sup>th</sup> Precinct

**Scott Kipp**  
Interim City Manager

**The Harkness Law Firm**  
Atty Cullen Harkness

**Jill Domingo**  
City Clerk

NOTICE FOR PERSONS WITH  
HEARING IMPAIRMENTS  
WHO REQUIRE THE USE OF A  
PORTABLE LISTENING DEVICE

Please contact the City  
Clerk's office at  
517.629.5535 and a listening  
device will be provided  
upon notification. If you  
require a signer, please  
notify City Hall at least five  
(5) days prior to the posted  
meeting time.

### **PLEASE TURN OFF CELL PHONES DURING MEETING**

- I. CALL TO ORDER
- II. MOMENT OF SILENCE TO BE OBSERVED
- III. PLEDGE OF ALLEGIANCE
- IV. ROLL CALL
- V. APPROVAL OF THE AGENDA (Includes any proposed additions, deletions or other changes to the agenda)
- VI. PRESENTATIONS AND RECOGNITIONS
  - A. Oaklawn Capacity Building Update-Richard Lindsey
  - B. 2018 Annual Fiscal Audit Results
  - C. Local Officers Compensation Panel-Findings & Recommendations-Bill Stoffer
  - D. Property Tax Assessments for Non-Profits-Ed Vandervries, Assessor
  - E. Albion's Branding-Marketing Campaign-Eric Worley, Greater Albion Chamber of Commerce & Visitors Bureau
  - F. Downtown Authority Strategic Plan-Mike Tymkew, Chair
- VII. PUBLIC HEARING-None
- VIII. PUBLIC COMMENTS (Persons addressing the City Council shall limit their comments to **agenda items only** and to no more than three (3) minutes. Proper decorum is required.)
- IX. CLOSED SESSION-None
- X. CONSENT CALENDAR (VV) (Items on Consent Calendar are voted on as one unit)
  - A. Approval Study Session Minutes, July 1, 2019
  - B. Approval Regular Session Minutes, July 1, 2019
- XI. ITEMS FOR INDIVIDUAL DISCUSSION



# CITY OF ALBION

## CITY COUNCIL MEETING AGENDA

*Meetings: First and Third Mondays – 7:00 p.m.*

City Council Chambers ♦ Second Floor ♦ 112 West Cass Street ♦ Albion, MI 49224

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- A. Request Approval of Recommendations from Local Officers Compensation Panel
  - B. Request Approval Boards & Commissions Appointments
    - Lia Jensen-Abbott, Reappointment, Building Board of Appeals, Term to Expire 12-31-2024
    - Bruce Nelson, Initial Appointment, Building Board of Appeals, Term to Expire 12-31-2021
    - Ed Haas, Reappointment, Albion Economic Development Corporation, Term to Expire 7-1-2025
    - Bernie Konkle, Reappointment, Albion Economic Development Corporation, Term to Expire 7-1-2025
    - Cheryl Krause, Initial Appointment, Board of Review (Alternate), Term to Expire 12-31-2019
  - C. Discussion/Approval 2<sup>nd</sup> Reading & Adoption Ordinance # 2019-05, An Ordinance to Create Section (s) 58-228 Prohibition on Selling, Giving or Furnishing a Tobacco Product, Vapor Product or Alternative Nicotine Product to a Minor, and 58-229 Prohibition on Possession, Attempted Possession or Use of Tobacco Products, Vapor Products or Alternative Nicotine Products by a Minor
  - D. Discussion-Ordinance # 2019-06, An Ordinance to Amend Ordinance 58-165, Consumption of Alcoholic Beverages in Public Places
  - E. Request Approval to Pursue Collection of \$6,500.00 from Former City Manager
  - F. Request Approval to Pursue Damages from GovHR for Professional Negligence
  - G. Request Approval Resolution # 2019-26, To Approve Michigan Municipal League (MML) Liability & Property Insurance Renewal
  - H. Discussion/Approval of Proposed Language for Special Election Ballot to Prohibit Retail Facilities within the City of Albion for the Sale or Consumption of Recreational Marihuana
  - I. Discussion Environmental Concerns & Access Control for 407/406 Dalrymple Street
  - J. Discussion-Community Engagement
- XII. FUTURE AGENDA ITEMS



# CITY OF ALBION

## CITY COUNCIL MEETING AGENDA

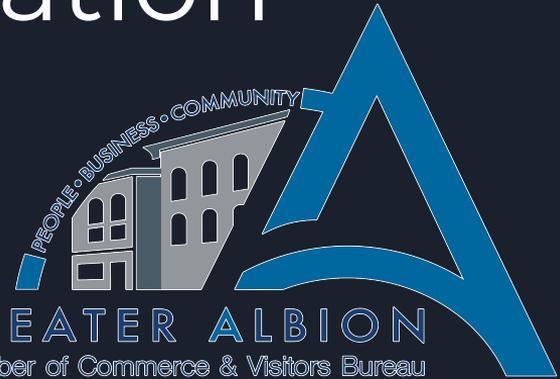
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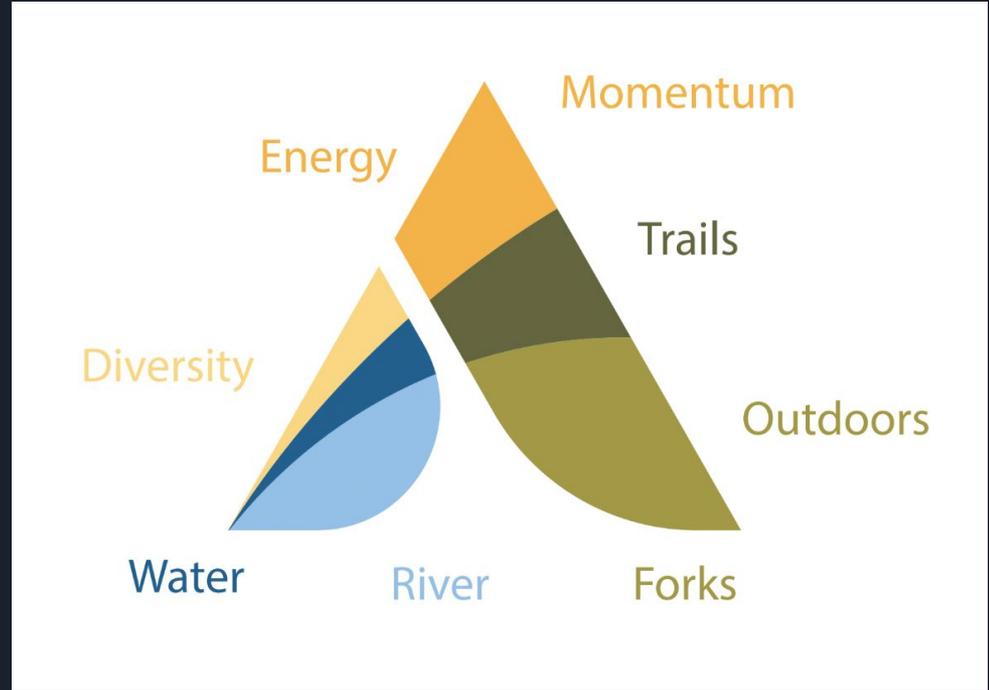
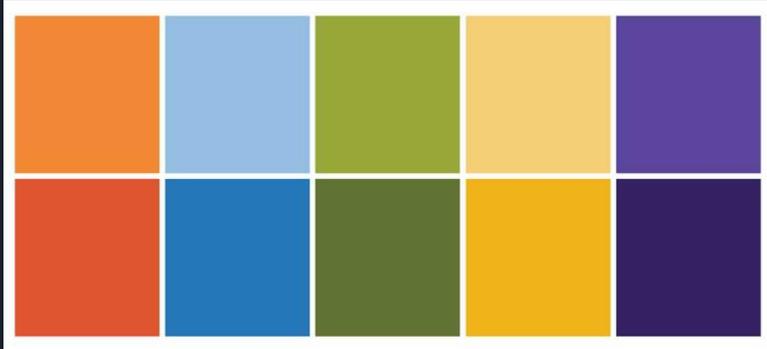
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- XIII. PUBLIC COMMENTS (Persons addressing the City Council shall limit their comments to no more than three (3) minutes. Proper decorum is required).
- XIV. CITY MANAGER REPORT
- XV. MAYOR AND COUNCIL MEMBER COMMENTS
- XVI. MOTION TO EXCUSE ABSENT COUNCIL MEMBER (S)
- XVII. ROLL CALL
- XVIII. ADJOURN

# Community Marketing Strategy & Implementation



# Project Rising Tide

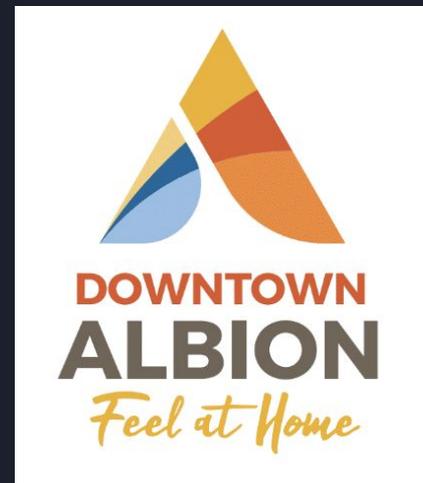
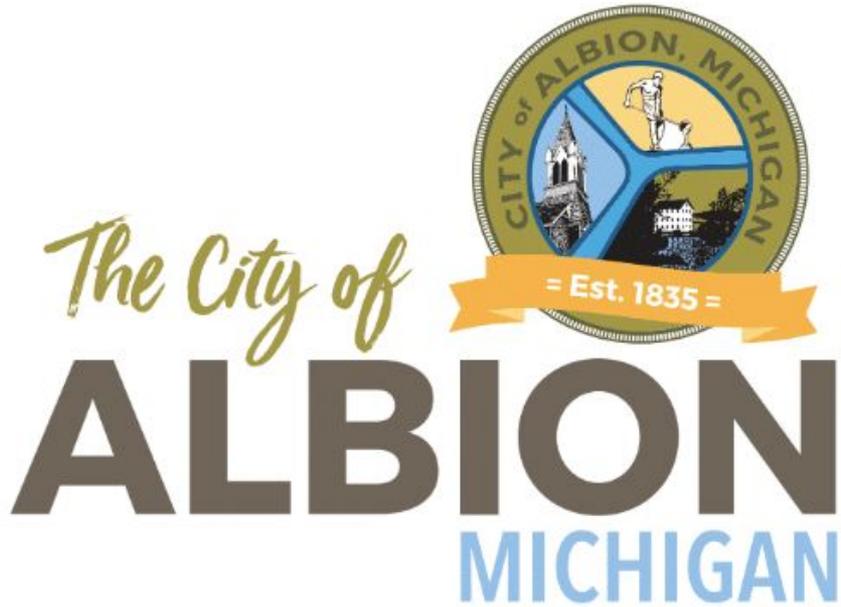




**ALBION**

*Naturally Connected*





# Marketing Implementation within the Community



- Downtown lamp post banners
- Over the street banners
- Vinyl trash wraps in parks
- City flags





# Pricing

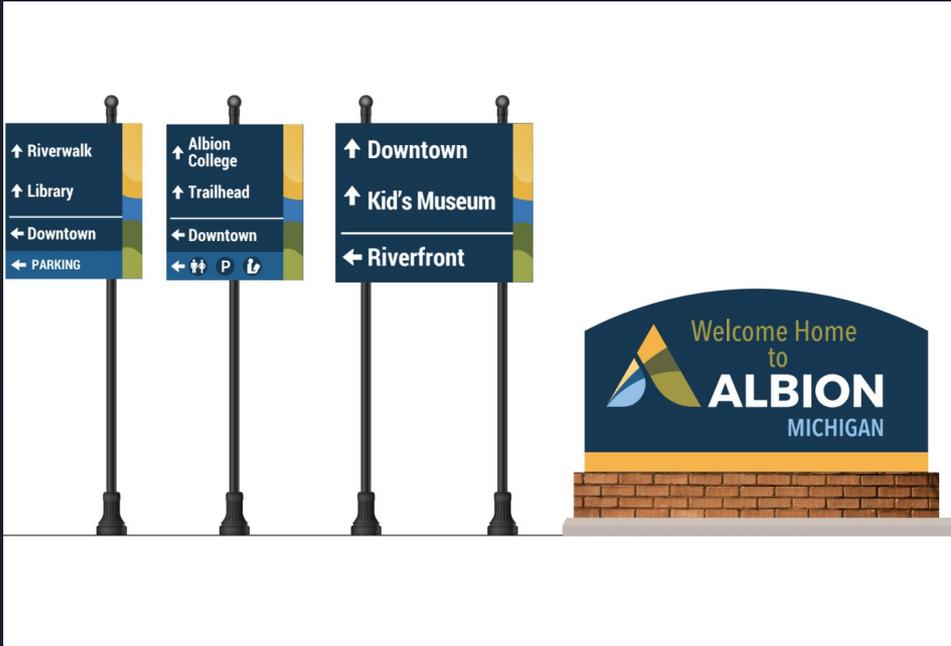
- 30 Downtown lamp post banners (18"x 24')= \$504
  - *Uprinting.com*
- 2 Over the street banners (30 ft)= \$430
  - *Esigns.com*
- 350 Vinyl trash wraps in parks (2 color)= \$1,170
  - *Firstflash.com*
- 6 City flags (3x5)= \$220
  - *Festflags.com*

**Total:**

**\$2,324**



# Future: Marketing Implementation within the Community



- City vehicle wraps
- Wayfinding signage
- Welcome sign





Thank You



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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Albion, Michigan (the City) for the year ended December 31, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, and *Government Auditing Standards* and Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 10, 2019. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Findings

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note A to the financial statements. As described in Note N to the financial statements, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions* and *Statement No. 82, Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73*, during the year ended December 31, 2018. Accordingly, the cumulative effects of the accounting changes are reported in the applicable notes to the financial statements. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the governmental activities, business-type activities, Sewer Fund, Water Fund, and the aggregate discretely presented component units financial statements were:

Management's calculation of current and noncurrent compensated absence payments is based on an estimate of the percentage of employees' use of compensated absences. We evaluated the key factors and assumptions used to develop the historical percentages for current and noncurrent compensated absence payments in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's calculation of depreciation expense for the current period is based on an estimate of the useful lives of the capital assets. We evaluated the key factors and assumptions used to develop the useful lives for the capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

The most sensitive estimate affecting the financial statements of the governmental activities and the General Fund was:

Management's calculation of the allowance for uncollectible accounts related to the income tax receivable is based on historical collection trends. We evaluated the key factors and assumptions used to develop the estimate in determining that they are reasonable in relation to the financial statements taken as a whole.

The most sensitive estimate affecting the financial statements of the governmental activities was:

Management's calculation of the net post-employment liability and net pension liability (asset) are based on actuarial studies which utilized certain actuarial assumptions. We evaluated the key factors and assumptions used to develop the calculations of the net post-employment benefit liability and net pension liability (asset) in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material misstatements detected as a result of audit procedures were corrected by management: Beginning net position.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated June 27, 2019.

#### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

#### Other Matters

We applied certain limited procedures to the management's discussion and analysis, budgetary comparison schedules, and pension system and other post-employment benefit system schedules, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Other Supplementary Information, as identified in the table of contents, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Honorable Mayor, members of City Council, and management of the City of Albion and is not intended to be, and should not be, used by anyone other than these specified parties.

*Maney Costain PC*

June 27, 2019

**City of Albion  
Calhoun County, Michigan**

**FINANCIAL STATEMENTS**

**December 31, 2018**

City of Albion  
Calhoun County, Michigan  
December 31, 2018

CITY COUNCIL AND ADMINISTRATION

David Atchison	Mayor
Vicky Clark	Council member
Lenn Reid	Council member
Sonya Brown	Council member
Marcola Lawler	Council member
Jeanette Spicer	Council member
Shane Williamson	Council member
Scott Kipp	Interim City Manager
Tom Mead	City Treasurer/ Finance Director
Jill Domingo	Clerk

City of Albion

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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Albion, Michigan (the City) as of and for the year ended December 31, 2018, 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 did not audit the financial statements of the Albion Housing Commission, which represents 67 percent, 76 percent, and 38 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Albion Housing Commission, is based solely on the report of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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, based on our audit and the report of other auditors, 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 Albion, Michigan, as of December 31, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphases of a Matter - Change in Accounting Principles**

As discussed in Note N to the financial statements, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions* (OPEB), during the year. Our opinions are not modified with respect to this matter.

Also, as discussed in Note N to the financial statements, the City implemented GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73*, during the year. Our opinions are not modified with respect to this matter.

### **Other Matters**

#### *Required Supplementary Information*

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

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are 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 June 27, 2019, on our consideration of the City of Albion, 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 City of Albion's internal control over financial reporting and compliance.

*Maney Costeiron PC*

June 27, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2018

This discussion and analysis is intended to provide an overview of the City's financial condition for the year ended December 31, 2018, as well as an analysis of what this financial condition means for the future financial operations of the City. The information provided in this discussion and analysis should be reviewed in conjunction with the audit information provided in the audit of the City's 2018 fiscal year.

Government-Wide Financial Statements

Under GASB 34 government-wide financial statements have been added to the financial reporting with the intent of providing a broad overview of the City's finances. The government-wide statements are presented on a full accrual basis of accounting, similar to a private business. This means revenues are accounted for when they are earned and expenses are accounted for when incurred, regardless of when the actual cash is received or disbursed. Two government-wide statements are provided. One government-wide statement, the Statement of Net Position, presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference shown as net position. Over time, increases or decreases in the City's net position may be an indicator of whether the City's financial health is improving or deteriorating. However, other factors both financial and non-financial should be considered in assessing the overall financial health of the City.

The second government-wide statement, the Statement of Activities, provides information on how the government-wide net position changed during the fiscal year. All changes in net position are reported based on the period for which the underlying events giving rise to the change occurs, regardless of the timing of related cash flows. Therefore, revenues and expenses are reported in the statements for some items that will only result in cash flows in future financial periods, such as uncollected taxes and earned but unused employee annual leave.

In the Statement of Net Position and the Statement of Activities, we report the following kinds of activities:

- Governmental Activities - Most of the City's basic services are reported here, including, but not limited to, police, fire, general administration, parks and recreation, public works, and major and local streets. Taxes, charges for services and intergovernmental revenue primarily fund these services.
- Business-type Activities - These activities operate like private business. The City charges fees to recover the cost of the services provided. The City's water and sewer activities are reported here.
- Component Units - Component units are legally separate organizations for which the City Council appoints a majority of the organization's board and there is a degree of financial accountability to the City. Discretely presented component units for the City of Albion are the Downtown Development Authority (DDA), the Economic Development Corporation (EDC), the Tax Increment Finance Authority (TIFA), and the Brownfield Redevelopment Authority.

Following the government-wide financial statements will be Governmental Fund Financial Statements. While the government-wide financial statements are presented on a full accrual basis of accounting, the Governmental Fund Financial Statements are presented on a modified accrual basis of accounting.

The differences between the full accrual basis and modified accrual basis of accounting are primarily related to inclusion of capital assets and recognition of certain receivables and long-term liabilities in the Government-wide Statement of Net Position, which are not included in the Governmental Funds Balance Sheet. Also, there is a difference related to the timing of reporting capital outlays and debt principal repayment in the Governmental Funds Financial Statements and a difference in the timing of the recognition of certain revenues and expenditures such as bond proceeds, accrued interest, and accrued employee leave time in the Governmental Funds Financial Statements versus the Government-wide Statements. (See following table)

City of Albion

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2018

Item Description	Government-Wide Statements	Government Fund Statements
Capital Assets	Depreciation reported	Depreciation not reported
Capital Outlay	Capital asset	Reported as expenditure
Internal Service Fund (Equip. Pool)	Government activity	Proprietary fund
Long-term liability (sick leave)	Liability	Actual expenditures
Bond proceeds	Liability	Other financing source

Fund Financial Statements

The Fund Financial Statements provide detailed information about the most significant funds (activities); not the City as a whole. A Fund is a fiscal and accounting entity with a self-balancing set of accounts that the City uses to keep track of specific sources of funding and spending for a particular purpose. GASB 34 defines these significant funds as "major funds" which are reported separately as part of the Fund Financial Statements portion of the audit.

The Major funds for the City of Albion include the General Fund, Albion Trust, Major Street, Sewer, and Water. All other funds will be classified as non-major funds and are reported in aggregate by the applicable fund type. All of the funds of the City of Albion can be divided into three categories; governmental funds, proprietary funds and fiduciary funds.

Governmental Funds - Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of these funds and the balances left at year-end that are available for spending. The City of Albion maintains several individual governmental funds. These funds are presented in the Balance Sheet under Governmental Fund Types under the categories of General Fund, Special Revenue Funds, Debt Service Funds, and Capital Project Funds.

Proprietary Funds - When the City charges customers for the services it provides, these services are generally reported in Proprietary Funds. The City of Albion uses two types of proprietary funds. Enterprise Funds are used to report the activities for the water and sewer operations. The Internal Service Fund is used to report the activities for the equipment pool operations.

Fiduciary Funds - The City of Albion is the trustee, or fiduciary, for the following funds: Public Safety Officers' Pension and the Retiree Health Care. All of the City's fiduciary funds are reported in a separate statement of Fiduciary Net Position. The government-wide statements exclude the fiduciary fund activities and balances because these assets are not available to the City of Albion to fund its operations.

Notes to the Financial Statements

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the detail provided in the government-wide and fund financial statements.

Other Information

Following the basic financial statements is additional required supplementary information, which further explains and supports the information in the financial statements. Other supplementary information includes combining financial statements for non-major governmental funds, component unit funds, and schedules of outstanding debt.

City of Albion

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2018

Government-Wide (City as a Whole) Financial Analysis

The Statement of Net Position provides information that can be helpful in evaluating the City's financial condition. The net position and changes over time can provide an indication of whether the City's financial health is improving or deteriorating. However, it should be noted that other factors both economic and non-economic could affect the City's financial health.

The largest portion of the City's net position is invested in capital assets (streets, buildings, land, equipment, and utility systems). These assets are used to provide services to residents in the community and therefore these assets are not available to pay operating expenses, etc. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the funds needed to repay current City debt must be provided from other sources, since the capital assets themselves cannot be used to cover these liabilities.

Net Position as December 31, 2018 and 2017

	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Current and Other Assets	\$ 14,268,714	\$ 15,975,180	\$ 2,176,157	\$ 2,749,132	\$ 16,444,871	\$ 18,724,312
Capital Assets	9,888,685	10,527,531	9,348,084	8,503,801	19,236,769	19,031,332
<b>Total Assets</b>	<b>24,157,399</b>	<b>26,502,711</b>	<b>11,524,241</b>	<b>11,252,933</b>	<b>35,681,640</b>	<b>37,755,644</b>
Deferred Outflows of Resources	2,457,119	613,866	-	-	2,457,119	613,866
Current Liabilities	785,609	836,189	312,598	637,892	1,098,207	1,474,081
Noncurrent Liabilities	1,902,008	2,439,877	235,295	80,380	2,137,303	2,520,257
<b>Total Liabilities</b>	<b>2,687,617</b>	<b>3,276,066</b>	<b>547,893</b>	<b>718,272</b>	<b>3,235,510</b>	<b>3,994,338</b>
Deferred Inflows of Resources	45,838	201,660	-	-	45,838	201,660
<b>Net Position</b>						
Net investment in Capital						
Assets	8,252,820	8,645,861	9,136,584	8,503,801	17,389,404	17,149,662
Restricted	11,985,074	13,927,085	61,990	61,990	12,047,064	13,989,075
Unrestricted	3,643,169	1,065,905	1,777,774	1,968,870	5,420,943	3,034,775
<b>Total Net Position</b>	<b>\$ 23,881,063</b>	<b>\$ 23,638,851</b>	<b>\$ 10,976,348</b>	<b>\$ 10,534,661</b>	<b>\$ 34,857,411</b>	<b>\$ 34,173,512</b>

The total net position for Governmental Activities increased by \$431,473, due to increases in revenue in the major and local street activities as compared to the PY. The total net position for business-type activities increased by \$247,784 mainly as a result of increased grants received by the Sewer activities.

City of Albion

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2018

Changes in Net Position for the Fiscal Year Ended December 31, 2018 and 2017

	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 979,817	\$ 917,437	\$ 2,143,154	\$ 2,121,399	\$ 3,122,971	\$ 3,038,836
Grants and Contributions	1,464,966	1,545,133	597,103	1,490,154	2,062,069	3,035,287
General Revenues						
Property Taxes	1,610,660	1,805,487	-	-	1,610,660	1,805,487
Income Taxes	967,992	892,389	-	-	967,992	892,389
State Shared Revenues	1,106,229	1,087,452	-	-	1,106,229	1,087,452
Investment Earnings	69,123	59,356	23,156	15,236	92,279	74,592
Other	220,200	233,976	17,149	35,434	237,349	269,410
Gain (loss) on sale of asset	(32,475)	-	10,000	-	(22,475)	-
Transfers	159,850	159,850	(159,850)	(159,850)	-0-	-0-
<b>Total Revenues</b>	<b>6,546,362</b>	<b>6,701,080</b>	<b>2,630,712</b>	<b>3,502,373</b>	<b>9,177,074</b>	<b>10,203,453</b>
<b>Expenses</b>						
General Government	853,766	989,369	-	-	853,766	989,369
Public Safety	2,805,683	2,188,834	-	-	2,805,683	2,188,834
Public Works	1,494,634	1,525,113	-	-	1,494,634	1,525,113
Health and Welfare	9,297	8,414	-	-	9,297	8,414
Community and Econ. Development	466,347	486,818	-	-	466,347	486,818
Recreation and Cultural	404,326	650,506	-	-	404,326	650,506
Interest on Long Term Debt	80,836	93,683	-	-	80,836	93,683
Other	-	-	2,382,928	2,974,468	2,382,928	2,974,468
<b>Total Expenses</b>	<b>6,114,889</b>	<b>5,942,737</b>	<b>2,382,928</b>	<b>2,974,468</b>	<b>8,497,817</b>	<b>8,917,205</b>
Change in Net Position	431,473	758,343	247,784	527,905	679,257	1,286,248
Restated Net Position - Beginning	23,449,590	22,880,508	10,728,564	10,006,756	34,178,154	19,696,768
<b>Net Position Ending</b>	<b>\$ 23,881,063</b>	<b>\$ 23,638,851</b>	<b>\$ 10,976,348</b>	<b>\$ 10,534,661</b>	<b>\$ 34,857,411</b>	<b>\$ 34,173,512</b>

Governmental Activities

**Revenues:**

The three largest revenue sources under the governmental activities category are property taxes at 25%, operating grants and contributions at 22% and state shared revenues at 17%. For 2018, overall governmental revenues were down about 2%.

**Expenses:**

The largest governmental activities expense item is public safety at 46% of total expenses. The next largest expense item is public works at 24% of total expenses. Total expenses increased by about \$172,152 from approximately \$5.94 million in 2017 to approximately \$6.11 million in 2018. In a continuing effort to maintain a balanced budget, the City strives to reduce expenses in almost every category. The City will continue to diligently monitor expenses and look for cost savings for its taxpayers.

City of Albion

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2018

Business-Type Activities

The Statement of Net Position shows that for business-type activities as of December 31, 2018, there was a total net position of \$10,976,348, which represents an increase of \$247,784 from the prior year. The Statement of Net Position is significantly affected by the recording of depreciation expense. For utility funds, the City's charter requires that rates be "...fixed as to at least meet all the costs of such utility, including depreciation". Therefore, the City's utility funds record depreciation even if revenues are not sufficient to fund depreciation for the fiscal year. More detail about the Business-Type Activities is provided in a later section.

Financial Analysis of the City's Major Funds

**General Fund:**

The General Fund is the primary operating fund of the City of Albion. As of December 31, 2018, the General Fund had a nonspendable fund balance of \$223,436, an assigned fund balance of \$127,565 and an unassigned fund balance of \$1,153,612. Total fund balance had an increase of \$67,827 from the fund balance on December 31, 2017.

From a budgetary standpoint, General Fund budgeted revenues and other financing sources were more than actual revenues by \$28,839 and expenditures and other financing uses came in under budget by \$272,603.

**Albion Trust Fund:**

The Albion Trust Fund is used to account for funding for City improvements as a whole and to set dollars aside for the Maple Grove Apartment Facility Bonds. The fund balance increased as the result of current year activity by \$20,967. Fund balance for this fund was \$1,117,398 at year-end.

**Major Street:**

Fund balance increased by \$152,536 during the year. The Major Street fund balance was \$708,199 as of December 31, 2018.

**Sewer:**

The City operates a wastewater treatment plant and collection system that serves the City and a small portion of a neighboring township. The majority of the fund's assets are invested in facilities and equipment. For the last several years, the City has increased rates; however, the system has not been able to cover all of its operating costs, including depreciation. The City recognizes that additional rate increases will be required. Net position for the sewer system decreased by \$145,447 to a December 31, 2018, level of \$5,105,611, primarily due to a large SAW grant covering an on-going study of the wastewater system, and due to a large grant to refurbish the digester equipment. As part of the wastewater study, the City will receive a rate study, which should be available by year-end to help the City determine what level the rates should be set at.

**Water:**

The City operates a water treatment plant and distribution system that serves the City and a small portion of the neighboring townships. For the last several years, the City has increased rates, however, an operating loss of \$110,957 in the current year was still recognized. Net position for the water system increased by \$393,231 to a December 31, 2018, level of \$5,870,737. The City would like to conduct a rate study in the very near future to determine the appropriate fees and rates to charge. In addition, the City is also exploring some grants in an effort to obtain funding for some major infrastructure maintenance. One of the top priorities is to have the City's water tower repainted and serviced to not only extend its life, but also to ensure we continue to provide clean, safe drinking water for the residents.

City of Albion

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2018

Capital Assets and Debt Administration

At the end of the year, the City had invested \$9,888,685 and \$9,348,084 (net of accumulated depreciation) for governmental and business-type capital assets respectively. Depreciation charges for the fiscal year totaled \$609,689 for the governmental activities and \$539,941 for the business-type activities. The following chart provides more detail on these capital assets.

	<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>
Land and construction in progress	\$ 549,068	\$ 93,700	\$ 642,768
Buildings and improvements, net	3,850,999	4,273,314	8,124,313
Infrastructure, net	4,658,460	-	4,658,460
Vehicles and equipment, net	830,158	259,937	1,090,095
Sewer system, net	-	2,559,529	2,559,529
Water system, net	-	2,161,604	2,161,604
	<b><u>\$ 9,888,685</u></b>	<b><u>\$ 9,348,084</u></b>	<b><u>\$ 19,236,769</u></b>

Long-term Debt:

As of December 31, 2018, the City had the following bond debt outstanding:

**Primary Government**

	<b>Jan. 1, 2018</b>	<b>Additions</b>	<b>Deletions</b>	<b>Dec. 31, 2018</b>
<b>Governmental Activities</b>				
General Obligation Bonds	\$ 1,155,000	\$ -	\$ (130,000)	\$ 1,025,000
EPA Liability	70,475	-	(5,057)	65,418
Building Authority Bonds	645,000	-	(95,000)	550,000
Land contract	73,655	-	(12,790)	60,865
Compensated Absences	295,091	261,298	(286,309)	270,080
Installment Note	8,015	-	(8,015)	-0-
	<u>2,247,236</u>	<u>261,298</u>	<u>(537,171)</u>	<u>1,971,363</u>
<b>Business-type Activities</b>				
Installment note	-	211,500	-	211,500
Compensated Absences	120,681	69,981	(96,320)	94,342
	<u>120,681</u>	<u>281,481</u>	<u>(96,320)</u>	<u>305,842</u>
<b>Total Primary Government</b>	<b><u>\$ 2,367,917</u></b>	<b><u>\$ 542,779</u></b>	<b><u>\$ (633,491)</u></b>	<b><u>\$ 2,277,205</u></b>

As of December 31, 2018, the City had total outstanding debt for governmental activities (including compensated absences) of \$1,971,363. For business-type activities, the outstanding debt (including compensated absences) was \$305,842 as of December 31, 2018. As a result of the significant cost for issuing bonds, the City for the past several years has used an installment purchase process to purchase land, buildings, and equipment. These obligations are reflected in the chart showing the City's outstanding debt.

City of Albion

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2018

Economic Factors and Next Year's Budget

For the 2019 budget, the following property tax millage rates were used: The General Fund Operating millage is set at 11.9736 mills, or essentially the same level in which it has been for the past 5 years. In addition, the City has several special Millages that have been approved by the voters. For 2018 these were:

- a. Street reconstruction - 3.00 mills
- b. Recreation - 2.00 mills (a voter approved increase from 1.50 mills in previous years).
- c. Solid Waste - 3.00 mills.

Thus, the 2019 anticipated total City millage levy was 19.9736 mills at the time that the budget was approved. Because of its effort to cut costs, the City was able to operate within budget during 2018. The City continues to face the challenges of rising insurance costs, along with increased costs for utilities and other major expenses. The City has been working with a third party in an effort to collect income tax non-filers and delinquencies. The City anticipates about a 5 to 10% increase in income tax revenues due to this more aggressive effort to collect these taxes. Additionally, the City will diligently monitor its expenses and look for alternative sources of revenues, such as recovery fees, etc. wherever possible. The direction of the State economy combined with future legislation will be key components in the City's success over the next several years.

The majority of the staff are members of one of the four labor unions affiliated with the City. The union contracts were renegotiated in late 2017 and signed in January of 2018. They are 3-year contracts, covering 2018, 2019 and expiring on 9-30-2019. These contracts include moderate wage increases each year. Accordingly, these increased costs were reflected in the 2019 budget.

Just like other employers, the City has struggled with the significant cost for medical insurance for its employees. For 2018/2019 the City was fortunate to only see moderate rate increases in the cost of its health insurance plan. However, the City has recently been informed that health insurance premiums will increase by 5% for 2019/2020. The cost of providing quality health care for the City's employees continues to be a challenge. The Affordable Care Act has resulted in major changes in the health care area. The City continues to monitor these changes and work diligently to comply with the new requirements.

The City continues to pursue grants to assist with capital projects, as well as activities that can spur economic development and job creation in the City. As a result of the special voted millage (the current 3.0 mill annual levy renewed in 2015 for 5 years) for street reconstruction, the City is able to have an active street reconstruction program each year. However, the monumental cost of street reconstruction still far exceeds the revenues generated by this street millage. The City tries to take advantage of any and all grant funding for street repair whenever possible. For the 2019 summer street construction season, the City intends to reconstruct North Street and Irwin Avenue. Both will utilize grant funding, however, the local match requirement for these two projects will still significantly impact the Fund Balance in the Street Improvement Fund.

In terms of growth, the new hotel and conference center recently built in downtown Albion, which opened in the spring 2018, has generated interest in other properties within the City. Other improvements and new construction projects include a new auto parts store, a new fast food restaurant, a newly remodeled downtown building for Albion College, a new state-of-the-art dialysis center and a renovated downtown block which houses a new bakery, a new brewery, some shops and some apartments. Plans are currently in place for the renovation of an additional downtown city block. In addition, there has been expressed interest by some investors for the renovation of some other properties throughout the City. The City is also seeing some sizable expansions at some of the major businesses in the surrounding Albion area, and while these are outside the City limits, it still reflects positively on the Albion area. This certainly appears to indicate an economic upswing for Albion. We are hopeful that this economic growth will continue, and that the City as a whole will prosper in the years to come.

City of Albion

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2018

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the accountability for the money it receives. If there are questions about this report, or a need for additional information, contact the City Manager or the City Treasurer at (517) 629-5535.

## **BASIC FINANCIAL STATEMENTS**

City of Albion

STATEMENT OF NET POSITION

December 31, 2018

	Primary Government		Total	Component Units
	Governmental Activities	Business-type Activities		
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ 5,034,499	\$ 1,215,106	\$ 6,249,605	\$ 693,463
Cash and cash equivalents - restricted	-	61,990	61,990	-
Investments	1,643,311	249,260	1,892,571	416,772
Receivables	412,829	613,537	1,026,366	318,423
Due from other governmental units	134,910	922	135,832	624,571
Inventories	45,536	17,161	62,697	-
Prepays	246,566	18,181	264,747	20,264
Total current assets	7,517,651	2,176,157	9,693,808	2,073,493
Noncurrent assets				
Investments	235,320	-	235,320	-
Net pension asset	6,515,743	-	6,515,743	-
Capital assets not being depreciated	549,068	93,700	642,768	205,799
Capital assets, net of accumulated depreciation	9,339,617	9,254,384	18,594,001	3,493,522
Total noncurrent assets	16,639,748	9,348,084	25,987,832	3,699,321
TOTAL ASSETS	24,157,399	11,524,241	35,681,640	5,772,814
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources related to pensions	2,455,507	-	2,455,507	86,947
Deferred outflows of resources related to OPEB	1,612	-	1,612	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,457,119	-	2,457,119	86,947
LIABILITIES				
Current liabilities				
Accounts payable	226,502	195,235	421,737	857,410
Accrued wages	87,845	46,194	134,039	-
Accrued liabilities	46,061	200	46,261	62,692
Due to other governmental units	27,661	422	28,083	7,433
Accrued interest payable	20,705	-	20,705	748
Unearned revenue	5,755	-	5,755	6,502
Current portion of compensated absences	124,401	35,082	159,483	87,413
Current portion of long-term debt	246,679	35,465	282,144	4,712
Total current liabilities	785,609	312,598	1,098,207	1,026,910
Noncurrent liabilities				
Net OPEB liability	301,725	-	301,725	-
Net pension liability	-	-	-0-	381,954
Noncurrent portion of compensated absences	145,679	59,260	204,939	14,924
Noncurrent portion of long-term debt	1,454,604	176,035	1,630,639	10,668
Total noncurrent liabilities	1,902,008	235,295	2,137,303	407,546
TOTAL LIABILITIES	2,687,617	547,893	3,235,510	1,434,456
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to pensions	27,884	-	27,884	-
Deferred inflows of resources related to OPEB	17,954	-	17,954	-
TOTAL DEFERRED INFLOWS OF RESOURCES	45,838	-0-	45,838	-0-
NET POSITION				
Net investment in capital assets	8,252,820	9,136,584	17,389,404	3,683,941
Restricted for:				
Perpetual care - nonexpendable	215,000	-	215,000	-
Pension trust	6,515,743	-	6,515,743	-
Debt service	90,967	61,990	152,957	-
Streets and highways	1,621,823	-	1,621,823	-
Sidewalks	465,826	-	465,826	-
Perpetual care - expendable	24,371	-	24,371	-
Community and economic development	2,676,855	-	2,676,855	38,238
Solid waste	368,662	-	368,662	-
Law enforcement	5,827	-	5,827	-
Unrestricted	3,643,169	1,777,774	5,420,943	703,126
TOTAL NET POSITION	\$ 23,881,063	\$ 10,976,348	\$ 34,857,411	\$ 4,425,305

See accompanying notes to financial statements.

City of Albion

STATEMENT OF ACTIVITIES

Year Ended December 31, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
<b>Primary government</b>								
<b>Governmental activities</b>								
General government	\$ 853,766	\$ 592,885	\$ 86,923	\$ -	\$ (173,958)	\$ -	\$ (173,958)	\$ -
Public safety	2,805,683	14,926	10,508	-	(2,780,249)	-	(2,780,249)	-
Public works	1,494,634	19,641	1,122,126	-	(352,867)	-	(352,867)	-
Health and welfare	9,297	70,000	-	-	60,703	-	60,703	-
Community and economic development	466,347	268,595	236,764	-	39,012	-	39,012	-
Recreation and cultural	404,326	13,770	8,645	-	(381,911)	-	(381,911)	-
Interest on long-term debt	80,836	-	-	-	(80,836)	-	(80,836)	-
<b>Total governmental activities</b>	<b>6,114,889</b>	<b>979,817</b>	<b>1,464,966</b>	<b>-0-</b>	<b>(3,670,106)</b>	<b>-0-</b>	<b>(3,670,106)</b>	<b>-0-</b>
<b>Business-type activities</b>								
Sewer system	1,334,944	1,223,022	-	97,103	-	(14,819)	(14,819)	-
Water system	1,047,984	920,132	-	500,000	-	372,148	372,148	-
<b>Total business-type activities</b>	<b>2,382,928</b>	<b>2,143,154</b>	<b>-0-</b>	<b>597,103</b>	<b>-0-</b>	<b>357,329</b>	<b>357,329</b>	<b>-0-</b>
<b>Total primary government</b>	<b>\$ 8,497,817</b>	<b>\$ 3,122,971</b>	<b>\$ 1,464,966</b>	<b>\$ 597,103</b>	<b>(3,670,106)</b>	<b>357,329</b>	<b>(3,312,777)</b>	<b>-0-</b>
<b>Component units</b>								
Economic Development Corporation	\$ 265,465	\$ 129,764	\$ 63,771	\$ -	-	-	-0-	(71,930)
Downtown Development Authority	1,573,633	-	842,741	-	-	-	-0-	(730,892)
Tax Increment Finance Authority	158,125	-	-	-	-	-	-0-	(158,125)
Albion Housing Commission	1,582,682	513,532	700,419	216,231	-	-	-0-	(152,500)
Brownfield Redevelopment Authority	158,722	-	75,760	-	-	-	-0-	(82,962)
<b>Total component units</b>	<b>\$ 3,738,627</b>	<b>\$ 643,296</b>	<b>\$ 1,682,691</b>	<b>\$ 216,231</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>(1,196,409)</b>
<b>General revenues</b>								
Property taxes					1,610,660	-	1,610,660	395,431
Income taxes					967,992	-	967,992	-
State shared revenue					1,106,229	-	1,106,229	-
Investment earnings					69,123	23,156	92,279	7,907
Miscellaneous					220,200	17,149	237,349	819,681
Gain (Loss) on sale of assets					(32,475)	10,000	(22,475)	-
Transfers					159,850	(159,850)	-0-	-
<b>Total general revenues and transfers</b>					<b>4,101,579</b>	<b>(109,545)</b>	<b>3,992,034</b>	<b>1,223,019</b>
<b>Change in net position</b>					<b>431,473</b>	<b>247,784</b>	<b>679,257</b>	<b>26,610</b>
<b>Restated net position, beginning of the year</b>					<b>23,449,590</b>	<b>10,728,564</b>	<b>34,178,154</b>	<b>4,398,695</b>
<b>Net position, end of the year</b>					<b>\$ 23,881,063</b>	<b>\$ 10,976,348</b>	<b>\$ 34,857,411</b>	<b>\$ 4,425,305</b>

See accompanying notes to financial statements.

City of Albion  
Governmental Funds  
BALANCE SHEET  
December 31, 2018

	Special Revenue			Nonmajor Governmental Funds	Total Governmental Funds
	General	Albion Trust	Major Street		
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,144,103	\$ -	\$ 501,695	\$ 3,144,024	\$ 4,789,822
Investments	99,858	1,117,398	102,316	559,059	1,878,631
Receivables					
Accounts	55,686	-	-	2,839	58,525
Taxes	153,596	-	-	47,999	201,595
Loans	-	-	-	152,709	152,709
Due from other governmental units	-	-	102,355	32,555	134,910
Prepays	223,436	-	5,425	10,274	239,135
Inventories	-	-	35,764	1,970	37,734
<b>TOTAL ASSETS</b>	<b>\$ 1,676,679</b>	<b>\$ 1,117,398</b>	<b>\$ 747,555</b>	<b>\$ 3,951,429</b>	<b>\$ 7,493,061</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 65,042	\$ -	\$ 17,907	\$ 46,833	\$ 129,782
Accrued liabilities	8,194	-	-	37,867	46,061
Accrued wages	76,299	-	7,122	-	83,421
Due to other governmental units	-	-	14,327	13,334	27,661
Unearned revenue	2,891	-	-	2,864	5,755
<b>TOTAL LIABILITIES</b>	<b>152,426</b>	<b>-0-</b>	<b>39,356</b>	<b>100,898</b>	<b>292,680</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	19,640	-	-	21,139	40,779
<b>FUND BALANCES</b>					
Nonspendable	223,436	-	41,189	379,953	644,578
Restricted	-	1,117,398	667,010	3,449,439	5,233,847
Assigned	127,565	-	-	-	127,565
Unassigned	1,153,612	-	-	-	1,153,612
<b>TOTAL FUND BALANCES</b>	<b>1,504,613</b>	<b>1,117,398</b>	<b>708,199</b>	<b>3,829,392</b>	<b>7,159,602</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 1,676,679</b>	<b>\$ 1,117,398</b>	<b>\$ 747,555</b>	<b>\$ 3,951,429</b>	<b>\$ 7,493,061</b>

See accompanying notes to financial statements.

City of Albion

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

December 31, 2018

**Total fund balances - governmental funds** \$ 7,159,602

Amounts reported for the governmental activities in the statement of net position are different because:

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

The cost of capital assets is	\$ 17,186,083	
Accumulated depreciation is	<u>(7,396,152)</u>	
Capital assets, net		9,789,931

Internal Service Funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the Internal Service Funds are included in the governmental activities in the Government-wide Statement of Net Position. 254,162

Long-term receivables are not available to pay for current period expenditures and, therefore, are deferred in the funds. These consist of:

Unavailable revenue		40,779
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Some assets are not current financial resources and therefore are not reported as assets in the governmental funds. These amounts consist of:

Net pension asset		6,515,743
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Governmental funds report actual pension/OPEB expenditures for the fiscal year, whereas the governmental activities will recognize the net pension/OPEB liability as of the measurement date. Pension contributions subsequent to the measurement date will be deferred in the statement of net position. In addition, resources related to changes of assumptions, differences between expected and actual experience, and differences between projected and actual pension plan investment earnings will be deferred over time in the government-wide financial statements. These amounts consist of:

Deferred outflows of resources related to OPEB	1,612	
Deferred inflows of resources related to OPEB	(17,954)	
Deferred outflows of resources related to pensions	2,455,507	
Deferred inflows of resources related to pensions	<u>(27,884)</u>	
		2,411,281

Long-term liabilities are not due and payable in the current period and therefore are not reported in the Governmental Funds Balance Sheet. Long-term liabilities at year-end consist of:

Direct City obligations	(1,701,283)	
Accrued interest payable	(20,705)	
Net other post-employment benefits liability	(301,725)	
Compensated absences	<u>(266,722)</u>	
		<u>(2,290,435)</u>

**Net position of governmental activities** \$ 23,881,063

City of Albion

Governmental Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Year Ended December 31, 2018

	Special Revenue			Nonmajor Governmental Funds	Total Governmental Funds
	General	Albion Trust	Major Street		
<b>REVENUES</b>					
Taxes	\$ 2,011,396	\$ -	\$ -	\$ 621,684	\$ 2,633,080
Licenses and permits	197,641	-	-	-	197,641
Intergovernmental	1,275,022	-	795,383	606,059	2,676,464
Charges for services	294,813	-	-	26,372	321,185
Fines and forfeits	11,990	-	-	-	11,990
Interest and rents	13,337	20,967	5,031	298,826	338,161
Other	146,653	-	1,083	97,057	244,793
<b>TOTAL REVENUES</b>	<b>3,950,852</b>	<b>20,967</b>	<b>801,497</b>	<b>1,649,998</b>	<b>6,423,314</b>
<b>EXPENDITURES</b>					
Current					
General government	909,328	-	-	-	909,328
Public safety	2,175,245	-	-	39,074	2,214,319
Public works	391,388	-	457,163	503,968	1,352,519
Health and welfare	9,803	-	-	-	9,803
Community and economic development	-	-	-	403,525	403,525
Recreation and cultural	283,960	-	-	138,938	422,898
Other	112,677	-	-	-	112,677
Debt service	-	-	-	326,703	326,703
Capital outlay	-	-	-	118,081	118,081
<b>TOTAL EXPENDITURES</b>	<b>3,882,401</b>	<b>-0-</b>	<b>457,163</b>	<b>1,530,289</b>	<b>5,869,853</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>68,451</b>	<b>20,967</b>	<b>344,334</b>	<b>119,709</b>	<b>553,461</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from sale of capital assets	-	-	-	141,125	141,125
Transfers in	54,000	-	1,202	493,372	548,574
Transfers out	(54,624)	-	(193,000)	(123,250)	(370,874)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(624)</b>	<b>-0-</b>	<b>(191,798)</b>	<b>511,247</b>	<b>318,825</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>67,827</b>	<b>20,967</b>	<b>152,536</b>	<b>630,956</b>	<b>872,286</b>
Fund balances, beginning of year	1,436,786	1,096,431	555,663	3,198,436	6,287,316
Fund balances, end of year	<u>\$ 1,504,613</u>	<u>\$ 1,117,398</u>	<u>\$ 708,199</u>	<u>\$ 3,829,392</u>	<u>\$ 7,159,602</u>

See accompanying notes to financial statements.

City of Albion

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year Ended December 31, 2018

**Net change in fund balances - total governmental funds** \$ 872,286

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

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital outlay	\$ 144,443	
Depreciation expense	(568,462)	
Loss on disposal of capital assets	<u>(173,600)</u>	
Excess of depreciation expense and loss on disposal of assets over capital outlay		(597,619)

Internal service funds are used by management to charge the costs of certain activities to individual funds. 7,684

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Change in unavailable revenue (4,327)

Repayment of long-term debt and borrowing of long-term debt is reported as expenditures and other financing sources in governmental funds, but the repayment reduces long-term liabilities and the borrowings increase long-term liabilities in the statement of net position. In the current year, these amounts consist of:

Long-term debt principal retirements 242,847

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Increase in deferred outflows of resources related to pensions	1,841,641	
Decrease in deferred inflows of resources related to pensions	173,776	
Increase in deferred outflows of resources related to OPEB	1,612	
(Increase) in deferred inflows of resources related to OPEB	(17,954)	
Change in net pension asset/liability	(2,109,350)	
Decrease in accrued interest payable	3,020	
(Increase) in net other post-employment benefits liability	(6,981)	
Decrease in accrued compensated absences	<u>24,838</u>	
		<u>(89,398)</u>

**Change in net position of governmental activities** \$ 431,473

City of Albion

Proprietary Funds

STATEMENT OF NET POSITION

December 31, 2018

	Business-type Activities			Governmental
	Sewer	Water	Total	Internal Service
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ 375,472	\$ 839,634	\$ 1,215,106	\$ 244,677
Cash and cash equivalents - restricted	-	61,990	61,990	-
Investments	-	249,260	249,260	-
Receivables	364,744	248,793	613,537	-
Due from other governmental units	922	-	922	-
Inventories	3,455	13,706	17,161	7,802
Prepays	12,930	5,251	18,181	7,431
Total current assets	757,523	1,418,634	2,176,157	259,910
Noncurrent assets				
Capital assets not being depreciated	-	93,700	93,700	-
Capital assets, net of accumulated depreciation	4,665,485	4,588,899	9,254,384	98,754
Total noncurrent assets	4,665,485	4,682,599	9,348,084	98,754
<b>TOTAL ASSETS</b>	<b>5,423,008</b>	<b>6,101,233</b>	<b>11,524,241</b>	<b>358,664</b>
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	167,099	28,136	195,235	96,720
Accrued wages	28,987	17,207	46,194	4,424
Accrued liabilities	-	200	200	-
Due to other governmental units	422	-	422	-
Current portion of compensated absences	22,158	12,924	35,082	2,228
Current portion of long-term debt	10,124	25,341	35,465	-
Total current liabilities	228,790	83,808	312,598	103,372
Noncurrent liabilities				
Noncurrent portion of compensated absences	38,356	20,904	59,260	1,130
Noncurrent portion of long-term debt	50,251	125,784	176,035	-
Total noncurrent liabilities	88,607	146,688	235,295	1,130
<b>TOTAL LIABILITIES</b>	<b>317,397</b>	<b>230,496</b>	<b>547,893</b>	<b>104,502</b>
<b>NET POSITION</b>				
Net investment in capital assets	4,605,110	4,531,474	9,136,584	98,754
Restricted for debt service	-	61,990	61,990	-
Unrestricted	500,501	1,277,273	1,777,774	155,408
<b>TOTAL NET POSITION</b>	<b>\$ 5,105,611</b>	<b>\$ 5,870,737</b>	<b>\$ 10,976,348</b>	<b>\$ 254,162</b>

See accompanying notes to financial statements.

City of Albion

Proprietary Funds

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Year Ended December 31, 2018

	Business-type Activities			Governmental
	Sewer	Water	Total	Internal Service
<b>OPERATING REVENUES</b>				
Charges for services	\$ 1,223,022	\$ 920,132	\$ 2,143,154	\$ 317,015
Other	268	16,881	17,149	4,777
<b>TOTAL OPERATING REVENUES</b>	<b>1,223,290</b>	<b>937,013</b>	<b>2,160,303</b>	<b>321,792</b>
<b>OPERATING EXPENSES</b>				
Salaries and wages	385,963	236,456	622,419	47,330
Fringe benefits	233,267	154,663	387,930	32,219
Contractual services	64,396	64,129	128,525	14,374
Supplies	160,045	112,227	272,272	106,298
Utilities	134,619	120,866	255,485	18,762
Insurance and bonds	25,137	10,209	35,346	14,563
Administrative services	41,779	44,566	86,345	13,679
Building and equipment rental	8,509	34,494	43,003	8,934
Other	7,442	4,206	11,648	255
Depreciation	273,787	266,154	539,941	41,227
<b>TOTAL OPERATING EXPENSES</b>	<b>1,334,944</b>	<b>1,047,970</b>	<b>2,382,914</b>	<b>297,641</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(111,654)</b>	<b>(110,957)</b>	<b>(222,611)</b>	<b>24,151</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest earned	7,504	15,652	23,156	1,476
Grants	97,103	500,000	597,103	-
Interest expense and fees	-	(14)	(14)	(93)
Gain on disposal of asset	10,000	-	10,000	-
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>114,607</b>	<b>515,638</b>	<b>630,245</b>	<b>1,383</b>
<b>INCOME BEFORE TRANSFERS</b>	<b>2,953</b>	<b>404,681</b>	<b>407,634</b>	<b>25,534</b>
<b>TRANSFERS</b>				
Transfers out	(148,400)	(11,450)	(159,850)	(17,850)
<b>CHANGE IN NET POSITION</b>	<b>(145,447)</b>	<b>393,231</b>	<b>247,784</b>	<b>7,684</b>
Restated net position, beginning of year	5,251,058	5,477,506	10,728,564	246,478
Net position, end of year	\$ 5,105,611	\$ 5,870,737	\$ 10,976,348	\$ 254,162

See accompanying notes to financial statements.

City of Albion

Proprietary Funds

STATEMENT OF CASH FLOWS

Year Ended December 31, 2018

	Business-type Activities			Governmental
	Sewer	Water	Total	Internal Service
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash receipts from customers	\$ 1,198,527	\$ 921,924	\$ 2,120,451	\$ 321,792
Cash paid to suppliers	(207,286)	(430,954)	(638,240)	(187,494)
Cash paid for employee benefits/wages	(630,265)	(398,729)	(1,028,994)	(78,377)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>360,976</b>	<b>92,241</b>	<b>453,217</b>	<b>55,921</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Proceeds on issuance of long-term debt	60,375	151,125	211,500	-
Payments of borrowing	-	-	-	(8,015)
Receipt of grants	97,103	500,000	597,103	-
Proceeds on sale of capital assets	10,000	-	10,000	-
Purchase of capital assets	(449,746)	(740,575)	(1,190,321)	-
<b>NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(282,268)</b>	<b>(89,450)</b>	<b>(371,718)</b>	<b>(8,108)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers out	(148,400)	(11,450)	(159,850)	(17,850)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Sale of investments	-	300,000	300,000	-
Interest proceeds	7,504	15,652	23,156	1,476
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>7,504</b>	<b>315,652</b>	<b>323,156</b>	<b>1,476</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(62,188)</b>	<b>306,993</b>	<b>244,805</b>	<b>31,439</b>
Cash and cash equivalents, beginning of year	437,660	594,631	1,032,291	213,238
Cash and cash equivalents, end of year	<u>\$ 375,472</u>	<u>\$ 901,624</u>	<u>\$ 1,277,096</u>	<u>\$ 244,677</u>

See accompanying notes to financial statements.

City of Albion

Proprietary Funds

STATEMENT OF CASH FLOWS - CONTINUED

Year Ended December 31, 2018

	Business-type Activities			Governmental
	Sewer	Water	Total	Internal Service
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ (111,654)	\$ (110,957)	\$ (222,611)	\$ 24,151
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation	273,787	266,154	539,941	41,227
Decrease (increase) in:				
Accounts receivable	(24,763)	(15,089)	(39,852)	-
Due from other funds	-	50,000	50,000	-
Due from other governmental units	512,121	-	512,121	-
Inventories	1,424	(4,909)	(3,485)	-
Prepays	(724)	(294)	(1,018)	(299)
Increase (decrease) in:				
Accounts payable	(142,750)	(83,320)	(226,070)	(10,330)
Accrued liabilities	-	-	-	-
Accrued wages	4,472	3,222	7,694	1,345
Due to other funds	-	-	-0-	-
Due to other governmental units	(135,430)	(1,734)	(137,164)	-
Compensated absences	(15,507)	(10,832)	(26,339)	(173)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>\$ 360,976</b>	<b>\$ 92,241</b>	<b>\$ 453,217</b>	<b>\$ 55,921</b>

City of Albion

Fiduciary Funds

STATEMENT OF NET POSITION

December 31, 2018

	<u>Agency</u>	<u>Pension and Employee Benefit Trusts</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 600,784	\$ 562,018
Investments	-	19,792,405
Interest receivable	-	66,684
	<u>                    </u>	<u>                    </u>
TOTAL ASSETS	<u>\$ 600,784</u>	20,421,107
<b>LIABILITIES</b>		
Due to County	\$ 32,283	-
Due to State	5,888	-
Due to schools	89,938	-
Due to others	472,675	-
	<u>                    </u>	<u>                    </u>
TOTAL LIABILITIES	<u>\$ 600,784</u>	<u>-0-</u>
<b>NET POSITION</b>		
Held in trust for pension and employee benefits		<u>\$ 20,421,107</u>

See accompanying notes to financial statements.

City of Albion

Fiduciary Funds

STATEMENT OF CHANGES IN NET POSITION

Year Ended December 31, 2018

	<u>Pension and Employee Benefit Trusts</u>
ADDITIONS	
Net investment income	\$ (1,380,739)
Contributions	<u>39,089</u>
TOTAL ADDITIONS	(1,341,650)
DEDUCTIONS	
Benefit payments	805,841
Administrative expense	<u>13,473</u>
TOTAL DEDUCTIONS	<u>819,314</u>
CHANGE IN NET POSITION	(2,160,964)
Net position, beginning of year	<u>22,582,071</u>
Net position, end of year	<u><u>\$ 20,421,107</u></u>

City of Albion

Component Units

COMBINING STATEMENT OF NET POSITION

December 31, 2018

	Economic Development Corporation	Downtown Development Authority	Tax Increment Finance Authority	Albion Housing Commission	Brownfield Authority	Total Component Units
<b>ASSETS</b>						
Current assets						
Cash	\$ 154,365	\$ 58,652	\$ 257,006	\$ 155,113	\$ 68,327	\$ 693,463
Investments	-	-	-	416,772	-	416,772
Receivables	-	9,998	31,630	188,833	87,962	318,423
Due from other governmental units	-	617,138	-	-	7,433	624,571
Prepays	3,964	669	-	15,631	-	20,264
Total current assets	158,329	686,457	288,636	776,349	163,722	2,073,493
Noncurrent assets						
Capital assets not being depreciated	26,655	-	160,000	19,144	-	205,799
Capital assets, net of accumulated depreciation	215,644	190,185	-	3,087,693	-	3,493,522
Total noncurrent assets	242,299	190,185	160,000	3,106,837	-0-	3,699,321
<b>TOTAL ASSETS</b>	<b>400,628</b>	<b>876,642</b>	<b>448,636</b>	<b>3,883,186</b>	<b>163,722</b>	<b>5,772,814</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred outflows of resources related to pensions	-	-	-	86,947	-	86,947
<b>LIABILITIES</b>						
Current liabilities						
Accounts payable	3,148	617,158	28	78,354	158,722	857,410
Accrued liabilities	4,734	-	6,604	51,354	-	62,692
Due to other governmental units	-	7,433	-	-	-	7,433
Accrued interest payable	748	-	-	-	-	748
Unearned revenue	2,100	-	-	4,402	-	6,502
Current portion of compensated absences	5,539	-	7,142	74,732	-	87,413
Current portion of long-term debt	4,712	-	-	-	-	4,712
Total current liabilities	20,981	624,591	13,774	208,842	158,722	1,026,910
Noncurrent liabilities						
Net pension liability	-	-	-	381,954	-	381,954
Noncurrent portion of compensated absences	3,842	-	2,778	8,304	-	14,924
Noncurrent portion of long-term debt	10,668	-	-	-	-	10,668
Total noncurrent liabilities	14,510	-0-	2,778	390,258	-0-	407,546
<b>TOTAL LIABILITIES</b>	<b>35,491</b>	<b>624,591</b>	<b>16,552</b>	<b>599,100</b>	<b>158,722</b>	<b>1,434,456</b>
<b>NET POSITION</b>						
Net investment in capital assets	226,919	190,185	160,000	3,106,837	-	3,683,941
Restricted for community and economic development	38,238	-	-	-	-	38,238
Unrestricted	99,980	61,866	272,084	264,196	5,000	703,126
<b>TOTAL NET POSITION</b>	<b>\$ 365,137</b>	<b>\$ 252,051</b>	<b>\$ 432,084</b>	<b>\$ 3,371,033</b>	<b>\$ 5,000</b>	<b>\$ 4,425,305</b>

See accompanying notes to financial statements.

City of Albion

Component Units

COMBINING STATEMENT OF ACTIVITIES

Year Ended December 31, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position					
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Economic Development Corporation	Downtown Development Authority	Tax Increment Finance Authority	Albion Housing Commission	Brownfield Redevelopment Authority	Total Component Units
Economic Development Corporation	\$ 265,465	\$ 129,764	\$ 63,771	\$ -	\$ (71,930)	\$ -	\$ -	\$ -	\$ -	\$ (71,930)
Downtown Development Authority	1,573,633	-	842,741	-	-	(730,892)	-	-	-	(730,892)
Tax Increment Finance Authority	158,125	-	-	-	-	-	(158,125)	-	-	(158,125)
Albion Housing Commission	1,582,682	513,532	700,419	216,231	-	-	-	(152,500)	-	(152,500)
Brownfield Redevelopment Authority	158,722	-	75,760	-	-	-	-	-	(82,962)	(82,962)
<b>TOTALS</b>	<b>\$ 3,738,627</b>	<b>\$ 643,296</b>	<b>\$ 1,682,691</b>	<b>\$ 216,231</b>	<b>(71,930)</b>	<b>(730,892)</b>	<b>(158,125)</b>	<b>(152,500)</b>	<b>(82,962)</b>	<b>(1,196,409)</b>
General revenues										
Property taxes					-	72,899	234,570	-	87,962	395,431
Investment earnings					823	594	1,107	5,383	-	7,907
Miscellaneous					97,575	657,696	57,047	7,363	-	819,681
Total general revenues					98,398	731,189	292,724	12,746	87,962	1,223,019
CHANGE IN NET POSITION					26,468	297	134,599	(139,754)	5,000	26,610
Net position, beginning of year					338,669	251,754	297,485	3,510,787	-	4,398,695
Net position, end of year					\$ 365,137	\$ 252,051	\$ 432,084	\$ 3,371,033	\$ 5,000	\$ 4,425,305

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

**NOTE A: DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Albion is located in Calhoun County, Michigan and has a population of approximately 8,616. The City of Albion operates with a City Manager/Council form of government and provides services to its residents in many areas including general government, law enforcement, highways and streets, human services, and utilities services.

The City has six (6) City Council members who are elected for overlapping four (4) year terms. The Council elects one (1) of its members to serve as Mayor Pro-Tem. A Mayor is elected at-large for a two (2) year term. The Council appoints the City Manager and City Attorney.

The financial statements of the City have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to city governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City's more significant accounting policies are described below.

1. Reporting Entity

As required by accounting principles generally accepted in the United States of America; these financial statements present the financial activities of the City of Albion (primary government) and its component units. Blended component units, although legally separate entities, are, in substance, part of the City's operations and so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the City.

The inclusion of the activities of various agencies is based on the financial accountability of the primary government, relying on such guidelines as the selection of the governing authority, the designation of management, the ability to exert significant influence on operations, and the accountability for fiscal matters. The accountability for fiscal matters considers the possession of the budgetary authority, the responsibility for surplus or deficit, the controlling of fiscal management's, and the revenue characteristics, whether a levy or a charge. Consideration is also given to the scope of public service. The scope of public service considers whether the activity is for the benefit of the reporting entity and/or its residents and is within the geographic boundaries of the reporting entity and generally available to its citizens.

2. Blended Component Units

The Albion Building Authority is a five (5) member board governed by the City Council. One member of the board must be a resident of the Maple Grove Apartments. Its purpose under State Statute is to manage, maintain, develop, and acquire property for the City. It is reported in the Special Revenue Fund category.

The Albion Trust is governed by a three (3) member board appointed by current board members or by the City. Its purposes include construction of senior citizen facilities, supporting the debt of the Senior Citizen Facility, and other betterments to the City. It is reported in the Special Revenue Fund category.

The Albion Public Safety Officers' Pension Trust is governed by a five (5) member pension board that includes two (2) individuals chosen by the Mayor and the City Council. Its purpose is to operate the retirement system. It is reported in the Fiduciary Fund category.

3. Discretely Presented Component Units

The component units are reported in a separate column to emphasize that, while legally separate, the City remains financially accountable for these entities or the nature and significance of the relationship between the entities and the City is such that exclusion of the entities would render the financial statements misleading or incomplete.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

**NOTE A: DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

3. Discretely Presented Component Units - continued

The financial statements contain the following discretely presented component units:

- a. Economic Development Corporation - The Economic Development Corporation (EDC) was created to provide means and methods for the encouragement and assistance of industrial and commercial enterprises in relocating, purchasing, constructing, improving, or expanding within the City so as to provide needed services and facilities of such enterprises to the residents of the City. The EDC is governed jointly by a nine (9) member board with the Tax Increment Finance Authority. The financial statements of the EDC are included in the City's financial statements and are not audited separately.
- b. Downtown Development Authority - The Downtown Development Authority (DDA) was created to correct and prevent deterioration in the downtown district, encourage historical preservation, and to promote economic growth within the downtown district. The DDA's governing body, which consists of 9-12 members, is selected by the Mayor and City Council. In addition, the DDA's budget is subject to approval by the City Council. The financial statements of the DDA are included in the City's financial statements and are not audited separately.
- c. Tax Increment Finance Authority - The Tax Increment Finance Authority (TIFA) was created to provide means and methods for the encouragement and assistance of industrial and commercial enterprises in relocating, purchasing, constructing, improving, or expanding within the City so as to provide needed services and facilities of such enterprises to the residents of the City. The TIFA is governed jointly by a nine (9) member board with the Economic Development Corporation. The TIFA also acts as an agent for the Revolving Loan Fund, which is included as a Special Revenue Fund of the City. The financial statements of the TIFA are included in the City's financial statements and are not audited separately.
- d. Albion Housing Commission - The Albion Housing Commission (the Commission) was established by City Council to provide low rent housing. The Commission's governing body, which consists of five (5) members, is selected by the Mayor and City Council. The financial activity has been included as part of the City's financial statements. The financial statements of the Commission are audited separately and are available by contacting the Commission at 1300 Cooper Street, Albion, Michigan 49224.
- e. Brownfield Redevelopment Authority - The Brownfield Redevelopment Authority is responsible for promoting the revitalization, redevelopment, and reuse of certain properties. The Authority's governing body, which consists of nine (9) members, is selected by the Mayor and City Council. The financial statements of the Authority are included in the City's financial statements and are not audited separately.

4. Basis of Presentation

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities (the government-wide financial statements) present information for the primary government and its component units as a whole. All nonfiduciary activities of the primary government are included (i.e., fiduciary fund activities are not included in the government-wide financial statements). For the most part, interfund activity has been eliminated in the preparation of 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.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

**NOTE A: DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

4. Basis of Presentation - continued

The statement of activities presents the direct functional expenses of the primary government and its component units and the program revenues that support them. Direct expenses are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues are associated with specific functions and include charges to recipients of goods or services and grants and contributions that are restricted to meeting the operational or capital requirements of that function. Revenues that are not required to be presented as program revenues are general revenues. This includes all taxes, interest, and unrestricted State revenue sharing payments and other general revenues and shows how governmental functions are either self-financing or supported by general revenues.

FUND FINANCIAL STATEMENTS

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

The City reports the following major governmental funds:

- a. The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government except for those that are required to be accounted for in another fund.
- b. The Albion Trust Fund is used to provide grant dollars for City improvements as a whole and to set dollars aside for the Maple Grove Apartment Facility.
- c. The Major Street Fund is used to account for financial resources that are used for repairs and maintenance of the City's major streets. The primary source of revenue for this fund is restricted Act 51 revenue from the State of Michigan.

The City reports the following major enterprise funds:

- a. The Sewer Fund is used to account for the operations required to provide sewer services to the general public. The costs (expenses, including depreciation) are financed or recovered primarily through user charges.
- b. The Water Fund is used to account for the operations required to provide water services to the general public. The costs (expenses, including depreciation) are financed or recovered primarily through user charges.

Additionally, the City reports an internal service fund to account for the management of equipment pool services provided to other departments on a cost reimbursement basis.

The City also reports agency funds to account for assets held by the City as the trustee or as the agent for others. Agency Funds are, by nature, custodial; therefore, operation results are not measured.

The City also reports pension trust funds to account for the activities of the Public Safety Officers' Pension, a defined-benefit pension plan, which accumulates resources for retirement benefit payments to qualified employees and the activities of the Retiree Health Care Fund, which accumulates resources for post-employment health care benefits to qualified employees.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

**NOTE A: DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

5. Measurement Focus

The government-wide, proprietary, and non-agency fiduciary fund financial statements are presented using the economic resources measurement focus, similar to that used by business enterprises or not-for-profit organizations. Because another measurement focus is used in the governmental fund financial statements, reconciliations to the government-wide financial statements are provided that explain the differences in detail.

All governmental funds are presented using the current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in fund balance.

There is no measurement focus for Agency Funds since assets equal liabilities.

6. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Under this method, revenues are recognized when they become susceptible to accrual (when they become both "measurable" and "available to finance expenditures of the current period"). The length of time used for "available" for purposes of revenue recognition in the governmental fund financial statements is 60 days. Revenues that are considered measurable but not available are recorded as receivable and unavailable revenue. Significant revenues susceptible to accrual are special assessments and certain intergovernmental revenues. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for interest on long-term debt which is recorded when due.

All proprietary and similar trust funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 Enterprise Funds are charges to customers for sales and services. Operating expenses for enterprise funds include the costs of sales and services, administrative expenses, and other costs of running the activity. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

If/when, both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

7. Budgets and Budgetary Accounting

The General and major Special Revenue Fund budgets shown as required supplementary information were prepared on the same modified accrual basis used to reflect actual results. The City employs the following procedures in establishing the budgetary data reflected in the financial statements.

- a. Six weeks prior to December 31, the City Manager submits to City Council the proposed operating budgets for the fiscal year commencing the following January 1. The operating budgets include proposed expenditures and resources to finance them.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

**NOTE A: DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

7. Budgets and Budgetary Accounting - continued

- b. A Public Hearing is conducted to obtain taxpayers' comments.
- c. On or before the second regular council meeting in December, the budget is legally enacted through passage of a resolution.
- d. The budget is legally adopted at the total expenditure level for the General Fund and Special Revenue Funds; however, they are maintained at the account level for control purposes.
- e. The City does not employ encumbrance accounting as an extension of formal budgetary integration in the governmental funds. Appropriations unused at December 31 are not carried forward to the following fiscal year.
- f. Budgeted amounts are reported as originally adopted or amended by the City Council during the year. Individual amendments were appropriately approved by the City Council as required.

8. Cash and Cash Equivalents

Cash and cash equivalents consist of checking, savings, money market, certificates of deposit with a maturity from date of purchase of 90 days or less, and pooled investment fund accounts. The cash equivalents are recorded at cost, which approximates market value.

9. Investments

Investments consist of certificates of deposit, Municipal Securities, Corporate Bonds and Notes, and Michigan CLASS funds with original maturities of greater than 90 days. Investments are recorded at fair value.

10. Due from Other Governmental Units

Due from other governmental units consists of amounts due from the State of Michigan and amounts due from component units for various payments and grants and accounts receivable for charges for services provided to local governmental units.

11. Receivables

Receivables consist of amounts due related to charges for services, interest receivable, and other amounts owed to the City at year-end.

12. Property Tax

The City of Albion bills and collects its own property taxes and also taxes for other governmental units. The City's property tax revenue recognition policy and related tax calendar disclosures are highlighted in the following paragraph:

Property taxes are levied by the City of Albion on July 1 and are payable without penalty through August 10. The July 1 levy is composed of the City's millage, delinquent assessments, and State Education Tax. All real property taxes not paid to the City by February 28 are turned over to the Calhoun County Treasurer for collection. The Calhoun County Treasurer purchases the receivables of all taxing districts on any delinquent real property taxes. Delinquent personal property taxes receivable are retained by the City for subsequent collection.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

**NOTE A: DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

12. Property Tax - continued

The City is permitted by charter to levy taxes up to 12.50 mills (\$12.50 per \$1,000 of taxable valuation) for general governmental services other than the payment of Debt Service Fund expenditures. For the year ended December 31, 2018, the City levied 11.9736 mills per \$1,000 of taxable valuation for general governmental services. In addition, the City levied 3.0000 mills for street maintenance, 3.0000 mills for solid waste services, and 1.5000 mills for recreational services. The total taxable value for the 2018 levy for property within the City was \$86,337,117.

13. Income Tax Revenues

In accordance with GASB Statement No. 22, *Accounting for Taxpayer - Assessed Tax Revenues in Governmental Funds*, the City has recognized taxpayer-assessed taxes, net of estimated refunds, as revenue in the accounting period in which they become susceptible to accrual (i.e., measurable and available to finance expenditures of the fiscal period). The City has calculated this amount based on the income tax collections made within 60 days after year end that relate to the prior years. Estimated refunds of these amounts are considered to be immaterial.

14. Inventories

Inventories are valued at cost. Cost is determined using the first-in, first-out method. Inventory consists of expendable supplies held for consumption. Inventories are capitalized under the consumption method, whereby expenditures are capitalized as inventory until used. Reported inventories in governmental funds are equally offset by nonspendable fund balance, which indicates that they do not constitute "available expendable resources" even though they are a component of fund balance.

15. Prepays

Prepaid expenditures in the governmental funds, such as insurance premiums, which are expected to be written off within the next fiscal year, are included in current assets. Reported prepaid expenditures are equally offset by nonspendable fund balance, which indicates they do not constitute "available spendable resources" even though they are a component of fund balance.

16. Compensated Absences

City employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is paid for accumulated vacation days according to contract or personnel policies. In the event of termination by retirement or death, an employee is paid for accumulated sick days according to contract or personnel policies.

17. Interfund Transactions

During the course of normal operations, the City has numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as operating transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

The Internal Service Fund (Equipment Pool) records charges for services provided to various City departments and funds as operating revenue. All City funds record these payments as operating expenditures/expenses.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

**NOTE A: DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

18. Capital Assets

Capital assets are recorded (net of accumulated depreciation, if applicable) in the government-wide financial statements under the governmental, business-type, and component unit activities columns, respectively. Capital assets are those with an initial individual cost of \$5,000 or more and an estimated useful life of more than one year. Capital assets are not recorded in the governmental funds. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the government-wide financial statements. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated acquisition cost on the date received.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Depreciation is computed using the straight-line method over the following useful lives:

Buildings and improvements	5 - 50 years
Equipment and furniture	3 - 50 years
Infrastructure - streets and bridges	10 - 30 years
Vehicles	5 - 15 years
Sewer system	20 - 50 years
Water system	10 - 50 years

19. Long-term Obligations

Long-term debt and other long-term obligations are recognized as a liability in the government-wide financial statements and proprietary fund types when incurred. The portion of those liabilities expected to be paid within the next year is a current liability with the remaining amounts shown as noncurrent.

Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated in a Debt Service Fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund.

20. Restricted Net Position

Restrictions of net position shown in the government-wide financial statements indicate that restrictions imposed by the funding source or some other outside source which precludes their use for unrestricted purposes.

21. Tax Abatements

The City's tax revenues have been reduced by tax abatements. There have been no significant abatements made by the City or by other governmental units that significantly reduce tax revenues within the City. Management has determined these amounts to be immaterial to the financial statements.

22. Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the statement of financial position or balance sheet will, when applicable, report separate sections for deferred outflows of resources and deferred inflows of resources. *Deferred outflows of resources*, a separate financial statement element, represents a consumption of net position or fund balance, respectively, that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. *Deferred inflows of resources*, a separate financial statement element, represents an acquisition of net position or fund balance, respectively, that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

**NOTE A: DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

22. Deferred Outflows/Inflows of Resources - continued

The City has several items that qualify for reporting in these categories. These items correspond to the City's net pension/OPEB asset (liability) and are related to differences between expected and actual experience, changes in assumptions, differences between projected and actual pension/OPEB plan investment earnings, and contributions made subsequent to the measurement date. These amounts are deferred and recognized as an outflow or inflow of resources in the period to which they apply. The City has also recorded deferred inflows of resources in the fund financial statements. Governmental funds report unavailable revenues resulting from property taxes that have been levied on July 1 to support the current year's budget, and from intergovernmental revenue from the State of Michigan. Amounts not collected within sixty (60) days after year-end are considered unavailable revenue in the fund financial statements.

23. Unearned Revenue

The City reports unearned revenue in connection with resources that have been received, but not yet earned.

24. Net Pension Asset

The net pension asset is deemed to be a noncurrent item and is recognized on the City's government-wide financial statements.

25. Net Other Post-Employment Benefits (OPEB) Liability

The net other post-employment benefits (OPEB) liability is deemed to be a noncurrent item and is recognized on the City's government-wide financial statements.

26. Comparative Data

Comparative data for the prior year has not been presented in the accompanying financial statements since their inclusion would make the statements unduly complex and difficult to read.

**NOTE B: CASH, CASH EQUIVALENTS, AND INVESTMENTS**

The City deposits consist of a common checking account and various savings, money market, checking, and pooled investment fund accounts maintained by individual funds and are reported as cash, cash equivalents, and investments in the financial statements.

In accordance with Michigan Compiled Laws, the City is authorized to invest in the following investment vehicles:

- a. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a State or nationally chartered bank or a State or Federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and which maintains a principal office or branch office located in this State under the laws of this State or the United States, but only if the bank, savings and loan association, savings bank or credit union is eligible to be a depository of surplus funds belonging to the State under Section 6 of 1855 PA 105, MCL 21.146.
- c. Commercial paper rated at the time of purchase within the three (3) highest classifications established by not less than two (2) standard rating services and which matures not more than 270 days after the date of purchase.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

**NOTE B: CASH, CASH EQUIVALENTS, AND INVESTMENTS - CONTINUED**

- d. The United States government or federal agency obligations repurchase agreements.
- e. Bankers' acceptances of United States banks.
- f. Mutual funds composed of investment vehicles, which are legal for direct investment by local units of government in Michigan.

In addition, the Michigan Public Employees Retirement Systems' Investment Act, Public Act 314 of 1965, as amended, authorizes the Authority's Pension Trust Fund and Other Post-Employment Benefit Trust Fund to invest in stocks, government and corporate securities, mortgages, real estate, and various other investment instruments, subject to certain limitations.

Deposits

As of December 31, 2018, the carrying amounts and bank balances for each type of bank account are as follows:

<u>ACCOUNT TYPE</u>	<u>Carrying Amount</u>	<u>Bank Balance</u>
<b>PRIMARY GOVERNMENT</b>		
Checking and savings	\$ 5,215,180	\$ 6,608,831
Certificates of deposit	<u>573,556</u>	<u>573,556</u>
Total Primary Government	5,788,736	7,182,387
<b>FIDUCIARY FUNDS</b>		
Checking	608,271	608,271
<b>COMPONENT UNITS</b>		
Checking and savings	693,168	693,168
Certificates of deposit	<u>416,772</u>	<u>416,772</u>
Total Component Units	<u>1,109,940</u>	<u>1,109,940</u>
<b>TOTAL REPORTING ENTITY</b>	<u><u>\$ 7,506,947</u></u>	<u><u>\$ 8,900,598</u></u>

The primary government and component units' cash and cash equivalents captions on the basic financial statements include \$1,206 and \$295, respectively, of imprest cash.

Deposits of the City are at federally insured banks located in the State of Michigan with all accounts maintained in the name of the City. As of December 31, 2018, the City accounts were insured by the FDIC for \$748,912 and the amount of \$8,151,686 was uninsured and uncollateralized.

City of Albion

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

**NOTE B: CASH, CASH EQUIVALENTS, AND INVESTMENTS - CONTINUED**

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value hierarchy is also established which requires an entity to maximize the use of observable and minimize the use of unobservable inputs. There are three (3) levels of inputs that may be used to measure fair value:

- 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 quoted prices for similar securities, interest rates, prepayment speeds, credit risk and others.
- Level 3: Prices determined using significant unobservable inputs. Unobservable inputs may be used in situations where quoted prices or observable inputs are unavailable or deemed less relevant (for example, when there is little or no market activity for an investment at the end of the period). Unobservable inputs reflect the organization's own assumptions about the factors market participants would use in pricing an investment and would be based on the best information available.

<u>INVESTMENT TYPE</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>	<u>Moody's/ S &amp; P Rating</u>	<u>Weighted Average Maturity</u>
<b>PRIMARY GOVERNMENT</b>						
Uncategorized Pooled Investments	\$ 747,434	\$ -	\$ -	\$ 747,434	Aaa/AA+	N/A
Municipal Bonds	-	295,320	-	295,320	Aaa/AA+	4.45 years
Michigan CLASS	-	1,606,790	-	1,606,790	Aaa/AA+	N/A
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 747,434</b>	<b>\$ 1,902,110</b>	<b>\$ -0-</b>	<b>\$ 2,649,544</b>		
<b>Fiduciary Accounts</b>						
Uncategorized Pooled Investments	\$ 527,746	\$ -	\$ -	\$ 527,746	N/R	N/A
US Treasury Notes	318,668	-	-	318,668	Aaa/AA+	5.50 years
US Treasury Bonds	-	12,745	-	12,745	Aaa/AA+	24.49 years
Federal National Mortgage Association	-	105,378	-	105,378	Aaa/AA+	24.19 years
Federal Home Loan Mortgage Corporation	-	2,550,851	-	2,550,851	Aaa/AA+	5.35 years
Governmental National Mortgage Association	-	443,006	-	443,006	Aaa/AA+	45.51 years
Corporate Bonds	-	5,849,709	-	5,849,709	Various	8.77 years
International Bond Fund	-	659,859	-	659,859	Various	
Michigan CLASS	-	26,785	-	26,785	N/A	N/A
Common Equity Securities	9,852,189	-	-	9,852,189	N/A	N/A
<b>TOTAL PENSION TRUST FUND</b>	<b>\$ 10,698,603</b>	<b>\$ 9,648,333</b>	<b>\$ -0-</b>	<b>\$ 20,346,936</b>		
<b>TOTAL REPORTING ENTITY</b>	<b>\$ 11,446,037</b>	<b>\$ 11,550,443</b>	<b>\$ -0-</b>	<b>\$ 22,996,480</b>		

Credit Risk

State law limits investments in certain types of investments to a prime or better rating issued by nationally recognized statistical rating organizations (NRSRO's). As of December 31, 2018, rating information on the City's investments is presented above.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

**NOTE B: CASH, CASH EQUIVALENTS, AND INVESTMENTS - CONTINUED**

Interest Rate Risk

The City will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market and investing operating funds primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investment pools and limiting the average maturity in accordance with the City's cash requirements.

Concentration of Credit Risk

The City will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the City's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

Custodial Credit Risk

The City will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer, by limiting investments to the types of securities authorized by the Council and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the City will do business in accordance with Council approved policy.

The cash, cash equivalents, and investments referred to above have been reported in either the cash and cash equivalents or investments captions on the basic financial statements, based upon criteria disclosed in Note A. The following summarizes the categorization of these amounts as of December 31, 2018:

	<u>Primary Government</u>	<u>Component Units</u>	<u>Fiduciary Funds</u>	<u>Reporting Entity</u>
Cash and cash equivalents	\$ 6,249,605	\$ 693,463	\$ 1,162,802	\$ 8,105,870
Cash and cash equivalents - restricted	61,990	-	-	61,990
Investments - current	1,892,571	416,772	19,792,405	22,101,748
Investments - noncurrent	235,320	-	-	235,320
	<u>\$ 8,439,486</u>	<u>\$ 1,110,235</u>	<u>\$ 20,955,207</u>	<u>\$ 30,504,928</u>

**NOTE C: CASH AND CASH EQUIVALENTS - RESTRICTED**

The following summarizes the restricted cash and cash equivalents as of December 31, 2018:

	<u>Bond Reserve</u>
Enterprise Funds	<u>\$ 61,990</u>

City of Albion

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

**NOTE D: INTERFUND TRANSFERS**

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purpose of the statement of activities, all interfund transfers between individual governmental funds and business-type funds have been eliminated.

Transfers to General Fund from:	
Major Street Fund	\$ 3,000
Nonmajor governmental funds	51,000
	<u>\$ 54,000</u>
Transfer to Major Street Fund from:	
General Fund	\$ 1,202
	<u>1,202</u>
Transfers to nonmajor governmental funds from:	
General Fund	\$ 53,422
Major Street Fund	190,000
Nonmajor governmental funds	72,250
Sewer Fund	148,400
Water Fund	11,450
Internal Service Fund	17,850
	<u>\$ 493,372</u>

Transfers are used to: (1) fund current operations; (2) cover bond and other debt payments.

**NOTE E: CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2018, was as follows:

PRIMARY GOVERNMENT

	Balance Jan. 1, 2018	Additions	Deletions	Balance Dec. 31, 2018
<b>Governmental activities</b>				
Capital assets not being depreciated				
Land	\$ 457,704	\$ -	\$ (20,000)	\$ 437,704
Construction in progress	-	111,364	-	111,364
Subtotal	457,704	111,364	(20,000)	549,068
Capital assets being depreciated				
Buildings and improvements	6,834,782	-	(240,000)	6,594,782
Infrastructure	7,743,337	33,079	-	7,776,416
Equipment and furniture	1,113,094	-	-	1,113,094
Vehicles	2,723,412	-	-	2,723,412
Subtotal	18,414,625	33,079	(240,000)	18,207,704

City of Albion

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

**NOTE E: CAPITAL ASSETS - CONTINUED**

PRIMARY GOVERNMENT - CONTINUED

	Balance Jan. 1, 2018	Additions	Deletions	Balance Dec. 31, 2018
<b>Governmental activities - continued</b>				
Less accumulated depreciation for:				
Buildings and improvements	\$ (2,645,926)	\$ (184,257)	\$ 86,400	\$ (2,743,783)
Infrastructure	(2,827,354)	(290,602)	-	(3,117,956)
Equipment and furniture	(1,002,388)	(20,062)	-	(1,022,450)
Vehicles	(1,869,130)	(114,768)	-	(1,983,898)
Subtotal	(8,344,798)	(609,689)	86,400	(8,868,087)
Net capital assets being depreciated	10,069,827	(576,610)	(153,600)	9,339,617
Capital assets, net	<u>\$ 10,527,531</u>	<u>\$ (465,246)</u>	<u>\$ (173,600)</u>	<u>\$ 9,888,685</u>

Depreciation expense was charged to the following governmental activities:

General government	\$ 58,210
Public safety	108,024
Public works	356,481
Community and economic development	83,684
Recreation and cultural	3,290
Total depreciation expense	<u>\$ 609,689</u>

	Restated Balance Jan. 1, 2018	Additions/ Reclassifications	Deletions/ Reclassifications	Balance Dec. 31, 2018
<b>Business-type activities</b>				
Capital assets not being depreciated				
Land	\$ 93,700	\$ -	\$ -	\$ 93,700
Construction in progress	852,893	-	(852,893)	-0-
Subtotal	946,593	-0-	(852,893)	93,700
Capital assets being depreciated				
Buildings and improvements	11,222,852	-	-	11,222,852
Equipment	1,088,599	-	(165,249)	923,350
Water system	4,777,229	589,449	-	5,366,678
Sewer system	2,291,985	1,242,265	-	3,534,250
Vehicles	461,515	211,500	(193,312)	479,703
Subtotal	19,842,180	2,043,214	(358,561)	21,526,833

City of Albion

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

**NOTE E: CAPITAL ASSETS - CONTINUED**

PRIMARY GOVERNMENT - CONTINUED

	Restated Balance Jan. 1, 2018	Additions/ Reclassifications	Deletions/ Reclassifications	Balance Dec. 31, 2018
<b>Business-type activities - continued</b>				
Less accumulated depreciation for:				
Buildings and improvements	\$ (6,684,754)	\$ (264,784)	\$ -	\$ (6,949,538)
Equipment	(1,009,255)	(21,017)	165,249	(865,023)
Water system	(3,051,371)	(153,703)	-	(3,205,074)
Sewer system	(905,321)	(69,400)	-	(974,721)
Vehicles	(440,368)	(31,037)	193,312	(278,093)
Subtotal	(12,091,069)	(539,941)	358,561	(12,272,449)
Net capital assets being depreciated	7,751,111	1,503,273	-0-	9,254,384
Capital assets, net	<u>\$ 8,697,704</u>	<u>\$ 1,503,273</u>	<u>\$ (852,893)</u>	<u>\$ 9,348,084</u>

Depreciation expense was charged to the following business-type activities:

Water	\$ 273,787
Sewer	<u>266,154</u>
Total depreciation expense	<u>\$ 539,941</u>

COMPONENT UNITS

	Restated Balance Jan. 1, 2018	Additions	Deletions	Balance Dec. 31, 2018
<b>Component unit - EDC</b>				
Capital assets not being depreciated				
Land	\$ 26,655	\$ -	\$ -	\$ 26,655
Capital assets being depreciated				
Buildings	20,000	-	-	20,000
Equipment	236,333	-	-	236,333
Land Improvements	8,895	-	-	8,895
Subtotal	265,228	-0-	-0-	265,228

City of Albion

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

**NOTE E: CAPITAL ASSETS - CONTINUED**

COMPONENT UNITS - CONTINUED

	Restated Balance Jan. 1, 2018	Additions	Deletions	Balance Dec. 31, 2018
<b>Component unit - EDC - continued</b>				
Less accumulated depreciation for:				
Buildings	\$ (12,000)	\$ (800)	\$ -	\$ (12,800)
Equipment	(23,634)	(11,816)	-	(35,450)
Land Improvements	(890)	(444)	-	(1,334)
Subtotal	(36,524)	(13,060)	-0-	(49,584)
Net capital assets being depreciated	228,704	(13,060)	-0-	215,644
Capital assets, net	<u>\$ 255,359</u>	<u>\$ (13,060)</u>	<u>\$ -0-</u>	<u>\$ 242,299</u>
	Balance Jan. 1, 2018	Additions	Deletions	Balance Dec. 31, 2018
<b>Component unit - DDA</b>				
Capital assets being depreciated				
Buildings	\$ 211,317	\$ -	\$ -	\$ 211,317
Equipment	61,558	-	-	61,558
Subtotal	272,875	-0-	-0-	272,875
Less accumulated depreciation for:				
Buildings	(14,088)	(7,044)	-	(21,132)
Equipment	(61,558)	-	-	(61,558)
Subtotal	(75,646)	(7,044)	-0-	(82,690)
Capital assets, net	<u>\$ 197,229</u>	<u>\$ (7,044)</u>	<u>\$ -0-</u>	<u>\$ 190,185</u>
<b>Component unit - TIFA</b>				
Capital assets not being depreciated				
Land	<u>\$ 160,000</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 160,000</u>
<b>Component unit - Housing Commission</b>				
Capital assets not being depreciated	\$ 19,144	\$ -	\$ -	\$ 19,144
Capital assets being depreciated	14,920,051	226,494	-	15,146,545
Less accumulated depreciation:	(11,691,543)	(367,309)	-	(12,058,852)
Net capital assets being depreciated	3,228,508	(140,815)	-0-	3,087,693
Capital assets, net	<u>\$ 3,247,652</u>	<u>\$ (140,815)</u>	<u>\$ -0-</u>	<u>\$ 3,106,837</u>

City of Albion

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

**NOTE F: LONG-TERM DEBT**

The following is a summary of changes in long-term debt (including current portion) of the City for the year ended December 31, 2018.

	Balance Jan. 1, 2018	Additions	Reductions	Balance Dec. 31, 2018	Amounts Due Within One Year
<b>PRIMARY GOVERNMENT</b>					
Governmental activities					
2010 General Obligation Bonds	\$ 1,155,000	\$ -	\$ (130,000)	\$ 1,025,000	\$ 135,000
EPA landfill liability	70,475	-	(5,057)	65,418	3,505
Building Authority bonds	645,000	-	(95,000)	550,000	95,000
Land contract	73,655	-	(12,790)	60,865	13,174
Installment note	8,015	-	(8,015)	-0-	-
Compensated absences	295,091	261,298	(286,309)	270,080	124,401
	2,247,236	261,298	(537,171)	1,971,363	371,080
Business-type activities					
Installment note	-	211,500	-	211,500	35,465
Compensated absences	120,681	69,981	(96,320)	94,342	35,082
	120,681	281,481	(96,320)	305,842	70,547
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>2,367,917</b>	<b>542,779</b>	<b>(633,491)</b>	<b>2,277,205</b>	<b>441,627</b>
<b>COMPONENT UNITS</b>					
Economic Development Corporation (EDC)					
ABA loan	19,868	-	(4,488)	15,380	4,712
Compensated absences	-	16,725	(7,344)	9,381	5,539
Total EDC	19,868	16,725	(11,832)	24,761	10,251
Tax Increment Finance Authority					
Compensated absences	22,721	10,065	(22,866)	9,920	7,142
Albion Housing Commission					
Compensated absences	82,278	758	-	83,036	74,732
<b>TOTAL COMPONENT UNITS</b>	<b>124,867</b>	<b>27,548</b>	<b>(34,698)</b>	<b>117,717</b>	<b>92,125</b>
<b>TOTAL REPORTING ENTITY</b>	<b>\$ 2,492,784</b>	<b>\$ 570,327</b>	<b>\$ (668,189)</b>	<b>\$ 2,394,922</b>	<b>\$ 533,752</b>

City of Albion

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

**NOTE F: LONG-TERM DEBT - CONTINUED**

Significant details regarding outstanding long-term debt (including current portion) are presented below:

PRIMARY GOVERNMENT

**Governmental Activities**

2010 General Obligation Limited Tax Bonds Payable

\$2,000,000 General Obligation Limited Tax Bonds Series 2010 dated December 9, 2010, due in annual installments ranging from \$135,000 to \$165,000 through October 1, 2025, with interest ranging from 4.00 to 4.63 percent, payable semi-annually.

\$ 1,025,000

EPA Landfill Liability

The City is liable for half the operations and maintenance costs for the landfill cleanup, with annual installments ranging from \$2,040 to \$40,567 through 2028.

\$ 65,418

Land Contract

\$207,000 Land contract dated June 30, 2006, due in annual installments ranging from \$5,750 to \$14,396 through July 1, 2023, with interest at 3.0 percent, payable annually.

\$ 60,865

Building Authority Bonds

\$700,000 Building Authority Bonds dated January 15, 2009, due in annual installments ranging from \$35,000 to \$65,000 through October 1, 2028, with interest ranging from 5.50 to 6.25 percent, payable semi-annually.

\$ 490,000

\$500,000 Building Authority Bonds dated July 17, 2009, due in annual installments of \$60,000 through April 1, 2019, with interest of 5.0 percent, payable semi-annually.

60,000

\$ 550,000

**Business-type Activities**

Installment note

\$211,500 installment purchase agreement dated September 17, 2018, due in annual installments ranging from \$35,465 to \$49,656 through September 1, 2023, with interest of 3.39%, payable annually.

\$ 211,500

**Component Unit - EDC**

ABA Loan

\$57,246 Albion Building Authority Loan to the Economic Development Corporation dated May 23, 2007, due in annual installments ranging from \$4,712 to \$5,720 through January 10, 2021, with interest at 5.0 percent, payable annually.

\$ 15,380

City of Albion

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

**NOTE F: LONG-TERM DEBT - CONTINUED**

Compensated Absences

Individual employees have vested rights upon termination of employment to receive payments for unused sick and vacation. The dollar amounts of these vested rights include related payroll taxes, which have been accrued on the government-wide financial statements. The total liability amounted to \$466,759 at December 31, 2018. Of this amount, \$270,080, \$94,342, and \$102,337 are shown as accrued liabilities within the governmental activities, business-type activities, and component units, respectively, in accordance with criteria disclosed in Note A.

The annual requirements to pay the debt principal and interest outstanding for the Bonds and other obligations are as follows:

PRIMARY GOVERNMENT

Governmental Activities

Year Ending December 31,	2010 General Obligation Limited Tax Bonds		Building Authority Bonds	
	Principal	Interest	Principal	Interest
2019	\$ 135,000	\$ 44,650	\$ 95,000	\$ 32,603
2020	135,000	39,250	40,000	27,253
2021	140,000	33,850	40,000	25,053
2022	145,000	27,900	45,000	22,753
2023	150,000	21,738	45,000	20,165
2024-2028	320,000	22,431	285,000	55,253
	<u>\$ 1,025,000</u>	<u>\$ 189,819</u>	<u>\$ 550,000</u>	<u>\$ 183,080</u>
Year Ending December 31,	EPA Landfill Liability		Land Contract	
	Principal	Interest	Principal	Interest
2019	\$ 3,505	\$ 1,753	\$ 13,174	\$ 1,826
2020	3,276	1,638	13,569	1,431
2021	3,062	1,531	13,976	1,024
2022	2,861	1,431	14,396	604
2023	3,089	1,544	5,750	173
2024-2028	49,625	24,813	-	-
	<u>\$ 65,418</u>	<u>\$ 32,710</u>	<u>\$ 60,865</u>	<u>\$ 5,058</u>

City of Albion

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

**NOTE F: LONG-TERM DEBT - CONTINUED**

PRIMARY GOVERNMENT - CONTINUED

Business-type Activities

Year Ending December 31,	Sewer Truck	
	Principal	Interest
2019	\$ 35,465	\$ 32,603
2020	40,730	27,253
2021	42,111	25,053
2022	43,538	22,753
2023	49,656	20,165
2024-2028	-	55,253
	<u>\$ 211,500</u>	<u>\$ 183,080</u>

COMPONENT UNITS

Year Ending December 31,	ABA Loan	
	Principal	Interest
2019	\$ 4,712	\$ 769
2020	4,948	533
2021	5,720	286
	<u>\$ 15,380</u>	<u>\$ 1,588</u>

**NOTE G: RETIREMENT PLANS**

PRIMARY GOVERNMENT (EXCEPT PUBLIC SAFETY) AND HOUSING COMMISSION

Plan Description

The City participates in the Michigan Municipal Employees Retirement System (MERS), an agent multiple-employer defined benefit pension plan that covers all eligible full-time employees (other than public safety employees) of the City. The system provides retirement, disability, and death benefits to plan members and their beneficiaries. The Michigan Municipal Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to the System at 1134 Municipal Way, Lansing, Michigan 48917.

Funding Policy

The obligation to contribute to and maintain the system for these employees was established by the City Council and by negotiation with the City's collective bargaining units. The plan requires no contribution from the employees.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

**NOTE G: RETIREMENT PLANS - CONTINUED**

PRIMARY GOVERNMENT (EXCEPT PUBLIC SAFETY) AND HOUSING COMMISSION - CONTINUED

Summary of Significant Accounting Policies

For the 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 1.50% to 2.25%.

Vesting period of 6 to 10 years.

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

Final average compensation is calculated based on 5 years. Member contributions are not required.

At the December 31, 2017 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefits	102
Inactive employees entitled to but not yet receiving benefits	15
Active employees	<u>22</u>
Total employees covered by MERS	<u><u>139</u></u>

Contributions

Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, MERS retains an independent actuary to determine the annual contribution. 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 costs of benefits earned by plan members 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 8.35% to 13.95% based on annual payroll for open divisions.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

**NOTE G: RETIREMENT PLANS - CONTINUED**

PRIMARY GOVERNMENT (EXCEPT PUBLIC SAFETY) AND HOUSING COMMISSION - CONTINUED

Net Pension Liability

The employer's Net Pension Liability was measured as of December 31, 2017, and the total pension liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation as of that date. Changes in the net pension liability during the measurement year were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at December 31, 2016	\$ 13,771,328	\$ 12,945,481	\$ 825,847
Service Cost	96,823	-	96,823
Interest on Total Pension Liability	1,063,285	-	1,063,285
Difference between expected and actual experience	78,786	-	78,786
Employer contributions	-	121,725	(121,725)
Net investment income	-	1,665,134	(1,665,134)
Benefit payments, including employee refunds	(1,057,352)	(1,057,352)	-0-
Administrative expense	-	(26,448)	26,448
Other changes	(402)	-	(402)
Net changes	<u>181,140</u>	<u>703,059</u>	<u>(521,919)</u>
Balances at December 31, 2017	<u>\$ 13,952,468</u>	<u>\$ 13,648,540</u>	<u>\$ 303,928</u>

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

For the year ended December 31, 2018, the employer recognized pension expense of \$178,931. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ 222,677
Contributions subsequent to the measurement date*	<u>152,203</u>
Total	<u>\$ 374,880</u>

\* The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as an addition in the net pension liability for the year ended December 31, 2019.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

**NOTE G: RETIREMENT PLANS - CONTINUED**

PRIMARY GOVERNMENT (EXCEPT PUBLIC SAFETY) AND HOUSING COMMISSION - CONTINUED

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

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows. These amounts are exclusive of the employer contributions to the plan made subsequent to the measurement date (\$152,203), which will impact the net pension liability in fiscal year 2019, rather than pension expense.

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

<u>Year Ending December 31,</u>	<u>Pension Expense</u>
2019	\$ 88,853
2020	40,018
2021	(217,953)
2022	(133,595)

Actuarial Assumptions

The total pension liability in the December 31, 2017, 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 plus a percentage based on age related scale to reflect merit, longevity, and promotional pay increases.

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

The mortality table used to project the mortality experience of non-disabled plan members is a 50% Male - 50% Female blend of the following tables; 1. The RP-2014 Healthy Annuitant Mortality Tables, with rates multiplied by 105%, 2. The RP-2014 Employee Mortality Tables, and 3. The RP-2014.

Juvenile Mortality Tables. The mortality table used to project the mortality experience of disable plan members is a 50% Male - 50% Female blend of the RP-2014 Disabled Retiree Mortality Tables.

The actuarial assumptions used in valuation were based on the 2009-2013 Five Year Experience Study.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

**NOTE G: RETIREMENT PLANS - CONTINUED**

PRIMARY GOVERNMENT (EXCEPT PUBLIC SAFETY) AND HOUSING COMMISSION - CONTINUED

Actuarial Assumptions - continued

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	55.50%	8.65%
Global Fixed Income	18.50%	3.76%
Real Assets	13.50%	9.72%
Diversifying Strategies	12.50%	7.50%

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

The following presents the Net Pension Liability of the employer, calculated using the discount rates 8.00%, as well as what the employer's Net Position Liability (Asset) would be using a discount rate that is 1% lower (7.00%) or 1% higher (9.00%) than the current rate.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net pension liability (asset)	<u>\$ 1,599,977</u>	<u>\$ 303,928</u>	<u>\$ (813,393)</u>

Discount Rate

The discount rate used to measure the total pension liability is 8.00%. 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.

PUBLIC SAFETY

Plan Description

The City participates in the Public Safety Officers' Pension Fund, a single-employer defined benefit pension plan that covers all eligible full-time public safety employees of the City. The system provides retirement, disability, and death benefits to plan members and their beneficiaries. The Public Safety Officers' Pension Fund does not issue a stand-alone financial report.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

**NOTE G: RETIREMENT PLANS - CONTINUED**

PUBLIC SAFETY - CONTINUED

Funding Policy

The obligation to contribute to and maintain the system for these employees was established by the City Council and by negotiation with the City's collective bargaining units. The plan requires a 2% contribution from the employees.

Benefits Provided

Straight life pension equals 2.65% of average final compensation (AFC) times all years of service. AFC is computed on the highest consecutive 36 months of the last 60 months.

Eligibility for retirement is effective after 25 or more years of service or age 60 regardless of service.

At the December 31, 2017 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefits	32
Inactive employees entitled to but not yet receiving benefits	4
Active employees	<u>18</u>
Total employees covered	<u><u>54</u></u>

Deferred Retirement

Members are eligible for benefits with 10 years of service. Benefits are computed as service retirement but based upon service, AFC and benefit provisions in effect at termination. Benefit begins at date retirement would have occurred had member remained in employment.

Duty Disability

No age or service requirement for eligibility. Payable upon the total and permanent disability of a member in the line of duty. If disability occurs prior to the age of 55, benefit is 50% of AFC. At age 55, benefit is same as Service Retirement Pension with service credit from date of disability until age 55.

Non-duty Disability

Payable upon the total and permanent disability of a member with 5 or more years of service. Retirement benefits are calculated as regular retirement.

Duty Death before Retirement

No age of service requirement for eligibility. Upon termination of worker's compensation, a benefit equal to the worker's compensation amount shall be paid to the spouse, unmarried children under 18 and dependent parents.

Non-duty Death before Retirement

Members are eligible for benefits with 20 years of service. Retirement benefits are calculated as regular retirement but actuarially reduced in accordance with a 100% joint and survivor election.

City of Albion

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

**NOTE G: RETIREMENT PLANS - CONTINUED**

PUBLIC SAFETY - CONTINUED

Contributions

Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, the System's Board of Trustees retains an independent actuary to determine the annual contribution. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The actuarially recommended employer contribution rate for the year ended December 31, 2018, was 0.00% of annual payroll.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balances at December 31, 2017	\$ 13,435,967	\$ 22,536,247	\$ (9,100,280)
Service Cost	337,260	-	337,260
Interest on Total Pension Liability	792,173	-	792,173
Difference between expected and actual experience	177,345	-	177,345
Employee contributions	-	39,089	(39,089)
Net investment income	-	(1,381,401)	1,381,401
Benefit payments, including employee refunds	(803,441)	(803,441)	-0-
Administrative expense	-	(13,473)	13,473
Net changes	<u>503,337</u>	<u>(2,159,226)</u>	<u>2,662,563</u>
Balances at December 31, 2018	<u>\$ 13,939,304</u>	<u>\$ 20,377,021</u>	<u>\$ (6,437,717)</u>

Actuarial Assumptions

The total pension liability was determined based on the annual actuarial valuation as of December 31, 2018. The following actuarial assumptions were applied to compute the total pension liability:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, open
Remaining amortization period	15 years
Asset valuation method	5 years smoothed market
Inflation	4.00%
Salary increases	4.0%-8.0%, includes inflation
Cost of Living Adjustments	None
Investment rate of return	6.0%, net of pension plan investment expense, including inflation
Mortality rates	RP 2000 Combined Healthy Mortality Table

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

**NOTE G: RETIREMENT PLANS - CONTINUED**

PUBLIC SAFETY - CONTINUED

Discount Rate

The discount rate used to measure the total pension liability was 6.0%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the 6.0% discount rate is the single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the total of the actuarial present values determined in conformity with GASB Statement 67/68.

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on pension plan investments was determined using a building block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return 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. For each major asset class that is included in the pension plans target asset allocation as of December 31, 2018, these best estimates are summarized in the following table.

<u>Asset Allocation</u>	
<u>Asset Class</u>	<u>Target Allocation</u>
Cash	5.00%
High Yield and Bank Loans	5.00%
Stocks	60.00%
Bonds	30.00%
Total	<u>100.00%</u>

Sensitivity of the Net Pension (Asset) to Changes in the Discount Rate

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
City's net pension (asset)	<u>\$ (4,713,315)</u>	<u>\$ (6,437,717)</u>	<u>\$ (7,874,830)</u>

City of Albion

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

**NOTE G: RETIREMENT PLANS - CONTINUED**

PUBLIC SAFETY - CONTINUED

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

For the year ended December 31, 2018, the employer recognized pension expenses of \$(397,508). The employer reported deferred outflows and inflows of resources relate to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 138,814	\$ 27,884
Net difference between projected and actual earnings on pension plan investments	<u>2,028,760</u>	<u>-</u>
Total changes in assumptions	<u><u>\$ 2,167,574</u></u>	<u><u>\$ 27,884</u></u>

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

<u>Year Ending December 31,</u>	<u>Pension Expense</u>
2019	\$ 747,970
2020	412,284
2021	437,387
2022	542,049

**NOTE H: RISK MANAGEMENT**

The City participates in a pool, the Michigan Municipal League Workers' Compensation Fund, with other municipalities for workers' compensation losses. The pool is organized under Public Act 317 of 1969, as amended. In the event the pool's claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessment to make up the deficiency. The City has not been informed of any special assessments being required.

The City also participates in a State pool, the Michigan Municipal League Liability and Property Pool, with other municipalities for property, liability, bonding, and casualty losses. The pool is organized under Public Act 138 of 1982, as amended. In the event the pool's claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessment to make up the deficiency. The City has not been informed of any special assessments being required.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

**NOTE I: OTHER POST-EMPLOYMENT HEALTH CARE BENEFITS (OPEB)**

Plan Description

The City of Albion Post-Employment Health Benefits Plan (the "Plan") is a single-employer defined benefit healthcare plan administered by the City. The Plan provides certain health care benefits, in accordance with union agreements and/or personnel policies to employees who have retired. Benefit provisions are established by the City. The plan does not issue a separate stand-alone financial statement.

Benefits Provided

General employees may become eligible for employer financed health coverage if they reach the normal retirement age of 55 with at least 10 years of service while working for the City and a Medicare supplement payment payable beginning at Medicare eligibility age is based on years of service. Public Safety employees may become eligible for employer financed health coverage at retirement with 25 or more years of service.

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

Summary of Plan Participants

At the December 31, 2018 valuation date, the following employees were covered by the benefit terms:

Eligible retirees/Non-active employees	10
Active employees	<u>19</u>
Total	<u><u>29</u></u>

Total OPEB Liability

The total OPEB liability of the County was measured as of December 31, 2018 and was determined by an actuarial valuation from December 31, 2017.

Actuarial Assumptions

The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount Rate	6.00%
Actuarial Cost Method	Entry-age normal
Salary Increases	N/A
Long Term Rate of Return	6.00%

Mortality rates were based on the RP-2000 Combined Healthy Annuitant Table Projected to 2014.

City of Albion

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

**NOTE I: OTHER POST-EMPLOYMENT HEALTH CARE BENEFITS (OPEB) - CONTINUED**

Change in Net OPEB Liability

The change in the net OPEB liability for the year ended December 31, 2018 is as follows:

	<u>Increase (Decrease)</u>		
	<u>Total OPEB Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net OPEB Liability (a) - (b)</u>
Balances at 12/31/2017	<u>\$ 340,568</u>	<u>\$ 45,824</u>	<u>\$ 294,744</u>
Changes for the year:			
Service cost	8,088	-	8,088
Interest	20,605	-	20,605
Difference between expected and actual experience	(21,050)	-	(21,050)
Net investment income (loss)	-	662	(662)
Benefit payments	<u>(2,400)</u>	<u>(2,400)</u>	<u>-</u>
Net changes	<u>5,243</u>	<u>(1,738)</u>	<u>6,981</u>
Balances at 12/31/2018	<u><u>\$ 345,811</u></u>	<u><u>\$ 44,086</u></u>	<u><u>\$ 301,725</u></u>

Summary of Significant Accounting Policies

For purposes of measuring the total other post-employment benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expenses, information about the fiduciary net position of the Plan and additions to/deductions from the City's fiduciary net position have been determined on the same basis as they are reported for the City. 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.

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

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.00 percent) or 1-percentage-point higher (7.00 percent) than the current discount rate:

	<u>Sensitivity to Discount Rate</u>		
	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Net OPEB liability	<u><u>\$ 324,664</u></u>	<u><u>\$ 301,725</u></u>	<u><u>\$ 280,716</u></u>

Regarding the sensitivity of the net OPEB liability to changes in the healthcare cost trend rates, since the stipend is a fixed payment there is no trend applied. Therefore, a healthcare cost trend sensitivity is not applicable and was not performed by the actuary.

City of Albion

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

**NOTE I: OTHER POST-EMPLOYMENT HEALTH CARE BENEFITS (OPEB) - CONTINUED**

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

For the year ended December 31, 2018, the City recognized OPEB expense of \$21,585. At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 17,954
Net difference between projected and actual earnings on OPEB plan investments	<u>1,612</u>	<u>-</u>
	<u>\$ 1,612</u>	<u>\$ 17,954</u>

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

<u>Year Ending December 31,</u>	<u>OPEB Expense</u>
2019	\$ (2,693)
2020	(2,693)
2021	(2,693)
2022	(2,693)
2023	(3,096)
Thereafter	(2,474)

Investment Policy

The City may invest and reinvest the assets of the Plan subject to the terms, conditions, limitations, and restrictions imposed by Michigan law and, to the extent applicable to a government plan, the Internal Revenue Code of 1986, as amended, and the Employee Retirement Security Act of 1974, as amended. It is the policy of the Plan to invest funds in a manner which will ensure the preservation of principal while providing the highest investment return with maximum security. The City is currently reviewing long-term investing options. As of December 31, 2018, all assets of the trust were in investments and cash which earn about 1% interest.

City of Albion

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

**NOTE J: CONSTRUCTION CODE FEES**

The City oversees building construction, in accordance with the State's construction code act; including inspection of building construction and renovation ensure compliance with the building codes. The City charges fees for these services. Beginning January 1, 2000, the law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs. A summary of the activity since January 1, 2000, is as follows:

Deficit at December 31, 2017	\$ (480,515)
Construction code revenue	86,383
Related expenditures - Direct costs	<u>(241,127)</u>
Deficit at December 31, 2018	<u>\$ (635,259)</u>

**NOTE K: CONTINGENCIES**

The Environmental Protection Agency (EPA) has identified the City as one of the potentially responsible parties for the contamination of a landfill used by the City and has named the City in an action filed in 1997 seeking to recover the EPA's past service costs and oversight costs. The parties negotiated settlement calling for the City to make certain settlement payments and conduct operations and maintenance work jointly with another party. On July 1, 2004, the City made its final installment payment to the EPA. The land operation and maintenance work continues at the site. The Michigan Department of Environmental Quality (MDEQ) is also seeking to recover response costs in a related but separate claim filed in March 1999. There have been no recent communications to the City or judicial enforcement of this claim against the City by MDEQ. Sufficient information is not available at this time for the City's legal counsel to form a judgment with respect to the merits, if any, of this claim or the amount or likelihood of potential loss to the City which might result from this claim.

In November 1997, the MDEQ also notified the City that another property within the City had been identified as a site of alleged environmental contamination and that the City is the alleged responsible owner of this site.

There have been no recent communications to the City or judicial enforcement of this claim against the City by MDEQ. Sufficient information is not available at this time for the City's legal counsel to form a judgment with respect to the merits, if any, of this claim or the amount or likelihood of potential loss to the City which might result from this claim.

In addition, the City has informed the Michigan Department of Environmental Quality (MDEQ) of two (2) leaking underground storage tanks that were in the City's possession. The City has removed the underground storage tanks and taken action to limit further contamination caused by the underground storage tanks. Semi-Annual Groundwater Monitoring Reports are submitted to the MDEQ and a Closure Request is currently pending before the MDEQ for one (1) of the sites. Sufficient information is not available at this time to determine the amount of potential losses, if any, to the City which might result from these matters.

There are various other legal actions pending against the City. Due to the inconclusive nature of many of the actions, it is not possible for legal counsel to determine the probable outcome or a reasonable estimate of the City's potential liability, if any. Those various other legal actions for which a reasonable estimate can be determined of the City's potential liability and that would not be covered by insurance and reserves, if any, are considered by City management and legal counsel to be immaterial.

City of Albion

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

**NOTE L: DETAILS OF FUND BALANCE CLASSIFICATIONS**

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The following are the five (5) fund balance classifications under this standard.

*Nonspendable* - assets that are not available in a spendable form such as inventory, prepaid expenditures, and long-term receivables not expected to be converted to cash in the near term. It also includes funds that are legally or contractually required to be maintained intact such as the corpus of a permanent fund or foundation.

*Restricted* - amounts that are required by external parties to be used for a specific purpose. Constraints are externally imposed by creditors, grantors, contributors or laws, regulations or enabling legislation.

*Committed* - amounts constrained on use imposed by formal action of the government's highest level of decision-making authority (i.e., Board, Council, etc.).

*Assigned* - amounts intended to be used for specific purposes. This is determined by the governing body, the budget or finance committee or a delegated municipality official.

*Unassigned* - all other resources; the remaining fund balance after nonspendable, restrictions, commitments, and assignments. This class only occurs in the General Fund, except for cases of negative fund balances. Negative fund balances are always reported as unassigned, no matter which fund the deficit occurs in.

**Fund Balance Classification Policies and Procedures**

For committed fund balance, the City's highest level of decision-making authority is the City Council. Formal action that is required to be taken to establish a fund balance commitment is a resolution of the City Council.

For assigned fund balance, the City has not approved a policy indicating who is authorized to assign amounts to a specific purpose. As a result, this authority is retained with the City Council.

The City has not adopted a policy that defines the order of usage for fund balance amounts classified as restricted, committed, assigned, or unassigned, therefore restricted resources will be used first, then unrestricted resources if they are needed.

	General Fund	Albion Trust	Major Street	Nonmajor Governmental Funds	Total
Fund Balances					
Nonspendable:					
Prepays	\$ 223,436	\$ -	\$ 5,425	\$ 10,274	\$ 239,135
Inventory	-	-	35,764	1,970	37,734
Long-term receivable	-	-	-	152,709	152,709
Perpetual care	-	-	-	215,000	215,000
Restricted for:					
Streets and highways	-	-	667,010	913,624	1,580,634
Sidewalks	-	-	-	465,826	465,826
Community enrichment	-	1,117,398	-	1,559,457	2,676,855
Solid waste	-	-	-	368,662	368,662
Law enforcement	-	-	-	5,827	5,827
Debt service	-	-	-	111,672	111,672
Perpetual care	-	-	-	24,371	24,371
Assigned to:					
Subsequent year's expenditures	86,220	-	-	-	86,220
Communications	41,345	-	-	-	41,345
Unassigned:	1,153,612	-	-	-	1,153,612
<b>TOTAL FUND BALANCES</b>	<b>\$ 1,504,613</b>	<b>\$ 1,117,398</b>	<b>\$ 708,199</b>	<b>\$ 3,829,392</b>	<b>\$ 7,159,602</b>

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

**NOTE M: UPCOMING ACCOUNTING PRONOUNCEMENTS**

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The City is currently evaluating the impact this standard will have on the financial statements when adopted during the 2019 fiscal year.

In June 2017, the GASB issued Statement No. 87, *Leases*. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The City is currently evaluating the impact this standard will have on the financial statements when adopted during the 2020 fiscal year.

In April 2018, the GASB issued Statements No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement will improve the financial reporting by providing users of financial statements with essential information that currently is not consistently provided. In addition, information about resources to liquidate debt and the risks associated with changes in terms associated with debt will be disclosed. As a result, users will have better information to understand the effects of debt on a government's future resource flows. The City is currently evaluating the impact this standard will have on the financial statements when adopted during the 2020 fiscal year.

**NOTE N: CHANGE IN ACCOUNTING PRINCIPLES**

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, was implemented during the year. This Statement replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This 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. This Statement also enhances accountability and transparency through revised note disclosures and required supplementary information (RSI).

GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statements No.67, No.68, and No. 73* was also implemented during the year. This Statement addresses issues regarding (1) the presentation of payroll related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classifications of payments made by employers to satisfy employee (plan member) contribution requirements.

**NOTE O: RESTATEMENT OF NET POSITION**

Beginning net position of the governmental activities was restated due to the implementation of GASB Statement No. 75, as described in Note N. In addition, beginning net position of the business-type activities and the Sewer Fund were restated due to understated capital assets in the prior period. Details of the restatements are below:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Sewer Fund</u>
Net position as of 12/31/17	\$ 23,638,851	\$ 10,534,661	\$ 5,057,155
Elimination of Net OPEB Obligation under GASB 45	105,483	-	-
Beginning Net OPEB Liability under GASB 75	(294,744)	-	-
Understated capital assets in Sewer Fund	-	193,903	193,903
	<u>\$ 23,449,590</u>	<u>\$ 10,728,564</u>	<u>\$ 5,251,058</u>
Restated net position as of 12/31/17			

**REQUIRED SUPPLEMENTARY INFORMATION**

City of Albion

General Fund

BUDGETARY COMPARISON SCHEDULE

Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes				
Property taxes	\$ 954,000	\$ 898,014	\$ 942,551	\$ 44,537
Income taxes	1,060,000	1,022,500	967,992	(54,508)
Payments in lieu of taxes	30,000	21,627	21,627	-0-
Penalties and interest	28,500	27,000	29,125	2,125
Administration fees	47,500	47,500	50,101	2,601
Total taxes	2,120,000	2,016,641	2,011,396	(5,245)
Licenses and permits	138,300	199,600	197,641	(1,959)
Intergovernmental				
Federal/State	1,121,273	1,292,393	1,262,166	(30,227)
Local	25,000	18,856	12,856	(6,000)
Total intergovernmental	1,146,273	1,311,249	1,275,022	(36,227)
Charges for services				
Cemetery	50,000	54,447	59,747	5,300
Other fees	303,665	229,480	235,066	5,586
Total charges for services	353,665	283,927	294,813	10,886
Fines and forfeits	20,000	17,500	11,990	(5,510)
Interest and rents	6,600	9,450	13,337	3,887
Other				
Reimbursements	29,500	15,371	20,781	5,410
Other	13,450	125,953	125,872	(81)
Total other	42,950	141,324	146,653	5,329
TOTAL REVENUES	3,827,788	3,979,691	3,950,852	(28,839)

City of Albion

General Fund

BUDGETARY COMPARISON SCHEDULE - CONTINUED

Year Ended December 31, 2018

EXPENDITURES	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Current				
General government				
City Council	\$ 45,255	\$ 54,055	\$ 40,843	\$ 13,212
City Manager	141,268	98,480	81,391	17,089
Human resources	24,925	29,579	25,643	3,936
Assessor	50,050	48,300	45,879	2,421
Attorney	95,375	110,400	113,825	(3,425)
Clerk	132,175	129,375	129,169	206
Treasurer	369,465	371,682	320,112	51,570
Municipal building	71,450	151,370	136,844	14,526
Cemetery	163,194	170,826	152,253	18,573
Other	11,250	19,750	15,622	4,128
Total general government	1,104,407	1,183,817	1,061,581	122,236
Public safety				
Police and fire	2,079,078	2,067,430	1,995,270	72,160
Code enforcement	192,289	198,167	179,975	18,192
Total public safety	2,271,367	2,265,597	2,175,245	90,352
Public works				
Engineering	32,273	29,822	23,217	6,605
Highways and streets	52,073	54,747	38,852	15,895
Tree trimming	15,615	20,615	15,399	5,216
Electricity	142,500	169,500	161,667	7,833
Total public works	242,461	274,684	239,135	35,549
Health and welfare				
Environmental expenditures	8,800	8,600	9,803	(1,203)
Recreation and cultural				
Parks	255,008	305,406	283,960	21,446
Other	118,400	116,900	112,677	4,223
TOTAL EXPENDITURES	4,000,443	4,155,004	3,882,401	272,603
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(172,655)	(175,313)	68,451	243,764

City of Albion

General Fund

BUDGETARY COMPARISON SCHEDULE - CONTINUED

Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 54,000	\$ 54,000	\$ 54,000	\$ -0-
Transfers out	(53,422)	(54,624)	(54,624)	-0-
TOTAL OTHER FINANCING SOURCES (USES)	578	(624)	(624)	-0-
NET CHANGE IN FUND BALANCE	(172,077)	(175,937)	67,827	243,764
Fund balance, beginning of year	1,436,786	1,436,786	1,436,786	-0-
Fund balance, end of year	\$ 1,264,709	\$ 1,260,849	\$ 1,504,613	\$ 243,764

City of Albion

Albion Trust Fund

BUDGETARY COMPARISON SCHEDULE

Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest	\$ 20,500	\$ 15,500	\$ 20,967	\$ 5,467
EXPENDITURES	-	-	-	-0-
NET CHANGE IN FUND BALANCE	20,500	15,500	20,967	5,467
Fund balance, beginning of year	1,096,431	1,096,431	1,096,431	-0-
Fund balance, end of year	<u>\$ 1,116,931</u>	<u>\$ 1,111,931</u>	<u>\$ 1,117,398</u>	<u>\$ 5,467</u>

City of Albion

Major Street Fund

BUDGETARY COMPARISON SCHEDULE

Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 736,170	\$ 877,776	\$ 795,383	\$ (82,393)
Interest and rents	2,500	3,500	5,031	1,531
Other	1,500	1,083	1,083	-
TOTAL REVENUES	740,170	882,359	801,497	(80,862)
EXPENDITURES				
Current				
Public works	504,949	567,735	457,163	110,572
EXCESS OF REVENUES OVER EXPENDITURES	235,221	314,624	344,334	29,710
OTHER FINANCING SOURCES (USES)				
Transfer in	-	1,202	1,202	-0-
Transfer out	(193,000)	(193,000)	(193,000)	-0-
TOTAL OTHER FINANCING SOURCES (USES)	(193,000)	(191,798)	(191,798)	-0-
NET CHANGE IN FUND BALANCE	42,221	122,826	152,536	29,710
Fund balance, beginning of year	555,663	555,663	555,663	-0-
Fund balance, end of year	\$ 597,884	\$ 678,489	\$ 708,199	\$ 29,710

City of Albion

Primary Government (except Public Safety) and Housing Commission

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS

Last Four Measurement Dates (Ultimately ten fiscal years will be displayed)

	2017	2016	2015	2014
Total Pension Liability				
Service cost	\$ 96,823	\$ 104,470	\$ 110,870	\$ 111,241
Interest	1,063,285	1,061,267	1,036,191	1,027,804
Difference between expected and actual experience	78,786	(94,721)	(50,350)	-
Changes of assumptions	-	-	642,057	-
Benefit payments including employee refunds	(1,057,352)	(1,026,572)	(1,032,679)	(1,041,700)
Other	(402)	(1)	(1)	(3)
Net Change in Total Pension Liability	181,140	44,443	706,088	97,342
Total Pension Liability, beginning	13,771,328	13,726,885	13,020,797	12,923,455
Total Pension Liability, ending	<u>\$ 13,952,468</u>	<u>\$ 13,771,328</u>	<u>\$ 13,726,885</u>	<u>\$ 13,020,797</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 121,725	\$ 62,729	\$ 35,606	\$ 29,258
Net investment income	1,665,134	1,386,172	(195,914)	863,867
Benefit payments including employee refunds	(1,057,352)	(1,026,572)	(1,032,679)	(1,041,700)
Administrative expense	(26,448)	(27,407)	(29,331)	(31,504)
Net Change in Plan Fiduciary Net Position	703,059	394,922	(1,222,318)	(180,079)
Plan Fiduciary Net Position, beginning	12,945,481	12,550,559	13,772,877	13,952,956
Plan Fiduciary Net Position, ending	<u>\$ 13,648,540</u>	<u>\$ 12,945,481</u>	<u>\$ 12,550,559</u>	<u>\$ 13,772,877</u>
Employer Net Pension Liability (Asset)	<u>\$ 303,928</u>	<u>\$ 825,847</u>	<u>\$ 1,176,326</u>	<u>\$ (752,080)</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	98%	94%	91%	106%
Covered Employee Payroll	\$ 1,079,375	\$ 1,157,642	\$ 1,238,091	\$ 1,243,368
Employer's Net Pension Liability (Asset) as a percentage of covered employee payroll	28.16%	71.34%	95.01%	(60.49%)

City of Albion

Primary Government (except Public Safety) and Housing Commission

SCHEDULE OF CITY'S CONTRIBUTIONS

Last Four Fiscal Years (Ultimately ten fiscal years will be displayed)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contributions	\$ 152,203	\$ 122,066	\$ 62,729	\$ 33,038
Contributions in relation to the actuarially determined contribution	<u>152,203</u>	<u>122,066</u>	<u>62,729</u>	<u>33,038</u>
Contribution deficiency (excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Covered employee payroll	\$ 1,093,341	\$ 1,154,268	\$ 1,255,473	\$ 1,231,119
Contributions as a percentage of covered employee payroll	14%	11%	5%	3%

City of Albion

Public Safety Officers' Retirement System

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS

Last Five Fiscal Years (Ultimately ten fiscal years will be displayed)

	2018	2017	2016	2015	2014
<b>CHANGES IN TOTAL PENSION LIABILITY</b>					
Service cost	\$ 337,260	\$ 283,929	\$ 331,905	\$ 310,957	\$ 340,366
Interest	792,173	773,257	778,502	759,667	728,402
Differences between expected and actual experience	177,345	24,146	(446,144)	(362,571)	126,170
Changes in assumptions	-	-	-	265,250	-
Benefit payments, including refunds of member contributions	(803,441)	(782,013)	(673,402)	(666,290)	(652,027)
Other changes	-	(1)	-	-	-
<b>NET CHANGE IN TOTAL PENSION LIABILITY</b>	<b>503,337</b>	<b>299,318</b>	<b>(9,139)</b>	<b>307,013</b>	<b>542,911</b>
<b>TOTAL PENSION LIABILITY, BEGINNING</b>	<b>\$ 13,435,967</b>	<b>13,136,649</b>	<b>13,145,788</b>	<b>12,838,775</b>	<b>12,295,864</b>
<b>TOTAL PENSION LIABILITY, ENDING (A)</b>	<b>\$ 13,939,304</b>	<b>\$ 13,435,967</b>	<b>\$ 13,136,649</b>	<b>\$ 13,145,788</b>	<b>\$ 12,838,775</b>
<b>CHANGES IN PLAN FIDUCIARY NET POSITION</b>					
Contributions - member	\$ 39,089	\$ 48,446	\$ 34,699	\$ 39,001	\$ 56,449
Net investment income	(1,381,401)	1,929,502	1,456,370	(522,893)	1,769,846
Benefit payments, including refunds of member contributions	(803,441)	(782,013)	(673,402)	(666,290)	(652,027)
Administrative expenses	(13,473)	-	-	-	-
<b>NET CHANGE IN PLAN FIDUCIARY NET POSITION</b>	<b>(2,159,226)</b>	<b>1,195,935</b>	<b>817,667</b>	<b>(1,150,182)</b>	<b>1,174,268</b>
<b>PLAN FIDUCIARY NET POSITION, BEGINNING</b>	<b>22,536,247</b>	<b>21,340,312</b>	<b>20,522,645</b>	<b>21,672,827</b>	<b>20,498,559</b>
<b>PLAN FIDUCIARY NET POSITION, ENDING (B)</b>	<b>\$ 20,377,021</b>	<b>\$ 22,536,247</b>	<b>\$ 21,340,312</b>	<b>\$ 20,522,645</b>	<b>\$ 21,672,827</b>
<b>CITY'S NET PENSION (ASSET), ENDING (A)-(B)</b>	<b>\$ (6,437,717)</b>	<b>\$ (9,100,280)</b>	<b>\$ (8,203,663)</b>	<b>\$ (7,376,857)</b>	<b>\$ (8,834,052)</b>
Plan fiduciary net position as a percentage of the total pension (asset)	146.18%	167.73%	162.45%	156.12%	168.81%
Covered employee payroll	\$ 1,135,381	\$ 1,092,550	\$ 889,505	\$ 1,037,365	\$ 992,149
City's net pension (asset) as a percentage of covered employee payroll	(567.01%)	(832.94%)	(922.27%)	(711.11%)	(890.40%)

City of Albion

Public Safety Officers Retirement System

SCHEDULE OF CITY'S CONTRIBUTIONS

Last Ten Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	-	-	-	-	-	-	-	-	-	-
Contribution excess (deficiency)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Covered-employee payroll	\$ 1,135,381	\$ 1,092,550	\$ 889,505	\$ 1,037,365	\$ 992,149	\$ 1,048,533	\$ 1,055,148	\$ 1,162,556	\$ 1,222,264	\$ 1,341,984
Actuarially determined contributions as a percentage of covered employee payroll	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

City of Albion

Public Safety Officers' Retirement System

SCHEDULE OF INVESTMENT RETURNS

Year Ended December 31, 2018

<u>Year Ended December 31,</u>	<u>Nominal rate of return on smoothed value of assets</u>
2018	3.5%
2017	8.0%
2016	8.7%
2015	7.8%
2014	10.5%
2013	11.7%
2012	3.9%
2011	2.8%
2010	5.4%
2009	5.0%

City of Albion

Retiree Health Care Plan

SCHEDULE OF CHANGES IN CITY'S NET OPEB LIABILITY AND RELATED RATIOS

Last Two Fiscal Years (Ultimately ten fiscal years will be displayed)

	<u>2018</u>	<u>2017</u>
Change In Total OPEB Liability		
Service cost	\$ 8,088	\$ 5,444
Interest	20,605	19,063
Difference between actual and expected experience	(21,050)	2,269
Benefit payments including employee refunds	<u>(2,400)</u>	<u>(2,400)</u>
Net Change in Total OPEB Liability	5,243	24,376
Total OPEB Liability - beginning	<u>340,568</u>	<u>316,192</u>
Total OPEB Liability - ending	<u><u>\$ 345,811</u></u>	<u><u>\$ 340,568</u></u>
Change in Plan Fiduciary Net Position		
Net investment income	\$ 662	\$ 428
Benefit payments including employee refunds	<u>(2,400)</u>	<u>(2,400)</u>
Net Change in Plan Fiduciary Net Position	(1,738)	(1,972)
Plan Fiduciary Net Position - beginning	<u>45,824</u>	<u>47,796</u>
Plan Fiduciary Net Position - ending	<u><u>\$ 44,086</u></u>	<u><u>\$ 45,824</u></u>
Employer Net OPEB Liability	<u><u>\$ 301,725</u></u>	<u><u>\$ 294,744</u></u>
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	12.75%	13.46%
Covered Employee Payroll	\$ 1,093,341	\$ 1,154,268
Employer's Net OPEB Liability as a percentage of covered employee payroll	27.60%	25.54%



NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Year Ended December 31, 2018

**NOTE A: SCHEDULES OF FUNDING PROGRESS AND SCHEDULES OF EMPLOYER CONTRIBUTIONS**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, healthcare cost trends, and other factors. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedules of funding progress, presented as required supplementary information following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The accompanying schedule of employer contributions presents trend information about the amounts contributed to the plan by the employer in comparison to the Annual Required Contribution (ARC), an amount that is actuarially determined. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortized any unfunded actuarial liabilities (of funding excess) over a period not to exceed thirty years.

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

Public Safety - Retirement Plan

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, open
Remaining amortization period	15 years
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return	6.0%
Projected salary increases (includes inflation at 4.00%)	4.00 - 8.00%
Cost of living adjustments	None
Mortality rates	RP 2000 combined healthy mortality table

City Employees - Post-Employment Health Care Benefits

Actuarial Valuation:	
Frequency	Biennial
Latest valuation date	12/31/2017
Actuarial cost method	Entry Age Normal
Amortization method	Level dollar
Remaining amortization period	30 years
Asset valuation method	Market
Actuarial assumptions:	
Projected salary increases	N/A
Investment rate of return	6.0%

**NOTE B: EMPLOYEE RETIREMENT SYSTEM - MERS**

Changes of benefits terms: There were no changes of benefit terms during fiscal year 2018.

Changes in assumptions: There were no changes in assumptions during fiscal year 2018.

## **OTHER SUPPLEMENTARY INFORMATION**

City of Albion  
 Nonmajor Governmental Funds  
 COMBINING BALANCE SHEET  
 December 31, 2018

	Special		
	Local Street	Recreation Fund	Solid Waste
<b>ASSETS</b>			
Cash and cash equivalents	\$ 320,368	\$ 119,822	\$ 358,639
Investments	-	-	-
Accounts receivable	-	-	2,336
Taxes receivable	-	5,372	17,669
Loans receivable	-	-	-
Due from other governmental units	32,555	-	-
Prepays	5,202	718	-
Inventories	-	-	-
<b>TOTAL ASSETS</b>	<b><u>\$ 358,125</u></b>	<b><u>\$ 125,912</u></b>	<b><u>\$ 378,644</u></b>
<b>LIABILITIES</b>			
Accounts payable	\$ 140	\$ 1,132	\$ 1,084
Accrued liabilities	5,994	3,194	1,973
Due to other governmental units	4,956	-	-
Unearned revenue	-	2,864	-
<b>TOTAL LIABILITIES</b>	<b>11,090</b>	<b>7,190</b>	<b>3,057</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue	-	-	6,925
<b>FUND BALANCES</b>			
Nonspendable	5,202	718	-
Restricted	341,833	118,004	368,662
<b>TOTAL FUND BALANCES</b>	<b><u>347,035</u></b>	<b><u>118,722</u></b>	<b><u>368,662</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b><u>\$ 358,125</u></b>	<b><u>\$ 125,912</u></b>	<b><u>\$ 378,644</u></b>

Revenue Funds					Debt Service Funds
Community Development Block Grant	Drug Law Enforcement	Albion Building Authority	Maple Grove Apartments	Revolving Loan	Energy 425 Generator Bonds
\$ 33,410	\$ 9,775	\$ 201,652	\$ 690,645	\$ 554,772	\$ 35,410
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	15,506	-	137,203	-
-	-	-	-	-	-
-	-	1,382	2,972	-	-
-	-	1,970	-	-	-
<u>\$ 33,410</u>	<u>\$ 9,775</u>	<u>\$ 220,510</u>	<u>\$ 693,617</u>	<u>\$ 691,975</u>	<u>\$ 35,410</u>
\$ -	\$ 3,103	\$ 4,376	\$ 8,338	\$ -	\$ -
-	845	-	25,573	288	-
-	-	-	-	451	-
-	-	-	-	-	-
-0-	3,948	4,376	33,911	739	-0-
-	-	-	-	-	-
-	-	18,858	2,972	137,203	-
33,410	5,827	197,276	656,734	554,033	35,410
<u>33,410</u>	<u>5,827</u>	<u>216,134</u>	<u>659,706</u>	<u>691,236</u>	<u>35,410</u>
<u>\$ 33,410</u>	<u>\$ 9,775</u>	<u>\$ 220,510</u>	<u>\$ 693,617</u>	<u>\$ 691,975</u>	<u>\$ 35,410</u>

City of Albion

Nonmajor Governmental Funds

COMBINING BALANCE SHEET - CONTINUED

December 31, 2018

	Debt Service Funds		
	DPW Building Debt	G.O. Water Bonds	ABA Bonds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 295	\$ 47,490	\$ 28,514
Investments	-	-	-
Accounts receivable	-	503	-
Taxes receivable	-	3,834	-
Loans receivable	-	-	-
Due from other governmental units	-	-	-
Prepays	-	-	-
Inventories	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 295</u>	<u>\$ 51,827</u>	<u>\$ 28,514</u>
<b>LIABILITIES</b>			
Accounts payable	\$ -	540	\$ -
Accrued liabilities	-	-	-
Due to other governmental units	-	-	-
Unearned revenue	-	-	-
<b>TOTAL LIABILITIES</b>	-0-	540	-0-
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue	-	3,834	-
<b>FUND BALANCES</b>			
Nonspendable	-	-	-
Restricted	295	47,453	28,514
<b>TOTAL FUND BALANCES</b>	<u>295</u>	<u>47,453</u>	<u>28,514</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 295</u>	<u>\$ 51,827</u>	<u>\$ 28,514</u>

Capital Projects Funds			Permanent Fund	Total Nonmajor Governmental Funds
Street Improvement	MDOT Street Reconstruction	Sidewalk Program	Cemetery Trust	
\$ 282,280	\$ 49,883	\$ 313,896	\$ 97,173	\$ 3,144,024
255,791	-	153,474	149,794	559,059
-	-	-	-	2,839
21,124	-	-	-	47,999
-	-	-	-	152,709
-	-	-	-	32,555
-	-	-	-	10,274
-	-	-	-	1,970
<u>\$ 559,195</u>	<u>\$ 49,883</u>	<u>\$ 467,370</u>	<u>\$ 246,967</u>	<u>\$ 3,951,429</u>
\$ 1,186	\$ 25,390	\$ 1,544	\$ -	\$ 46,833
-	-	-	-	37,867
-	331	-	7,596	13,334
-	-	-	-	2,864
1,186	25,721	1,544	7,596	100,898
10,380	-	-	-	21,139
-	-	-	215,000	379,953
547,629	24,162	465,826	24,371	3,449,439
547,629	24,162	465,826	239,371	3,829,392
<u>\$ 559,195</u>	<u>\$ 49,883</u>	<u>\$ 467,370</u>	<u>\$ 246,967</u>	<u>\$ 3,951,429</u>

City of Albion

Nonmajor Governmental Funds

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES

Year Ended December 31, 2018

	Special		
	Local Street	Recreation Fund	Solid Waste
<b>REVENUES</b>			
Taxes	\$ -	\$ 122,371	\$ 245,057
Intergovernmental	326,743	6,549	18,498
Charges for services	300	13,770	-
Interest and rents	1,505	681	2,714
Other	1,113	8,356	-
<b>TOTAL REVENUES</b>	<b>329,661</b>	<b>151,727</b>	<b>266,269</b>
<b>EXPENDITURES</b>			
Current			
Public safety	-	-	-
Public works	375,874	-	128,094
Community and economic development	-	-	-
Recreation and cultural	-	138,938	-
Debt service			
Principal	-	-	-
Interest and fiscal fees	-	-	-
Capital outlay	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>375,874</b>	<b>138,938</b>	<b>128,094</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(46,213)</b>	<b>12,789</b>	<b>138,175</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of assets	-	-	-
Transfers in	190,000	-	-
Transfers out	(3,000)	-	(25,500)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>187,000</b>	<b>-0-</b>	<b>(25,500)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>140,787</b>	<b>12,789</b>	<b>112,675</b>
Fund balances, beginning of year	206,248	105,933	255,987
Fund balances, end of year	<u>\$ 347,035</u>	<u>\$ 118,722</u>	<u>\$ 368,662</u>

Revenue Funds					Debt Service Funds
Community Development Block Grant	Drug Law Enforcement	Albion Building Authority	Maple Grove Apartments	Revolving Loan	Energy 425 Generator Bonds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	235,771	-	-
-	-	-	-	-	-
185	31	40,383	228,764	7,723	-
-	29,674	4,300	6,827	-	-
185	29,705	44,683	471,362	7,723	-0-
-	39,074	-	-	-	-
-	-	-	-	-	-
-	-	84,743	313,660	5,122	-
-	-	-	-	-	-
-	-	-	-	-	130,000
-	-	-	-	-	50,600
-	-	-	-	-	-
-0-	39,074	84,743	313,660	5,122	180,600
185	(9,369)	(40,060)	157,702	2,601	(180,600)
-	6,000	135,125	-	-	-
-	-	-	-	-	180,600
-	-	-	(64,750)	-	-
-0-	6,000	135,125	(64,750)	-0-	180,600
185	(3,369)	95,065	92,952	2,601	-0-
33,225	9,196	121,069	566,754	688,635	35,410
\$ 33,410	\$ 5,827	\$ 216,134	\$ 659,706	\$ 691,236	\$ 35,410

City of Albion

Nonmajor Governmental Funds

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - CONTINUED

Year Ended December 31, 2018

	Debt Service Funds		
	DPW Building Debt	G.O. Water Bonds	ABA Bonds
<b>REVENUES</b>			
Taxes	\$ -	\$ 9,506	\$ -
Intergovernmental	-	-	-
Charges for services	-	12,302	-
Interest and rents	-	-	-
Other	-	-	26,226
<b>TOTAL REVENUES</b>	<b>-0-</b>	<b>21,808</b>	<b>26,226</b>
<b>EXPENDITURES</b>			
Current			
Public safety	-	-	-
Public works	-	-	-
Community and economic development	-	-	-
Recreation and cultural	-	-	-
Debt service			
Principal	12,790	-	95,000
Interest and fiscal fees	2,210	-	36,103
Capital outlay	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>15,000</b>	<b>-0-</b>	<b>131,103</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(15,000)</b>	<b>21,808</b>	<b>(104,877)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of assets	-	-	-
Transfers in	15,000	-	107,772
Transfers out	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>15,000</b>	<b>-0-</b>	<b>107,772</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>-0-</b>	<b>21,808</b>	<b>2,895</b>
Fund balances, beginning of year	295	25,645	25,619
Fund balances, end of year	\$ 295	\$ 47,453	\$ 28,514

Capital Projects Funds			Permanent Fund	Total Nonmajor Governmental Funds
Street Improvement	MDOT Street Reconstruction	Sidewalk Program	Cemetery Trust	
\$ 244,750	\$ -	\$ -	\$ -	\$ 621,684
18,498	-	-	-	606,059
-	-	-	-	26,372
5,982	-	5,129	5,729	298,826
-	-	20,561	-	97,057
269,230	-0-	25,690	5,729	1,649,998
-	-	-	-	39,074
-	-	-	-	503,968
-	-	-	-	403,525
-	-	-	-	138,938
-	-	-	-	237,790
-	-	-	-	88,913
1,138	116,943	-	-	118,081
1,138	116,943	-0-	-0-	1,530,289
268,092	(116,943)	25,690	5,729	119,709
-	-	-	-	141,125
-	-	-	-	493,372
-	-	-	(30,000)	(123,250)
-0-	-0-	-0-	(30,000)	511,247
268,092	(116,943)	25,690	(24,271)	630,956
279,537	141,105	440,136	263,642	3,198,436
\$ 547,629	\$ 24,162	\$ 465,826	\$ 239,371	\$ 3,829,392

City of Albion

Agency Funds

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

December 31, 2018

	<u>Trust and Agency</u>	<u>Current Tax Collections</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	<u>\$ 134,072</u>	<u>\$ 466,712</u>	<u>\$ 600,784</u>
<b>LIABILITIES</b>			
Due to County	\$ -	\$ 32,283	\$ 32,283
Due to State	398	5,490	5,888
Due to schools	78,572	11,366	89,938
Due to others	<u>55,102</u>	<u>417,573</u>	<u>472,675</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 134,072</u>	<u>\$ 466,712</u>	<u>\$ 600,784</u>

City of Albion

Pension and Employee Benefit Trust Funds

COMBINING STATEMENT OF FIDUCIARY NET POSITION

December 31, 2018

	Public Safety Officers' Pension	Retiree Health Care	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 517,932	\$ 44,086	\$ 562,018
Investments	19,792,405	-	19,792,405
Interest receivable	66,684	-	66,684
	<u>20,377,021</u>	<u>44,086</u>	<u>20,421,107</u>
<b>TOTAL ASSETS</b>			
	20,377,021	44,086	20,421,107
<b>LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-0-</u>
<b>NET POSITION</b>			
Held in trust for pension and employee benefits	<u>\$ 20,377,021</u>	<u>\$ 44,086</u>	<u>\$ 20,421,107</u>

City of Albion

Pension and Employee Benefit Trust Funds

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Year Ended December 31, 2018

	Public Safety Officers' Pension	Retiree Health Care	Total
ADDITIONS			
Net investment income	\$ (1,381,401)	\$ 662	\$ (1,380,739)
Contributions - employee	39,089	-	39,089
TOTAL ADDITIONS	(1,342,312)	662	(1,341,650)
DEDUCTIONS			
Benefit payments	803,441	2,400	805,841
Administrative expense	13,473	-	13,473
TOTAL DEDUCTIONS	816,914	2,400	819,314
CHANGE IN NET POSITION	(2,159,226)	(1,738)	(2,160,964)
Net position, beginning of year	22,536,247	45,824	22,582,071
Net position, end of year	<u>\$ 20,377,021</u>	<u>\$ 44,086</u>	<u>\$ 20,421,107</u>

City of Albion

Component Unit Funds

COMBINING BALANCE SHEET - ECONOMIC DEVELOPMENT CORPORATION

December 31, 2018

	Economic Development	Special Revenue Business Incubator	Total
<b>ASSETS</b>			
Cash	\$ 118,109	\$ 36,256	\$ 154,365
Prepays	1,982	1,982	3,964
<b>TOTAL ASSETS</b>	<b>\$ 120,091</b>	<b>\$ 38,238</b>	<b>\$ 158,329</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 990	\$ 2,158	\$ 3,148
Accrued liabilities	3,102	1,632	4,734
Unearned revenue	-	2,100	2,100
<b>TOTAL LIABILITIES</b>	<b>4,092</b>	<b>5,890</b>	<b>9,982</b>
<b>FUND BALANCES</b>			
Nonspendable - Prepays	1,982	1,982	3,964
Restricted for community and economic development	-	30,366	30,366
Unassigned	114,017	-	114,017
<b>TOTAL FUND BALANCES</b>	<b>115,999</b>	<b>32,348</b>	<b>148,347</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 120,091</b>	<b>\$ 38,238</b>	<b>\$ 158,329</b>

City of Albion

Component Unit Funds

RECONCILIATION OF THE COMBINING BALANCE SHEET TO THE STATEMENT  
OF NET POSITION - ECONOMIC DEVELOPMENT CORPORATION

December 31, 2018

**Total fund balances - governmental funds** \$ 148,347

Amounts reported for the governmental activities in the statement of net position are different because:

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

The cost of capital assets is	\$ 291,883	
Accumulated depreciation is	<u>(49,584)</u>	
Capital assets, net		242,299

Long-term liabilities are not due and payable in the current period and therefore are not reported in the Governmental Funds Balance Sheet. Long-term liabilities at year-end consist of:

Albion Building Authority loan	(15,380)	
Compensated absences	(9,381)	
Accrued interest payable	<u>(748)</u>	
		<u>(25,509)</u>

**Net position of governmental activities** \$ 365,137

City of Albion

Component Unit Funds

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - ECONOMIC DEVELOPMENT CORPORATION

Year Ended December 31, 2018

	Economic Development	Special Revenue Business Incubator	Total
<b>REVENUES</b>			
Intergovernmental	\$ 23,452	\$ 40,319	\$ 63,771
Charges for services	-	2,044	2,044
Interest and rents	85,614	42,929	128,543
Other	65,098	32,477	97,575
<b>TOTAL REVENUES</b>	<b>174,164</b>	<b>117,769</b>	<b>291,933</b>
<b>EXPENDITURES</b>			
Current			
Community and economic development	126,377	115,871	242,248
Debt service			
Principal	4,488	-	4,488
Interest and fiscal fees	993	-	993
<b>TOTAL EXPENDITURES</b>	<b>131,858</b>	<b>115,871</b>	<b>247,729</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>42,306</b>	<b>1,898</b>	<b>44,204</b>
Fund balances, beginning of year	73,693	30,450	104,143
Fund balances, end of year	<u>\$ 115,999</u>	<u>\$ 32,348</u>	<u>\$ 148,347</u>

City of Albion

Component Unit Funds

RECONCILIATION OF THE COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES - ECONOMIC DEVELOPMENT CORPORATION

Year Ended December 31, 2018

**Net change in fund balances - governmental funds** \$ 44,204

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

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Depreciation expense (13,060)

Repayment of long-term debt is reported as expenditures in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In the current year, these amounts consist of:

Albion Building Authority loan payments 4,488

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

(Increase) in compensated absences	\$ (9,381)	
Decrease in accrued interest payable	<u>217</u>	
		<u>(9,164)</u>

**Change in net position of governmental activities** \$ 26,468

City of Albion

Component Unit Funds

BALANCE SHEET - DOWNTOWN DEVELOPMENT AUTHORITY

December 31, 2018

ASSETS	
Cash	\$ 58,652
Taxes receivable	9,998
Due from other governmental units	617,138
Prepays	<u>669</u>
TOTAL ASSETS	<u><u>\$ 686,457</u></u>
LIABILITIES	
Accounts payable	\$ 617,158
Due to other governmental units	<u>7,433</u>
TOTAL LIABILITIES	624,591
FUND BALANCES	
Nonspendable	669
Unassigned	<u>61,197</u>
TOTAL FUND BALANCES	<u><u>61,866</u></u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 686,457</u></u>

City of Albion

Component Unit Funds

RECONCILIATION OF THE BALANCE SHEET TO  
THE STATEMENT OF NET POSITION - DOWNTOWN DEVELOPMENT AUTHORITY

December 31, 2018

**Total fund balance - governmental fund** \$ 61,866

Amounts reported for the governmental activities in the statement of net position are different because:

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

The cost of capital assets is	\$ 272,875
Accumulated depreciation is	<u>(82,690)</u>

Capital assets, net	<u>190,185</u>
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<b>Net position of governmental activities</b>	<u><u>\$ 252,051</u></u>
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City of Albion

Component Unit Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - DOWNTOWN DEVELOPMENT AUTHORITY

Year Ended December 31, 2018

REVENUES	
Taxes	\$ 72,899
Intergovernmental	842,741
Interest	594
Other	<u>657,696</u>
TOTAL REVENUES	1,573,930
EXPENDITURES	
Current	
Community and economic development	<u>1,566,589</u>
NET CHANGE IN FUND BALANCES	7,341
Fund balance, beginning of year	<u>54,525</u>
Fund balance, end of year	<u><u>\$ 61,866</u></u>

City of Albion

Component Unit Funds

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT  
OF ACTIVITIES - DOWNTOWN DEVELOPMENT AUTHORITY

Year Ended December 31, 2018

**Net change in fund balance - governmental fund** \$ 7,341

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

Capital outlays are reported as expenditures in the governmental fund. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Depreciation expense (7,044)

**Change in net position of governmental activities** \$ 297

City of Albion

Component Unit Funds

BALANCE SHEET - TAX INCREMENT FINANCE AUTHORITY

December 31, 2018

ASSETS	
Cash	\$ 257,006
Interest receivable	538
Taxes receivable	<u>31,092</u>
TOTAL ASSETS	<u>\$ 288,636</u>
LIABILITIES	
Accounts payable	\$ 28
Accrued liabilities	<u>6,604</u>
TOTAL LIABILITIES	6,632
FUND BALANCE	
Unassigned	<u>282,004</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 288,636</u>

City of Albion

Component Unit Funds

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT  
OF NET POSITION - TAX INCREMENT FINANCE AUTHORITY

December 31, 2018

**Total fund balance - governmental fund** \$ 282,004

Amounts reported for the governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental fund.

The cost of capital assets is 160,000

Long-term liabilities are not due and payable in the current period and therefore are not reported in the Governmental Fund Balance Sheet.

Long-term liabilities at year-end consist of:

Compensated absences (9,920)

**Net position of governmental activities** \$ 432,084

City of Albion

Component Unit Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - TAX INCREMENT FINANCE AUTHORITY

Year Ended December 31, 2018

REVENUES	
Taxes	\$ 234,570
Interest	1,107
Other	<u>57,047</u>
TOTAL REVENUES	292,724
EXPENDITURES	
Current	
Community and economic development	<u>170,926</u>
NET CHANGE IN FUND BALANCE	121,798
Fund balance, beginning of year	<u>160,206</u>
Fund balance, end of year	<u><u>\$ 282,004</u></u>

City of Albion

Component Unit Funds

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT  
OF ACTIVITIES - TAX INCREMENT FINANCE AUTHORITY

Year Ended December 31, 2018

**Net change in fund balance - governmental fund** **\$ 121,798**

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

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental fund. These activities consist of:

Decrease in accrued compensated absences 12,801

**Change in net position of governmental activities** **\$ 134,599**

City of Albion

Component Unit Funds

BALANCE SHEET - BROWNFIELD DEVELOPMENT AUTHORITY

December 31, 2018

ASSETS

Cash	\$ 68,327
Taxes receivable	87,962
Due from other governmental units	<u>7,433</u>
	<u>\$ 163,722</u>

LIABILITIES

Accounts payable	\$ 158,722
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FUND BALANCES

Unassigned	<u>5,000</u>
	<u>\$ 163,722</u>

Note: Reconciliation of the component unit governmental fund balance sheet to the statement of net position for this component unit is not required as the component unit's fund balance was equal to the component unit's net position as of December 31, 2018.

City of Albion

Component Unit Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BROWNFIELD DEVELOPMENT AUTHORITY

December 31, 2018

REVENUES	
Taxes	\$ 87,962
Intergovernmental	<u>75,760</u>
TOTAL REVENUES	163,722
EXPENDITURES	
Current	
Community and economic development	<u>158,722</u>
NET CHANGE IN FUND BALANCES	5,000
Fund balance, beginning of year	<u>-</u>
Fund balance, end of year	<u><u>\$ 5,000</u></u>

Note: Reconciliation of the statement of revenues, expenditures, and changes in fund balance of this component unit's governmental fund to the statement of activities for the component unit is not required as the net change in fund balance of the component unit governmental fund was equal to the change in net position of the component unit for the year ended December 31, 2018.

**City of Albion  
Calhoun County, Michigan**

**SUPPLEMENTARY INFORMATION  
TO FINANCIAL STATEMENTS  
(FEDERAL AWARDS)**

**December 31, 2018**

City of Albion

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

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

**Report on Compliance for Each Major Federal Program**

We have audited the City of Albion, Michigan's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2018. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The City's basic financial statements include the operations of the Albion Housing Commission, a discretely presented component unit, which received \$916,650 in federal awards which are not included in the schedule of federal awards during the year ended December 31, 2018. Our audit, described below, did not include the operations of the Albion Housing Commission, a discretely presented component unit, because the component unit engaged other auditors to perform a separate audit in accordance with Uniform Guidance.

***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 the City'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 the City'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 the City's compliance.

***Opinion on Major Federal Program***

In our opinion, the City, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2018.

## **Report on Internal Control Over Compliance**

Management of the City 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 the City'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 the City's internal control over compliance.

A deficiency in internal control 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 a 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 a material weakness. However, material weaknesses may exist that have not been identified.

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.

## **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Albion, Michigan, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 27, 2019, which contained unmodified opinions on those financial statements. We did not audit the financial statements of the Albion Housing Commission, which represents 67%, 76%, and 38%, respectively of the total assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinions, insofar as they relate to the amounts included for the Albion Housing Commission, are based solely on the reports of the other auditors. 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 the purposes of additional analysis as required by 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.

*Maney Costerian PC*

June 27, 2019

City of Albion

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2018

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Pass-Through Grantors Number</u>	<u>Expenditures</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed through Michigan Economic Development Corporation Community Development Block Grant <sup>(a)</sup>	14.228	MSC 217010-ESB	\$ 828,800
Passed through Michigan State Housing Development Authority and Albion Housing Commission Lower Income Housing Assistance Program	14.856	N/A	<u>235,771</u>
Total U.S. Department of Housing and Urban Development			1,064,571
U.S. DEPARTMENT OF JUSTICE			
Direct Award Bulletproof Vest Partnership Program	16.607	N/A	1,818
U.S. DEPARTMENT OF AGRICULTURE			
Passed through Albion Housing Commission Rural Business Development Grant	10.351	N/A	<u>22,269</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,088,658</u>

Note: There were no funds that were provided to sub-recipients from the above programs.

<sup>(a)</sup> Denotes programs tested as "major programs".

City of Albion

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2018

**NOTE A: BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of City of Albion, Michigan, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements, which are reconciled in Note B. The City has elected not to use the 10 percent de minimis indirect rate allowed under the Uniform Guidance.

Federal Awards of the Albion Housing Commission are excluded from the accompanying Schedule of Expenditures of Federal Awards. This component unit's audit report is issued under separate cover. Single Audits, when applicable, are included in their report. To view copies of those reports, contact the administrative offices of the component unit or the City of Albion's offices.

**NOTE B: RECONCILIATION TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

The following reconciles the federal revenues reported in the December 31, 2018 basic financial statements to the expenditures of the City administered federal programs reported on the Schedule of Expenditures of Federal Awards:

	<u>Federal/ State Revenue</u>	<u>Less State Revenue</u>	<u>Federal Award Expenditures</u>
PRIMARY GOVERNMENT			
GENERAL FUND			
Bulletproof Vest Partnership Program	\$ 1,818	\$ -	\$ 1,818
Other Programs	<u>1,273,204</u>	<u>1,273,204</u>	<u>-0-</u>
TOTAL GENERAL FUND	1,275,022	1,273,204	1,818
MAJOR STREET FUND	795,383	795,383	-0-
NONMAJOR GOVERNMENTAL FUNDS			
Maple Grove Apartments	235,771	-	235,771
Other Funds	<u>370,288</u>	<u>370,288</u>	<u>-0-</u>
TOTAL NONMAJOR GOVERNMENTAL FUNDS	<u>606,059</u>	<u>370,288</u>	<u>235,771</u>
TOTAL GOVERNMENTAL FUNDS	2,676,464	2,438,875	237,589
COMPONENT UNITS			
ECONOMIC DEVELOPMENT CORPORATION	63,771	41,502	22,269
DOWNTOWN DEVELOPMENT CORPORATION	<u>842,741</u>	<u>13,941</u>	<u>828,800</u>
TOTAL REPORTING ENTITY	<u>\$ 3,582,976</u>	<u>\$ 2,480,377</u>	<u>\$ 1,088,658</u>

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 the City Council  
City of Albion, 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 Albion, Michigan (the City), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 27, 2019. Our report includes a reference to other auditors who audited the financial statements of Albion Housing Commission, as described in our report on the City's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

### **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 preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses and significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as 2018-001 to be a material weakness.

A *significant deficiency* is a deficiency, or 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 as 2018-002 to be a significant deficiency.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City'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 or other matters that is required to be reported under *Government Auditing Standards*.

## **City of Albion's Responses to Findings**

The City of Albion's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

## **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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Maney Costeiron PC*

June 27, 2019

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2018

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?  X  Yes   No

Significant deficiency(ies) identified?  X  Yes   None reported

Noncompliance material to financial statements noted?   Yes  X  No

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified?   Yes  X  No

Significant deficiency(ies) identified?   Yes  X  None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?   Yes  X  No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
14.228	Community Development Block Grant

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee?   Yes  X  No

**Section II - Financial Statement Findings**

2018-001 MATERIAL JOURNAL ENTRIES PROPOSED BY AUDITORS

Condition: Material journal entries for the adjustment of beginning net position were proposed by the auditors. These misstatements were not detected by the City's internal control over financial reporting. These entries were brought to the attention of management and were subsequently recorded in the City's general ledger.

Criteria: Statement on Auditing Standards No. 115 (SAS 115), *Communicating Internal Control Related Matters Identified in an Audit*, emphasizes that management is responsible for establishing, maintaining, and monitoring internal controls, and for the fair presentation in the financial statements of financial position, results of operations, and cash flows (where applicable), including the notes to the financial statements, in conformity with U.S. generally accepted accounting principles.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

Year Ended December 31, 2018

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**Section II - Financial Statement Findings - Continued**

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2018-001 MATERIAL JOURNAL ENTRIES PROPOSED BY AUDITORS - CONTINUED

Cause: Misstatements were not identified and corrected by management.

Effect: Material journal entries that were not otherwise identified by management were proposed by the City's auditors. These journal entries were necessary for the fair presentation of the City's financial statements.

Recommendation: We recommend that the City take steps to ensure that material journal entries are not necessary at the time future audit analysis is performed.

2018-002 INTERNAL CONTROL OVER CREDIT CARD USE

Condition: During our testing of the credit card controls we noted instances in which the City's internal controls were not followed in practice. Specifically, during our review of credit card purchases, we noted instances where supporting receipt documents were not retained. Further, in discussion with City management, we noted instances where odometer information was not being recorded for gas card purchases. Finally, City management also was unable to verify the total amount of credit cards that are currently in use.

Criteria: Management has established control procedures over credit card purchases. These controls limit credit card usage to management personnel only. Further, these controls require all original receipts to be retained and submitted to the Accounts Payable department.

Cause: The established control procedures were not followed.

Effect: The City is at greater risk of potential fraud if formally adopted internal control procedures are not followed.

Recommendation: We recommend that the City take steps to ensure that internal controls related to credit card use are followed.

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**Section III - Federal Award Findings and Questioned Costs**

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None noted.



# City of Albion

Office of the Finance Department  
112 West Cass Street  
Albion, Michigan 49224

(517) 629-5535 (voice)  
(517) 629-2238 (fax)

## **2018-001 MATERIAL JOURNAL ENTRIES PROPOSED BY AUDITORS**

Corrective Action: Going forward the City will initiate a secondary review of the yearend financials to make sure all necessary adjusting yearend entries are made.

Responsible Party: Finance Director / Treasurer.

Date to Complete: Ongoing at each consecutive yearend.

## **2018-002 INTERNAL CONTROL OVER CREDIT CARD USE**

Corrective Action: An internal audit will be conducted to account for ALL credit cards related to the City. To date, many of the existing credit cards have been suspended, and the suspension of additional cards will most likely follow based on the findings from the internal audit. New credit cards will not be issued until revised policies are completed and adopted (the revision of the credit card policy is already in process). The revised credit card policy will include disciplinary measures that will be enforced if the policy is not followed.

Responsible Parties: Key management positions of the City including the City Manager (position currently vacant), City Attorney, and the Directors and Assistant Directors of Finance, Public Safety, and Department of Public Works.

Date to Complete: By the 12/31/2019 fiscal yearend.

City of Albion

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended December 31, 2018

FINDINGS/NONCOMPLIANCE

Significant Deficiencies and Material Weaknesses Related to Internal Controls Over the Financial Statements.

No prior audit findings noted.

Findings Related to Compliance with Requirements Applicable to the Financial Statements.

No prior audit findings noted.

Findings Related to Compliance with Requirements Applicable to Federal Awards and Internal Control Over Compliance in Accordance with Uniform Guidance.

No prior audit findings noted.

City of Albion  
Study Session Minutes  
July 1, 2019

I. CALL TO ORDER

Mayor Atchison opened the study session at 6:00 p.m.

II. PLEDGE OF ALLEGIANCE

III. ROLL CALL

PRESENT: Vicky Clark (1), Lenn Reid (2), Marcola Lawler (4), Jeanette Spicer (5), Shane Williamson (6) and Mayor Atchison.

ABSENT: Sonya Brown (3) was absent.

STAFF PRESENT:

Haley Snyder, Acting Assistant City Manager/Deputy Clerk/Treasurer; Cullen Harkness, City Attorney; Jill Domingo, City Clerk; Tom Mead, Finance Director and Kent Phillips, Acting Interim Director Public Services.

IV. ITEMS FOR INDIVIDUAL DISCUSSION

A. Infrastructure

Mayor Atchison stated that one of the goals identified by Council was a comprehensive integrated plan for infrastructure which would include:

- Sidewalks
- Streets
- Sewer
- Water
- Lighting
- Bridges & dams

Council Member Reid stated she has received complaints regarding the disrepair of the road by the Albion St. bridge.

Council Member Williamson stated the City needs to get information out to the public on what the City is doing and plans to do. He stated that now that the bike lanes are in downtown that he would like something more done with bike racks and bike parking. He would also like to see a safe place for people to insert and remove kayaks.

Acting Assistant City Manager/Deputy Clerk/Treasurer Snyder stated the grant for the Albion Street bridge has been submitted and we are waiting on grant approval. If the grant is received, the bridge will not be repaired until 2022. The playground equipment at Victory Park is going to be power-washed and repainted. Once this is complete, new woodchips will be brought in for the playground area. The old chips have been removed. This work is being provided through funding from the Albion Community Foundation.

Mayor Atchison stated staffing and manpower for the Department of Public Services also needs to be a part of the plan. The City also needs to hold open forums and town meetings to help get information out to the public.

Acting Interim Director Phillips stated we the following plans in place:

- Sewer Collection Plan
- Capital Plan for Wastewater
- Storm Sewer Plan
- Street Pacer Analysis
- Water Asset Plan will be complete at the end of July
- \*Damn Assessment & Transportation Plan (lighting included in this plan) are on the regular 7-1-19 Council agenda for approval
- Working on the sidewalks
- Also need to work on tree removal
- Also need a Facilities Plan that would incorporate all the buildings owned by the City
- Feels all plans will be complete by the end of 2020. This will create a comprehensive plan and will assist with an annual project list

Council Member Williamson asked if any of these plans have been budgeted and whether there would be a cost savings in combining several of these together for a discounted price and whether they have gone out for bid.

Acting Interim Director of Public Services Phillips will check with Mickey Bittner, Wightman & Associates to see if combining the plans would provide the City with a discount.

Acting Assistant City Manager/Deputy Clerk/Treasurer Snyder stated the plans had not gone out for bid as Mickey Bittner, Wightman & Associates have primarily been the City's engineer for many years. They know the City and the infrastructure. She also stated there is grant funding available for the actual projects. The initial cost of the plans and/or feasibility studies will be at the City's cost.

- V. PUBLIC COMMENTS (Persons addressing the City Council shall limit their comments to no more than three (3) minutes. Proper decorum is required).

Comments were received from Al Smith, 1209 Adams St.

- VI. CITY MANAGER REPORT-None

- VII. MAYOR AND COUNCIL MEMBER COMMENTS

Comments were received from Council Members Clark, Spicer and Williamson; Mayor Atchison and Acting Interim Director Public Services Phillips.

- VIII. ADJOURNMENT

Lawler moved, Williamson supported, CARRIED, to adjourn the study session. (6-0, vv)

Mayor Atchison adjourned the Study Session at p.m.

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Date

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Jill Domingo  
City Clerk

City of Albion  
Council Session Minutes  
July 1, 2019

I. CALL TO ORDER

Mayor Atchison called the regular meeting to order at 7:00 p.m.

II. MOMENT OF SILENCE TO BE OBSERVED

III. PLEDGE OF ALLEGIANCE

IV. ROLL CALL

PRESENT: Vicky Clark (1), Lenn Reid (2); Marcola Lawler (4); Jeanette Spicer (5), Shane Williamson (6) and Mayor Atchison.

ABSENT: Sonya Brown (3) was absent.

STAFF PRESENT:

Haley Snyder, Acting Assistant City Manager/Deputy Clerk/Treasurer; Cullen Harkness, City Attorney; Jill Domingo, City Clerk; Kent Phillips, Acting Interim Public Services Director and Tom Mead, Finance Director.

V. APPROVAL OF THE AGENDA (Includes any proposed additions, deletions or other changes to the agenda)

Mayor Atchison asked to add comments from State Representative Haadsma to the agenda.

Lawler moved, Reid supported, CARRIED, to Approve the Agenda with above addition. (6-0, vv)

*Comments were received from State Representative Haadsma.*

VI. PRESENTATIONS

A. Rental Certification Committee Update

Council Member Spicer stated a meeting had not yet been set with the Landlord Association and asked to add the Rental Certification Committee Update to a future Council meeting.

B. French Sister City Proclamation

Mayor Atchison read aloud French Sister City Proclamation and presented to Mary Slater, Co-Chair Sister City Committee.

### C. ACE Investment Update

Bruce Johnson, Revitalize gave the following update on 404-414 S. Superior Project:

- 404-414 S. Superior St will be a complete renovation of all buildings as one project creating 7 new apartments & updating 6 commercial storefronts
- Project funding sources planned are MEDC Community Revitalization Program grant, traditional bank funding and owner capital
- Incentives being requested are MEDC Community Revitalization Program grant; Local and State Brownfield for extreme demolitions/Brownfield eligible items
- \$2.7 million-dollar project
- The front façade of these buildings/project was made of a limestone/sandstone mixture that has proved to fail over time. A structural survey and the recommendation of lead engineer from the State Historical Preservation Office has determined the need for removal and replacement of the entire front façade
- Upon completion, an entire block from the Peabody Building to Malleable Brewing will be complete and ready for the next 100 years.

Comments were received from Council Member Lawler and Mayor Atchison.

### VII. PUBLIC HEARINGS-None

### VIII. PUBLIC Comments (Persons addressing the City Council shall limit their comments to agenda items and to no more than three (3) minutes. Proper decorum is required.)

Comments were received from Eric Tobin, 409 W. Ash St; Mary Slater, 517 E. Michigan Avenue and Eileen Williams.

### IX. CLOSED SESSION-None

### X. CONSENT CALENDAR (VV) Items on the Consent Calendar are voted on as one unit)

A. Approval Study Session Minutes, June 17, 2019

B. Approval Regular Session Minutes, June 17, 2019

Williamson moved, Lawler supported, CARRIED, to Approve the Consent Calendar as presented. (6-0, vv)

## XI. ITEMS FOR INDIVIDUAL DISCUSSION

### A. Discussion/Sample Ordinances for Alcohol Sales & Consumption on Public Property

Council Member Williamson stated he would like the Council to consider an ordinance similar to that of the City of Jackson for alcohol sales & consumption on public property. He would like the ordinance to include the following items:

- Fenced in area
- Ticketing or bracelet procedure
- Time allotment (i.e. how long the alcohol may be sold)
- Only allowed for businesses or 501 C3's
- Reasonable fee for Clean-up
- No individuals may obtain license
- Type of containers that may be used

Mayor Atchison stated he is concerned with the circumstances of the events and who would be eligible for obtaining the licenses. He shares Council Member Williamson's concern for the litter and limiting licenses to businesses. He would like to see a review process that would include making sure applicants have the proper liability insurance.

City Attorney Harkness stated the State's requirements for special liquor licenses do include security measures and also that the alcohol sales be held in a fenced in area. He suggested mirroring the Charlotte ordinance.

The consensus of the Council is for City Attorney Harkness to draft an ordinance for discussion only for the next meeting. Council may review and make any changes before approving.

### B. Request Approval Boards & Commissions Appointments & Reappointments

- Mark Lelle, Initial Appointment, Planning Commission, Term to Expire 12-31-2021
- Mike Tymkew, Reappointment, Albion Building Authority, Term to Expire 6-30-2022
- Elaine Seedorf, Reappointment, Albion Building Authority, Term to Expire 6-30-2022

Reid moved, Lawler supported, CARRIED to Approve the Above Boards & Commissions Appointments & Reappointments as presented. (6-0, vv)

### C. Discussion/Approval 1<sup>st</sup> Reading Ordinance # 2019-05, An Ordinance to Create Section (s) 58-228 Prohibition on Selling, Giving or Furnishing a

Tobacco Product, Vapor Product or Alternative Nicotine Product to a Minor, and 58-229 Prohibition on Possession, Attempted Possession or Use of Tobacco Products, Vapor Products or Alternative Nicotine Products by a Minor

Comments were received from Council Member Reid and City Attorney Harkness.

Williamson moved, Spicer supported, CARRIED to Approve 1<sup>st</sup> Reading Ordinance # 2019-05, An Ordinance to Create Section (s) 58-228 Prohibition on Selling, Giving or Furnishing a Tobacco Product, Vapor Product or Alternative Nicotine Product to a Minor, and 58-229 Prohibition on Possession, Attempted Possession or Use of Tobacco Products, Vapor Products or Alternative Nicotine Products by a Minor as presented. (6-0, rcv)

D. Request Approval for Bid for Mead Brothers Excavating for Irwin Avenue Project

Comments were received from Council Member Williamson; Mayor Atchison; Acting Assistant City Manager/Deputy Clerk/Treasurer Snyder and Finance Director Mead.

Williamson moved, Reid supported, CARRIED to Approve Bid for Mead Brothers Excavating for Irwin Avenue Project as presented. (6-0, rcv)

E. Request Approval for Victory Park Dam Assessment Plan

Comments were received from Council Members Spicer, Williamson, Reid, Clark and Lawler; Mayor Atchison; Acting Assistant City Manager/Deputy Clerk/Treasurer Snyder; Acting Director Public Services Phillips and Rising Tide Fellow Linda LaNoue.

Williamson moved, Clark supported, CARRIED to **TABLE** Approval of Victory Park Dam Assessment Plan as presented. (6-0, vv)

F. Request Approval for Transportation Management Assessment Plan

Comments were received from Council Member Williamson and Acting Director Public Services Phillips.

Williamson moved, Clark supported, CARRIED to Approve Transportation Management Assessment Plan as presented. (6-0, rcv)

G. Discussion Dalrymple School Property

The following information was discussed regarding the Dalrymple School Property:

- It is a non-inhabitable property that can't not be built on or lived on at this time
- There is not enough contamination in the ground for the property to be fenced in
- There is a small amount of arsenic in the dirt that has been there for a long time
- The property is not dangerous to the public to walk on
- How deep is the contamination and has the cost of removing the contaminated dirt been looked into?
- The City was aware of the contamination when they received the property back from the Land Bank
- Currently the City is mowing the right-of-way and making a few paths through the property

Comments were received from Council Members Reid, Spicer and Williamson; Mayor Atchison and Acting Director Public Services Phillips.

#### H. Discussion/Action Application for Mechanical Amusement Device for Cascarelli's

Comments were received from City Attorney Harkness.

Lawler moved, Spicer supported, **CARRIED to TABLE INDEFINELY**  
Approval of Application for Mechanical Amusement Device for Cascarelli's (6-0, vv)

#### I. Request Approval of Appointment for Citizens Ad hoc Advisory Committees:

##### 1. Work Force Development:

- Council Member Sonya Brown
- Sharon Ponds
- Staci Stuart
- Taneka Thomas
- Keena Williams
- Vivian Davis-KCC
- Ben Wallace-Marshall Opportunity High School

##### 2. Recreation:

- Council Member Reid
- Larry Williams
- Jim Stewart

- Jaque Short
- Micah Doerksen
- Hazel Lias
- Forks Senior Center

### 3. Infrastructure

- Mayor Dave Atchison
- Johnny Dunklin Precinct #1
- Maurice Barry Precinct #2
- Al Smith Precinct #3
- Kelly Rice Precinct #4
- Robert Dunklin Precinct #5
- Andy French Precinct #6
- County Commissioner Gary Tompkins
- Kent Phillips

Comments were received from Council Members Spicer, Williamson and Clark.

Reid moved, Clark supported, CARRIED to Approve Appointment for Citizens Ad hoc Advisory Committees as presented. (6-0, vv)

## XII. FUTURE AGENDA ITEMS

The following items were requested for the next agenda:

- Council Member Williamson asked for:
  1. An update on the City Manager Search  
*Mayor Atchison stated due to the application deadline; the update will be added to the August 5<sup>th</sup> agenda.*
  2. Recreation Update from Recreation Director Larry Williams
- Council Member Spicer asked to have Rental Certification Committee Update on the August 5<sup>th</sup> agenda.
- Mayor Atchison requested the following items for the next agenda:
  1. At 6:00 p.m. on July 15<sup>th</sup>, Oaklawn will be providing a construction tour of facilities located at B Drive and Cram Dr.
  2. Presentation from Oaklawn Hospital of facilities located at B Drive & Cram Dr.
  3. Annual Audit Presentation
  4. Tax Assessor on Taxation of Non-Profits
  5. Presentation from Council Leads on Council Goals
  6. Priorities for Incoming City Manager

XIII. PUBLIC COMMENTS (Persons addressing the City Council shall limit their comments to no more than three (3) minutes. Proper decorum is required.)

Comments were received from Laurie Cranell, 113 W. Pine; Tom Hunsdorfer, 803 S. Superior St; John Dunklin, 1203 2<sup>nd</sup> St; Eric Tobin, 409 W. Ash; Juanita Solis-Kidder, 1211 Edwards; Calhoun County Commissioner Gary Tompkins and Council Members Williamson and Clark.

XIV. CITY MANAGER REPORT

Acting Assistant City Manager Snyder provided the following City Manager Report:

- A conference call was held last Tuesday with Karen Weiber, RRC Planner with MEDC to discuss City's status. The City is approaching the final stages of certification as we are currently only waiting on the completion of the zoning re-write and marketing strategy. The City received the proposed strategy from the Chamber on Thursday for review and then it will be sent to MEDC for approval.
- North Street Project Update-Last week they worked to complete the water main connections and should be completely finished today. Pulverizing of the road will begin Tuesday or Wednesday. Due to the holiday, the crews will be out working until 7 p.m. on Wednesday with no work being done on Thursday, July 4<sup>th</sup>. The project continues to move forward.
- Street Sweeper-The street sweeper was out all last week. DPW workers worked around the clock last week to get the streets swept and cleaned. The City was able to rent the sweeper from Belle Equipment for the week for \$4200.00, purchasing a brand-new sweeper is \$240,000. After last week, we will be able to determine how often the streets should be swept-quarterly, twice a year etc.
- DPW-Would like to highlight a few individuals in Public Services who have received new license certifications-Jay Loomis passed his D2, S2 and is now licensed to operate our water system. Mike Lohrke and Patrick Miller have both passed their D4, S4 water license and the C Wastewater license-both are studying for their B Wastewater license and their D2, S2 license.
- City Wide Cleanup will be held Saturday, July 27<sup>th</sup> from 9:00 a.m. to 3 p.m. at Harris & Ketchum fields. Electronics and tires can only be taken to Ketchum Field.
- Reminder-City Hall will be closed on Thursday, July 4<sup>th</sup> in observance of the holiday. Wishing everyone a safe 4<sup>th</sup> of July.

XV. MAYOR AND COUNCIL MEMBER'S COMMENTS

Comments were received from Council Members Reid and Lawler; Mayor Atchison and City Attorney Harkness.

XVI. EXCUSE ABSENT COUNCIL MEMBER (S)

Spicer moved, Clark supported, CARRIED, To Excuse Council Member Sonya Brown (3). (6-0, vv)

XVII. ROLL CALL

PRESENT: Vicky Clark (1), Lenn Reid (2), Marcola Lawler (4), Jeanette Spicer (5), Shane Williamson (6) and Mayor Atchison.

ABSENT: Sonya Brown (3) was absent.

XVIII. ADJOURNMENT

Lawler moved, Williamson supported, CARRIED, to adjourn the regular session. (6-0, vv)

Mayor Atchison adjourned the Regular Session at 9:00 p.m.

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Date

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Jill Domingo  
City Clerk



# CITY OF ALBION

♦ 112 West Cass Street ♦ Albion, MI 49224

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July 15, 2019

Mayor Atchison and Councilmembers  
City of Albion  
112 W. Cass Street  
Albion, MI 49224

Re: Local Officer's Compensation Commission Recommendations

Dear Mayor Atchison and Councilmembers:

Pursuant to the mandate of the Local Officer's Compensation Commission, a quorum of the Commission met and reviewed the compensation for the Mayor and Council Members. This biennial review is done under State law to establish the compensation for elected officials prior to a general election. Under the law, it is the role of the Commission to review the compensation of elected officials and to make such recommendations as they deem appropriate to maintain or change the compensation that will be in place for at least the coming term of office of local officials.

After discussion and a unanimous vote of the members of the Commission, they have recommended the following changes to both salary base and compensable meetings:

Mayor

- Base \$3,600 annually (\$300/mo.)

Council

- Base \$2,700 annually (\$225/mo.)

The commission unanimously approves the discontinuation of additional subsidies for additional meetings.

Pursuant to the Local Officer's Compensation Commission regulations, the Commission hereby presents its recommendations to the Mayor and City Council. The Council may vote separately on Mayor and Council changes. As outlined by Charter, unless rejected by a two-thirds vote of City Council, these recommendations will go into effect 30 days following filing with the City Clerk.

Chair William Stoffer will be available to answer any questions you may have.

Sincerely,



# CITY OF ALBION

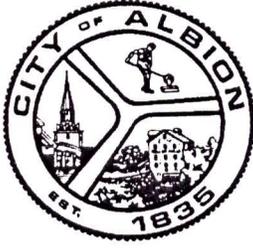
◆ 112 West Cass Street ◆ Albion, MI 49224

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William Stoffer, Chair  
Betty Branche, Committee Member  
Allen Henson, Committee Member  
Kay Knight, Committee Member  
Robert Dunklin, Committee Member  
Local Officer's Compensation Commission

C: Scott Kipp, Interim City Manager

Municipality	County	Poulation	Position	Actual	Basis	
Saline	Washtenaw	8,810	Council or Commission Member	\$ 2,550.00	Year	
Flushing	Genesee	8,389	Council or Commission Member	\$ 40.00	Meeting	
Hillsdale	Hillsdale	8,305	Council or Commission Member	\$ 1,430.00	Year	
Ludington	Mason	8,076	Council or Commission Member	\$ 3,600.00	Year	
Municipality	County	Poulation	Position	Actual	Basis	
Saline	Washtenaw	8,810	Mayor or Village President	\$ 4,400.00	Year	
Flushing	Genesee	8,389	Mayor or Village President	\$ 40.00	Meeting	Extra Pay \$800/Year
Hillsdale	Hillsdale	8,305	Mayor or Village President	\$ 3,700.00	Year	
Ludington	Mason	8,076	Mayor or Village President	\$ 4,800.00	Year	



# City of Albion

William L. Rieger Municipal Building  
112 West Cass Street • Albion, Michigan 49224  
(517) 629-5535 • Fax (517) 629-4168

## APPLICATION FOR MEMBERSHIP AND/OR REAPPOINTMENT ON CITY BOARDS OR COMMISSIONS

Mail or Deliver Completed Application to: City of Albion  
Joseph Domingo, Mayor  
112 W. Cass Street  
Albion, MI 49224

The information in this Application is requested to assist the Mayor and/or City Council in selecting individuals to serve on City Boards & Commissions. Completion of the Application and Consent and Certification is mandatory for consideration of appointment.

Thank you for your interest in serving on a City of Albion board or commission. The Albion City Council requires that every member of a board or commission meet the following qualifications:

- Appointee is not in default to the City (appointee does not have unpaid water/sewer bills, property taxes, income taxes).
- For most Boards & Commissions, appointee should be a resident of the City.

Name: Lia M Jensen-Abbott  
(First) (Middle) (Last)

Home Address: 412 South Clinton Street Albion, MI 49224 Telephone #: 517-629-2950  
Place of Employment: Albion College

Business Address: 611 East Porter Street Telephone #: 517-629-0698

E-Mail: ljensen@albion.edu Fax: N/A

Title/Type of Work: Staff Lecturer, Music Department

Length of Residence in City: 10 years Own/Rent: Own      US Citizen:  
Y    x    N   

Educational Background: B.M. University of Nebraska-Lincoln, MM, MA both from Penn State University, Performer Diploma, Indiana University-Bloomington, DMA University of Nebraska-Lincoln

\_\_\_\_\_  
\_\_\_\_\_

Community Activities: Music director St. James' Episcopal Church

\_\_\_\_\_

List Board or Commission on which you are interested in serving (see attached descriptions):

- 1) Building Board of Appeals \_\_\_\_\_ 2) \_\_\_\_\_
- 3) \_\_\_\_\_ 4) \_\_\_\_\_

Additional information on experience, qualifications, etc.:

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Please comment briefly on why you wish to serve on a particular board or commission. Be specific as to your goals and ideas regarding how you wish to contribute to the work of the board or commission:

I was asked to consider volunteering to serve on this board. I am interested and very much invested in this community as a 10 year resident, and I hope that I can help make a difference for underprivileged people in this town.

Relationship to City Officials/Department Heads: Are you, your spouse, or other close family members related to any City Officials or Department Heads? If yes, please explain: no

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Business relationship: Do you, your spouse, or any close family member currently have a business relationship with the City of Albion? If yes, please explain: no

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Convictions: Have you ever been convicted of any criminal violation? Have you ever been convicted of a felony while holding public office or public employment? If yes, please explain: no

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**REFERENCES:**

Name: Rebecca Decker Relationship: Friend

Telephone #: 517-629-4981

Name: Jack Reed Relationship: Marshall City Mayor, Family Friend

The following information and consent is necessary in order to conduct a proper review of your application for appointment. This information will be kept confidential.

\*\*\*\*\*

CONSENT AND CERTIFICATION

I consent to the release of information concerning my ability and fitness for the position to which I seek appointment by my employer(s), school(s), law enforcement agencies, and other individuals and organizations to the City of Albion Office of the City Manager.

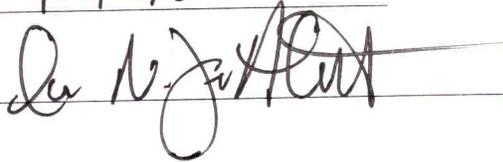
I hereby authorize the City of Albion to verify all the information I have provided on my application. I also agree to execute any additional written authorizations necessary for the City to obtain access to and copies of records pertaining to this information. I release the City of Albion and agencies who have released information from all liability arising from information given or received.

I certify that I can and will, upon request, substantiate all statements made by me on this application; that such statements are true, complete and correct to the best of my knowledge. I understand that a false statement, dishonest answer, misrepresentation or omission to any question will be sufficient for rejection of my application, removal of my name from the eligible list or my immediate removal should such falsifications or misrepresentation be discovered after I am sworn in to any Board or Commission.

I, Lia Jensen - Abbott, certify that the information provided  
(Please Print)

in this application is, to the best of my knowledge, true and accurate.

Date of Birth: 9-4-73

Signature:  Date: 10/28/15

# City of Albion

William L. Rieger Municipal Building  
112 West Cass Street • Albion, Michigan 49224  
(517) 629-5535 • Fax (517) 629-4168

## APPLICATION FOR MEMBERSHIP AND/OR REAPPOINTMENT ON CITY BOARDS OR COMMISSIONS

Mail or Deliver Completed Application to: City of Albion  
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Thank you for your interest in serving on a City of Albion board or commission. The Albion City Council requires that every member of a board or commission meet the following qualifications:

- Appointee is not in default to the City (appointee does not have unpaid water/sewer bills, property taxes, income taxes).
- For most Boards & Commissions, appointee should be a resident of the City.

Name: Bruce Nelson  
(First) (Middle) (Last)

Home Address: 107 Irwin Avenue Telephone #: 913-417-3137

Place of Employment: Retired

Business Address: \_\_\_\_\_ Telephone #: \_\_\_\_\_

E-Mail: westerntext@msn.com Fax: \_\_\_\_\_

Title/Type of Work: \_\_\_\_\_

Length of Residence in City: 2 months Own/Rent: own US Citizen: Y  N

Educational Background: Albion High School 1968 ; University of Michigan B.A. 1972 ; Central Michigan University M.A. 1976 ; Northwestern University MBA-Marketing 1983.

Community Activities: As chairman of the Library Board in Kansas led efforts to build a new library in 2010. As longtime fundraiser raised tens of thousands of dollars to support Tibetan Refugees. As high school student in Albion in late 1960's active in civil rights work and desegregation efforts.

List Board or Commission on which you are interested in serving (see attached descriptions):

- 1) Planning Commission 2) \_\_\_\_\_
- 3) \_\_\_\_\_ 4) \_\_\_\_\_

Additional information on experience, qualifications, etc.:

College Teacher, College Administrator, <sup>Corporate</sup> ~~Corporate~~ Marketing Executive  
+ Business Manager, Strategic Planning ~~Manager~~ Director for Sprint

Please comment briefly on why you wish to serve on a particular board or commission. Be specific as to your goals and ideas regarding how you wish to contribute to the work of the board or commission:

Grew up in Albion, recently retired here, love the city, inspired by recent developments, and would like to become active in helping further its growth as a great place to live. Special expertise in planning and marketing with a background in civic leadership.

Relationship to City Officials/Department Heads: Are you, your spouse, or other close family members related to any City Officials or Department Heads? If yes, please explain: \_\_\_\_\_

No

Business relationship: Do you, your spouse, or any close family member currently have a business relationship with the City of Albion? If yes, please explain: \_\_\_\_\_

No

Convictions: Have you ever been convicted of any criminal violation? Have you ever been convicted of a felony while holding public office or public employment? If yes, please explain: \_\_\_\_\_

No

**REFERENCES:**

Name: Linda Kolmodin Relationship: Neighbor

Telephone #: 517-914-4757

Name: Bob Brown Relationship: Friend

Telephone #: 269-339-1951

*Best just to interview me!*

The following information and consent is necessary in order to conduct a proper review of your application for appointment. This information will be kept confidential.

\*\*\*\*\*

CONSENT AND CERTIFICATION

I consent to the release of information concerning my ability and fitness for the position to which I seek appointment by my employer(s), school(s), law enforcement agencies, and other individuals and organizations to the City of Albion Office of the City Manager.

I hereby authorize the City of Albion to verify all the information I have provided on my application. I also agree to execute any additional written authorizations necessary for the City to obtain access to and copies of records pertaining to this information. I release the City of Albion and agencies who have released information from all liability arising from information given or received.

I certify that I can and will, upon request, substantiate all statements made by me on this application; that such statements are true, complete and correct to the best of my knowledge. I understand that a false statement, dishonest answer, misrepresentation or omission to any question will be sufficient for rejection of my application, removal of my name from the eligible list or my immediate removal should such falsifications or misrepresentation be discovered after I am sworn in to any Board or Commission.

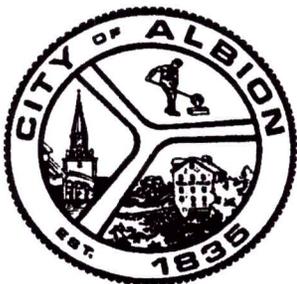
I, Bruce Nelson, certify that the information provided  
(Please Print)

in this application is, to the best of my knowledge, true and accurate.

Date of Birth: August 31, 1950

Signature: [Handwritten Signature] Date: December 2, 2016

Approved 6 June 2013  
*[Signature]*



# City of Albion

William L. Rieger Municipal Building  
112 West Cass Street • Albion, Michigan 49224  
(517) 629-5535 • Fax (517) 629-4168

## APPLICATION FOR MEMBERSHIP ON CITY BOARD OR COMMISSION

Mail or Deliver Completed Application to: City of Albion  
Joseph Domingo, Mayor  
112 W. Cass Street  
Albion, MI 49224

The information in this Application is requested to assist the Mayor and/or City Council in selecting individuals to serve on City Boards & Commissions. Completion of the Application is not required for consideration of appointment. **Completion of the Consent and Certification portion of the Application is mandatory.**

Thank you for your interest in serving on a City of Albion board or commission. The Albion City Council requires that every member of a board or commission meet the following qualifications:

- Appointee is not in default to the City (appointee does not have unpaid water/sewer bills, property taxes, income taxes).
- For most Boards & Commissions, appointee should be a resident of the City.

Name: Edison Bergess Haas  
(First) (Middle) (Last)

Home Address: 2771 County Club Way Telephone #: 517 629-4777

Place of Employment: Haas Trucking

Business Address: 1940 E. Michigan Albion Telephone #: 629-2526

E-Mail: haasdwad@hotmail.com Fax: \_\_\_\_\_

Title/Type of Work: President - Trucking

Length of Residence in City: 11 Years Own/Rent: Own US Citizen: Y N

Educational Background: US Air Force - Business - 2 Year Degree 1970-75  
- Logistics 2 Year Degree 1978-81  
Michigan State Agronomy Major 85-86

Community Activities: Citizens to Beautify Albion  
Member of Commerce Post president

List Board or Commission on which you are interested in serving (see attached descriptions):

- 1) EDC 2) \_\_\_\_\_
- 3) \_\_\_\_\_ 4) \_\_\_\_\_

Additional information on experience, qualifications, etc.:

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Please comment briefly on why you wish to serve on a particular board or commission. Be specific as to your goals and ideas regarding how you wish to contribute to the work of the board or commission:

I feel I can help Albion because I've deeply involved with the Manufacturing Community, the downtown office in the past and will continue to help Albion attract business.

Relationship to City Officials/Department Heads: Are you, your spouse, or other close family members related to any City Officials or Department Heads? If yes, please explain: no

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Business relationship: Do you, your spouse, or any close family member currently have a business relationship with the City of Albion? If yes, please explain: no

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Convictions: Have you ever been convicted of any criminal violation? Have you ever been convicted of a felony while holding public office or public employment? If yes, please explain: no

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**REFERENCES:**

Name: Bill Robbins Relationship: Business Partner

Telephone #: 629-8838

Name: John Aray Relationship: friend

Telephone #: 629-2611

The following information and consent is necessary in order to conduct a proper review of your application for appointment. This information will be kept confidential.

\*\*\*\*\*

CONSENT AND CERTIFICATION

I consent to the release of information concerning my ability and fitness for the position to which I seek appointment by my employer(s), school(s), law enforcement agencies, and other individuals and organizations to the City of Albion Office of the City Manager.

I hereby authorize the City of Albion to verify all the information I have provided on my application. I also agree to execute any additional written authorizations necessary for the City to obtain access to and copies of records pertaining to this information. I release the City of Albion and agencies who have released information from all liability arising from information given or received.

I certify that I can and will, upon request, substantiate all statements made by me on this application; that such statements are true, complete and correct to the best of my knowledge. I understand that a false statement, dishonest answer, misrepresentation or omission to any question will be sufficient for rejection of my application, removal of my name from the eligible list or my immediate removal should such falsifications or misrepresentation be discovered after I am sworn in to any Board or Commission.

I, Edison B. Haas, certify that the information provided  
(Please Print)

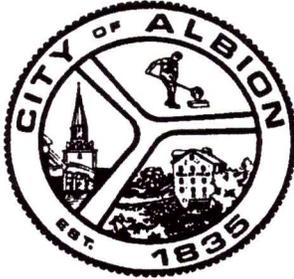
in this application is, to the best of my knowledge, true and accurate.

Date of Birth: 5-8-62

Signature: [Handwritten Signature] Date: 6-4-2012

EDC

Approved 6 June 2013  
*[Signature]*



# City of Albion

William L. Rieger Municipal Building  
112 West Cass Street • Albion, Michigan 49224  
(517) 629-5535 • Fax (517) 629-4168

## APPLICATION FOR MEMBERSHIP ON CITY BOARD OR COMMISSION

Mail or Deliver Completed Application to: City of Albion  
Joseph Domingo, Mayor  
112 W. Cass Street  
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Thank you for your interest in serving on a City of Albion board or commission. The Albion City Council requires that every member of a board or commission meet the following qualifications:

- Appointee is not in default to the City (appointee does not have unpaid water/sewer bills, property taxes, income taxes).
- For most Boards & Commissions, appointee should be a resident of the City.

Name: BERNARD LEF KONKRE II  
(First) (Middle) (Last)

Home Address: 3481 COUNTRY CLUB WAY Telephone #: 517-629-3465

Place of Employment: DECKER MFG CORP

Business Address: 707 N. CLARK ST. Telephone #: 517-629-3955

E-Mail: BERNIE2@DECKERMFG.COM Fax: 517-629-3535

Title/Type of Work: COO/SECRETARY

Length of Residence in City: 5  Own/Rent: Own US Citizen: Y  N

Educational Background: 4 YEAR - BA IN BUSINESS ADMIN.  
ACMA COLLEGE

Community Activities: CHAMBER AMBASSADOR; ACF - VP; EDC

List Board or Commission on which you are interested in serving (see attached descriptions):

- 1) EDC BOD 2) \_\_\_\_\_
- 3) \_\_\_\_\_ 4) \_\_\_\_\_

Additional information on experience, qualifications, etc.:

PAST CHAMBER AMBASSADOR PRESIDENT; PAST CHAIR  
EDC BOD; CURRENT VP - ACEF BOD.

Please comment briefly on why you wish to serve on a particular board or commission. Be specific as to your goals and ideas regarding how you wish to contribute to the work of the board or commission:

CONTRIBUTE AND BE INVOLVED IN THE  
FUNCTIONS OF THE EDC BOD AND THE  
COMMUNITY.

Relationship to City Officials/Department Heads: Are you, your spouse, or other close family members related to any City Officials or Department Heads? If yes, please explain: \_\_\_\_\_

N/A

Business relationship: Do you, your spouse, or any close family member currently have a business relationship with the City of Albion? If yes, please explain: \_\_\_\_\_

N/A

Convictions: Have you ever been convicted of any criminal violation? Have you ever been convicted of a felony while holding public office or public employment? If yes, please explain: \_\_\_\_\_

N/A

**REFERENCES:**

Name: PEGGY SINDT Relationship: BOD MEMBER

Telephone #: \_\_\_\_\_

Name: EUZARATH SCHULTHEISS Relationship: BOD MEMBER

Telephone #: \_\_\_\_\_

The following information and consent is necessary in order to conduct a proper review of your application for appointment. This information will be kept confidential.

\*\*\*\*\*

CONSENT AND CERTIFICATION

I consent to the release of information concerning my ability and fitness for the position to which I seek appointment by my employer(s), school(s), law enforcement agencies, and other individuals and organizations to the City of Albion Office of the City Manager.

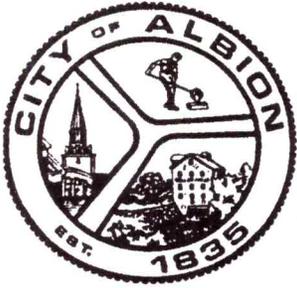
I hereby authorize the City of Albion to verify all the information I have provided on my application. I also agree to execute any additional written authorizations necessary for the City to obtain access to and copies of records pertaining to this information. I release the City of Albion and agencies who have released information from all liability arising from information given or received.

I certify that I can and will, upon request, substantiate all statements made by me on this application; that such statements are true, complete and correct to the best of my knowledge. I understand that a false statement, dishonest answer, misrepresentation or omission to any question will be sufficient for rejection of my application, removal of my name from the eligible list or my immediate removal should such falsifications or misrepresentation be discovered after I am sworn in to any Board or Commission.

I, BERNARD L. KOWKUR II, certify that the information provided  
(Please Print)

in this application is, to the best of my knowledge, true and accurate.

Date of Birth: 8-2-1964  
Signature: [Handwritten Signature] Date: 6-5-13



# City of Albion

William L. Rieger Municipal Building  
112 West Cass Street • Albion, Michigan 49224  
(517) 629-5535 • Fax (517) 629-4168

## APPLICATION FOR MEMBERSHIP AND/OR REAPPOINTMENT ON CITY BOARDS OR COMMISSIONS

Mail or Deliver Completed Application to: City Clerk  
City of Albion  
112 W. Cass Street  
Albion, MI 49224

The information in this Application is requested to assist the Mayor and/or City Council in selecting individuals to serve on City Boards & Commissions. Completion of the Application and Consent and Certification is mandatory for consideration of appointment.

Thank you for your interest in serving on a City of Albion board or commission. The Albion City Council requires that every member of a board or commission meet the following qualifications:

- Appointee is not in default to the City (appointee does not have unpaid water/sewer bills, property taxes, income taxes).
- For most Boards & Commissions, appointee should be a resident of the City.

Name: Geryl Ann Krause  
(First) (Middle) (Last)

Home Address: 1007 Fitch Telephone #: 517 629 9253

Place of Employment: Albion College

Business Address: 611 E Porter Telephone #: 517 629 0220

E-Mail: ckrause@albion.edu Fax: \_\_\_\_\_

Title/Type of Work: Registered Nurse

Length of Residence in City: 33 Own/Rent:  Own  Rent US Citizen: Y  N

Educational Background: BSN

Community Activities: Isomon Board, Healthcare Alliance Board

List Board or Commission on which you are interested in serving (see detailed descriptions on the City of Albion website):

- 1) Board of review 2) \_\_\_\_\_
- 3) \_\_\_\_\_ 4) \_\_\_\_\_

Additional information on experience, qualifications, etc.:

City Council member Precinct 5-12 yrs

Please comment briefly on why you wish to serve on a particular board or commission. Be specific as to your goals and ideas regarding how you wish to contribute to the work of the board or commission:

Open seat needs to be filled. Interested in taxable value & need to collect in a fair & equitable manner

Relationship to City Officials/Department Heads: Are you, your spouse, or other close family members related to any City Officials or Department Heads? If yes, please explain: \_\_\_\_\_

No -

Business relationship: Do you, your spouse, or any close family member currently have a business relationship with the City of Albion? If yes, please explain: \_\_\_\_\_

Son, Tim, Director Albion Community Foundation  
Husband Eric, Deputy Calhoun County

Convictions: Have you ever been convicted of any criminal violation? Have you ever been convicted of a felony while holding public office or public employment? If yes, please explain: \_\_\_\_\_

No

**REFERENCES:**

Name: Scott Kipp Relationship: Friend Chief Public Safety

Telephone #: 5176295535 x2701

Name: Andy French Relationship: Friend

Telephone #: 517  
Application for Membership

**The following information and consent is necessary in order to conduct a proper review of your application for appointment. This information will be kept confidential.**

\*\*\*\*\*

**CONSENT AND CERTIFICATION**

*I consent to the release of information concerning my ability and fitness for the position to which I seek appointment by my employer(s), school(s), law enforcement agencies, and other individuals and organizations to the City of Albion Office of the City Manager.*

*I hereby authorize the City of Albion to verify all the information I have provided on my application. I also agree to execute any additional written authorizations necessary for the City to obtain access to and copies of records pertaining to this information. I release the City of Albion and agencies who have released information from all liability arising from information given or received.*

*I certify that I can and will, upon request, substantiate all statements made by me on this application; that such statements are true, complete and correct to the best of my knowledge. I understand that a false statement, dishonest answer, misrepresentation or omission to any question will be sufficient for rejection of my application, removal of my name from the eligible list or my immediate removal should such falsifications or misrepresentation be discovered after I am sworn in to any Board or Commission.*

I, Cheryl Krause, certify that the information provided  
(Please Print)

in this application is, to the best of my knowledge, true and accurate.

Date of Birth: 4/27/55

Signature: Cheryl Krause Date: 7/7/19

**CITY OF ALBION  
ORDINANCE #2019-05**

AN ORDINANCE TO CREATE SECTION(S) 58-228 PROHIBITION ON SELLING, GIVING, OR FURNISHING A TOBACCO PRODUCT, VAPOR PRODUCT, OR ALTERNATIVE NICOTINE PRODUCT TO A MINOR, AND 58-229 PROHIBITION ON POSSESSION, ATTEMPTED POSSESSION, OR USE OF TOBACCO PRODUCTS, VAPOR PRODUCTS, OR ALTERNATIVE NICOTINE PRODUCTS BY A MINOR

**Purpose and Finding:**

The Michigan Legislature recently enacted Public Act 18 of 2019 which consolidated the statutes which prohibit selling tobacco products to minors and minor in possession and/or use of tobacco products with new sections that now address vapor products and alternative nicotine products. The use of vapor products has become a new trend with youth, particularly on school property and schools statewide have been working to deal with the issue. This ordinance adopts the state statute language and allows for local prosecution of the new state laws at the local level. This will allow local law enforcement to work locally to curtail both the sale of these products to minors as well as the general use or possession of these products by minors. This ordinance is recommended to promote the health, safety, and general welfare of the citizens of Albion.

THE CITY OF ALBION ORDAINS:

Section 1:

**Sec 58-228 Selling, giving, or furnishing a tobacco product, vapor product, or alternative nicotine product to a minor prohibited.**

1. A person shall not sell, give, or furnish a tobacco product, vapor product, or alternative nicotine product to a minor, including, but not limited to, through a vending machine. A person who violates this subsection or subsection (7) is guilty of a misdemeanor punishable by a fine as follows:
  - a. For a first offense, not more than \$100.00.
  - b. For a second or subsequent offense, not more than \$500.00.
2. A person who sells tobacco products, vapor products, or alternative nicotine products at retail shall post, in a place close to the point of sale and conspicuous to both employees and customers, a sign produced by the department of health and human services that includes the following statement:

- a. "The purchase of a tobacco product, vapor product, or alternative nicotine product by a minor under 18 years of age and the provision of a tobacco product, vapor product, or alternative nicotine product to a minor are prohibited by law. A minor who unlawfully purchases or uses a tobacco product, vapor product, or alternative nicotine product is subject to criminal penalties."
3. If the sign required under subsection (2) is more than 6 feet from the point of sale, it must be 5-1/2 inches by 8-1/2 inches and the statement required under subsection (2) must be printed in 36-point boldfaced type. If the sign required under subsection (2) is 6 feet or less from the point of sale, it must be 2 inches by 4 inches and the statement required under subsection (2) must be printed in 20-point boldfaced type.
4. It is an affirmative defense to a charge under subsection (1) that the defendant had in force at the time of arrest and continues to have in force a written policy to prevent the sale of tobacco products, vapor products, or alternative nicotine products, as applicable, to persons under 18 years of age and that the defendant enforced and continues to enforce the policy. A defendant who proposes to offer evidence of the affirmative defense described in this subsection shall file notice of the defense, in writing, with the court and serve a copy of the notice on the city attorney. The defendant shall serve the notice not less than 14 days before the date set for trial.
5. If the city attorney proposes to offer testimony to rebut the affirmative defense described in subsection (4) shall file a notice of rebuttal, in writing, with the court and serve a copy of the notice on the defendant. The city attorney shall serve the notice not less than 7 days before the date set for trial and shall include in the notice the name and address of each rebuttal witness.
6. Subsection (1) does not apply to the handling or transportation of a tobacco product, vapor product, or alternative nicotine product by a minor under the terms of the minor's employment.
7. Before selling, offering for sale, giving, or furnishing a tobacco product, vapor product, or alternative nicotine product to an individual, a person shall verify that the individual is at least 18 years of age by doing 1 of the following:
  - a. If the individual appears to be under 27 years of age, examining a government-issued photographic identification that establishes that the individual is at least 18 years of age.
  - b. For sales made by the internet or other remote sales method, performing an age verification through an independent, third-party

age verification service that compares information available from a commercially available database, or aggregate of databases, that are regularly used by government agencies and businesses for the purpose of age and identity verification to the personal information entered by the individual during the ordering process that establishes that the individual is 18 years of age or older.

State law reference: MCL 722.641

**Sec. 58-229 Purchasing or attempt to purchase, possession or attempt to possess, or use of tobacco by a minor prohibited. Use of fraudulent identification prohibited.**

1. Subject to subsection (6), a minor shall not do any of the following:
  - a. Purchase or attempt to purchase a tobacco product.
  - b. Possess or attempt to possess a tobacco product.
  - c. Use a tobacco product in a public place.
  - d. Present or offer to an individual a purported proof of age that is false, fraudulent, or not actually his or her own proof of age for the purpose of purchasing, attempting to purchase, possessing, or attempting to possess a tobacco product.
2. An individual who violates subsection (1) is guilty of a misdemeanor punishable by a fine of not more than \$50.00 for each violation. Pursuant to a probation order, the court may also require an individual who violates subsection (1) to participate in a health promotion and risk reduction assessment program, if available. In addition, an individual who violates subsection (1) is subject to the following:
  - a. For the first violation, the court may order the individual to do 1 of the following:
    - i. Perform not more than 16 hours of community service.
    - ii. Participate in a health promotion and risk reduction assessment program.
  - b. For a second violation, in addition to participation in a health promotion and risk reduction assessment program, the court may order the individual to perform not more than 32 hours of community service.

- c. For a third or subsequent violation, in addition to participation in a health promotion and risk reduction assessment program, the court may order the individual to perform not more than 48 hours of community service.
3. Subject to subsection (6), a minor shall not do any of the following:
  - a. Purchase or attempt to purchase a vapor product or alternative nicotine product.
  - b. Possess or attempt to possess a vapor product or alternative nicotine product.
  - c. Use a vapor product or alternative nicotine product in a public place.
  - d. Present or offer to an individual a purported proof of age that is false, fraudulent, or not actually his or her own proof of age for the purpose of purchasing, attempting to purchase, possessing, or attempting to possess a vapor product or alternative nicotine product.
4. An individual who violates subsection (3) is responsible for a civil infraction or guilty of a misdemeanor as follows:
  - a. For the first violation, the individual is responsible for a civil infraction and shall be fined not more than \$50.00. The court may order the individual to participate in a health promotion and risk reduction assessment program, if available. In addition, the court may order the individual to perform not more than 16 hours of community service.
  - b. For the second violation, the individual is responsible for a civil infraction and shall be fined not more than \$50.00. The court may order the individual to participate in a health promotion and risk reduction assessment program, if available. In addition, the court may order the individual to perform not more than 32 hours of community service.
  - c. If a violation of subsection (3) occurs after 2 or more prior judgments, the individual is guilty of a misdemeanor punishable by a fine of not more than \$50.00 for each violation. Pursuant to a probation order, the court may also require the individual to participate in a health promotion and risk reduction assessment program, if available. In addition, the court may order the individual to perform not more than 48 hours of community service.

5. An individual who is ordered to participate in a health promotion and risk reduction assessment program under subsection (2) or (4) is responsible for the costs of participating in the program.
6. Subsections (1) and (3) do not apply to a minor participating in any of the following:
  - a. An undercover operation in which the minor purchases or receives a tobacco product, vapor product, or alternative nicotine product under the direction of the minor's employer and with the prior approval of the local prosecutor's office as part of an employer-sponsored internal enforcement action.
  - b. An undercover operation in which the minor purchases or receives a tobacco product, vapor product, or alternative nicotine product under the direction of the state police or a local police agency as part of an enforcement action, unless the initial or contemporaneous purchase or receipt of the tobacco product, vapor product, or alternative nicotine product by the minor was not under the direction of the state police or the local police agency and was not part of the undercover operation.
  - c. Compliance checks in which the minor attempts to purchase tobacco products for the purpose of satisfying federal substance abuse block grant youth tobacco access requirements, if the compliance checks are conducted under the direction of a substance use disorder coordinating agency and with the prior approval of the state police or a local police agency.
7. Subsections (1) and (3) do not apply to the handling or transportation of a tobacco product, vapor product, or alternative nicotine product by a minor under the terms of the minor's employment.
8. This section does not prohibit an individual from being charged with, convicted of, or sentenced for any other violation of law that arises out of the violation of subsection (1) or (3).
9. Definitions: As used in Sections 58-228 and 58-229, the following terms shall have the following meanings:
  - a. "Alternative nicotine product" means a noncombustible product containing nicotine that is intended for human consumption, whether chewed, absorbed, dissolved, or ingested by any other means. Alternative nicotine product does not include a tobacco product, a vapor product, food, or a product regulated as a drug or

device by the United States Food and Drug Administration under 21 USC 351 to 360fff-7.

- b. "Minor" means an individual who is less than 18 years of age.
- c. "Person who sells vapor products or alternative nicotine products at retail" means a person whose ordinary course of business consists, in whole or in part, of the retail sale of vapor products or alternative nicotine products.
- d. "Person who sells tobacco products at retail" means a person whose ordinary course of business consists, in whole or in part, of the retail sale of tobacco products subject to state sales tax.
- e. "Public place" means a public street, sidewalk, or park or any area open to the general public in a publicly owned or operated building or public place of business.
- f. "Tobacco product" means a product that contains tobacco and is intended for human consumption, including, but not limited to, a cigarette, noncigarette smoking tobacco, or smokeless tobacco, as those terms are defined in section 2 of the tobacco products tax act, 1993 PA 327, MCL 205.422, and a cigar.
- g. "Use a tobacco product, vapor product, or alternative nicotine product" means to smoke, chew, suck, inhale, or otherwise consume a tobacco product, vapor product, or alternative nicotine product.
- h. "Vapor product" means a noncombustible product that employs a heating element, power source, electronic circuit, or other electronic, chemical, or mechanical means, regardless of shape or size, that can be used to produce vapor from nicotine or any other substance, and the use or inhalation of which simulates smoking. Vapor product includes an electronic cigarette, electronic cigar, electronic cigarillo, electronic pipe, or similar product or device and a vapor cartridge or other container of nicotine or other substance in a solution or other form that is intended to be used with or in an electronic cigarette, electronic cigar, electronic cigarillo, electronic pipe, or similar product or device. Vapor product does not include a product regulated as a drug or device by the United States Food and Drug Administration under 21 USC 351 to 360fff-7.

State Law Reference: MCL 722.642

Section 2: The provisions of this Ordinance are severable and the invalidity of

any phrase, clause, or part of this Ordinance shall not affect the validity or effectiveness of the remainder of the Ordinance;

All ordinances or parts of ordinances in conflict herewith are hereby repealed only to the extent necessary to give this Ordinance full force and effect.

This Ordinance shall take effect on September 2, 2019 after publication.

First Reading:

Second Reading & Adoption:

July 1, 2019

July 15, 2019

Ayes \_\_\_\_\_  
Nays \_\_\_\_\_  
Absent \_\_\_\_\_

Ayes \_\_\_\_\_  
Nays \_\_\_\_\_  
Absent \_\_\_\_\_

\_\_\_\_\_  
Jill Domingo,  
Clerk

\_\_\_\_\_  
David Atchison,  
Mayor.

**CITY OF ALBION  
ORDINANCE #2019-06**

AN ORDINANCE TO AMEND ORDINANCE 58-165, CONSUMPTION OF  
ALCOHOLIC BEVERAGES IN PUBLIC PLACES

**Purpose and Finding:**

Currently the consumption of alcoholic beverages is prohibited in public within the City of Albion except as permitted in Ordinance 58-168 (Victory Park) and 58-169 (Ismon House). There is increasing interest in allowing for outside sales by businesses and non-profit entities during special events, holidays, and fundraisers. As such, modification of the current ordinance is being sought to allow for sale and consumption in public under limited circumstances after approval from the City is obtained.

THE CITY OF ALBION ORDAINS:

**Sec. 58-165. CONSUMPTION OF ALCOHOLIC BEVERAGES IN PUBLIC PLACES**

1. No person shall consume any beer, wine, or alcoholic beverage while on or in any city street, sidewalk, park, alleyway, parking lot, school property or other property open to the general public, except as set forth in this ordinance.
2. The City Council may permit the sale and consumption of beer, wine, or alcoholic beverages in designated areas of the city in conjunction with events that are sponsored by nonprofit organizations and/or businesses only.
3. A non-profit organization or business that desires to sell and/or consume beer, wine, or alcoholic beverages at an event in a public location shall make written application for the event to the City Clerk. The application shall be on forms provided by the City Clerk and shall include the following:
  - a. Name, signature, phone number, email contact and address of the applicant;
  - b. Location of the event, including a diagram of the location;
  - c. Information regarding the type of event, the dates and times of the event, and the purpose of the event;
  - d. A detailed description of the security measures proposed for the

event, including compliance with regulations of the Michigan Liquor Control Commission;

- e. Evidence of general liability insurance coverage, including a copy of the proof of insurance, with minimum liability of \$300,000 for injury or death to one person or more than one person, and \$100,000 in property damage, with the City of Albion listed as an additional insured, and insurance coverage for liquor liability under the Michigan Liquor Control Code, Act 58 of 1998, as amended.
  - f. An application fee as set by resolution of the Council;
- 4. The application shall be accompanied by a copy of the special licenses for such events obtained from the Michigan Liquor Control Commission;
  - 5. The City Clerk shall forward the completed application to the Albion Department of Public Safety and the Department of Public Services for review and approval before submission to the City Council.
  - 6. Nothing in this ordinance shall be deemed to relieve the applicant of any other obligation to comply with any other applicable federal, state, or local law or regulation.
  - 7. The applicant shall be responsible for ensuring the area used for the event is restored to its pre-event condition. The applicant shall be responsible for trash removal and any damage caused to public property.
  - 8. As used in this ordinance, the following words and phrases shall be defined as follows:
    - a. "Alcoholic liquor" means any spirituous, vinous, malt, or fermented liquor, powder, liquids, and compounds, whether or not medicated, proprietary, patented, and by whatever name called, containing 1/2 of 1% or more of alcohol by volume that are fit for use for food purposes or beverage purposes as defined and classified by the Michigan Liquor Control Commission according to alcoholic content as belonging to 1 of the varieties defined in the Michigan Liquor Control Code.
    - b. "Beer" means any beverage obtained by alcoholic fermentation of an infusion or decoction of barley, malt, hops, or other cereal in potable water.
    - c. "Wine" means the product made by the normal alcoholic fermentation of the juice of sound, ripe grapes, or any other fruit with the usual cellar treatment, and containing not more than 21%

of alcohol by volume, including cider made from apples or pears, or both, which contains at least 1/2 of 1% of alcohol by volume, or mead or honey wine made from honey, fermented fruit juices other than grapes, and mixed wine drinks.

9. A violation of this Ordinance shall be deemed to be a misdemeanor as set forth in Section 1-26 of the Albion Code of Ordinances.

The provisions of this Ordinance are severable and the invalidity of any phrase, clause, or part of this Ordinance shall not affect the validity or effectiveness of the remainder of the Ordinance;

All ordinances or parts of ordinances in conflict herewith are hereby repealed only to the extent necessary to give this Ordinance full force and effect. Specifically, ordinance 58-186 and 58-169 are hereby repealed and reserved.

This Ordinance shall take effect on September 19, 2019 after publication.

First Reading:

Second Reading & Adoption:

August 5, 2019

August 19, 2019

Ayes \_\_\_\_\_  
Nays \_\_\_\_\_  
Absent \_\_\_\_\_

Ayes \_\_\_\_\_  
Nays \_\_\_\_\_  
Absent \_\_\_\_\_

\_\_\_\_\_  
Jill Domingo,  
Clerk

\_\_\_\_\_  
David Atchison,  
Mayor.

**Resolution #2019-26**

**To Approve Michigan Municipal League (MML) Liability and Property Insurance  
Renewal**

**Background:** The City of Albion participates in the Michigan Municipal League Liability & Property Pool to obtain comprehensive property, general liability, auto liability, public officials' liability insurance and related services.

The 2019 annual premium for the insurance and related services for the City of Albion for is \$195,047. In addition, the MML Liability & Property Pool Board of Trustees voted to return another post-renewal dividend for Members renewing in 2019. The City's portion of the dividend return is \$18,065. The City will receive this dividend in the month following payment of the 2019 renewal premium.

Albion City Code, Section 2-384, provides that purchases exceeding \$5,000 require City Council approval.

Council Member \_\_\_\_\_ moved, supported by Council Member \_\_\_\_\_, to approve the following resolution.

**RESOLVED**, that the Albion City Council approves the renewal of the Michigan Municipal League (MML) Liability and Property Insurance Policy, in the amount of \$195,047.

I hereby certify that the above resolution was adopted on July 15, 2019, in a regular session of the Albion City Council, and this is a true copy of that resolution.

Ayes \_\_\_\_\_

Nays \_\_\_\_\_

Absent \_\_\_\_\_

\_\_\_\_\_  
Jill Domingo, Albion City Clerk



michigan municipal league

# MICHIGAN MUNICIPAL LEAGUE LIABILITY AND PROPERTY POOL

P.O. Box 972067, Ypsilanti, Michigan 48197-0835  
(248) 358-1100, (800) 482-2726

## INVOICE

City of Albion  
112 West Cass St.,  
Albion, MI 492241731

Customer #: 5000070  
Policy Term: 07/01/2019 - 07/01/2020  
Invoice Date: 06/28/2019  
Invoice #: 7777205

Payment Enclosed: \$ \_\_\_\_\_

PLEASE MAKE CHECKS PAYABLE TO MICHIGAN MUNICIPAL LEAGUE LIABILITY AND PROPERTY POOL

FOR PROPER CREDIT PLEASE DETACH THIS STUB AND RETURN WITH YOUR PAYMENT FOR THE TOTAL AMOUNT DUE

MICHIGAN MUNICIPAL LEAGUE LIABILITY AND PROPERTY POOL  
P.O. Box 972067, Ypsilanti, Michigan 48197-0835  
(248) 358-1100, (800) 482-2726

By ACH: Bank : KeyBank, N.A.  
Payee: Michigan Municipal Liability  
Account #: 6000694493 Routing #: 041001039  
Invoice #: 7777205

TRANSACTION EFFECTIVE DATE	POLICY NUMBER	DESCRIPTION	AMOUNT
07/01/2019	MML001325326	Pool Renewal Premium	\$195,047
<div style="border: 1px solid black; background-color: #FF69B4; padding: 10px; width: fit-content; margin: 0 auto;"> <p>Due Date is 30 days from the effective or invoice date, whichever is later.</p> </div>			
<b>Total Amount Due</b>			<b>\$195,047</b>

By ACH : Bank: KeyBank, N.A.  
Payee: Michigan Municipal Liability  
Account #: 6000694493 Routing #: 041001039  
Invoice #: 7777205

7777205

PREMIUM DUE ON EFFECTIVE DATE SHOWN ABOVE.  
NO RECEIPT WILL BE SENT UNLESS REQUESTED.  
There will be a 3% late charge on any invoices 30 days past due.

**City of Albion**  
**Premium Breakdown as of:**  
**July 1, 2019**

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**Liability**

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Limit of Liability \$ 10,000,000

Public Officials Errors & Omissions	\$32,555.00
Police Professional	\$35,692.00
General Liability	\$22,895.00
<b>Total Liability</b>	<b>\$91,142.00</b>

**Property**

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City Hall	\$4,282.00
Flag Pole	\$21.00
Water Tower	\$1,034.00
Digestor Bldg., Generator	\$3,189.00
Sludge Storage Tank #2	\$474.00
Aeration Bldg.	\$1,402.00
Chemical Feed Room	\$812.00
Sample Bldg.	\$213.00
Garage	\$42.00
Pole Barn	\$146.00
Wwtp Lab & Office	\$1,928.00
Sludge Storage Tank #1	\$474.00
Filter Bldg.	\$2,066.00
Grit Chamber	\$264.00
Final Clarifier #1	\$882.00
Final Clarifier #2	\$882.00
Aeration Basin #1	\$933.00
Aeration Basin #2	\$933.00
Aeration Basin #3	\$933.00
Primary Clarifier #1	\$882.00
Primary Clarifier #2	\$882.00
Thickener	\$358.00
Effluent Tank	\$873.00

**City of Albion**  
**Premium Breakdown as of:**  
**July 1, 2019**

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**Property**

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Effluent Bldg.	\$163.00
Site Improvements To Wwtp Lab & Office	\$177.00
Concessions & Restrooms	\$135.00
Ballfields, Lighting, Fencing	\$150.00
Water Pump Station #1, Generator	\$269.00
Water Pump Station #2	\$171.00
Water Pump Station #3	\$151.00
Picnic Shelters	\$92.00
Amphitheater	\$398.00
Park Field Office	\$301.00
Ice Skating Pavilion	\$464.00
Fencing, Playground Equip., Hoops, Flagpole, Etc	\$332.00
Sewage Lift Station	\$147.00
Skating Shelter And Warming House	\$142.00
Restrooms	\$72.00
Picnic Shelter	\$7.00
Concession & Restroom	\$101.00
Restroom & Storage Bldg.	\$136.00
Playground Equip., Hoops, Fencing, Bleachers, Etc	\$69.00
Restrooms	\$41.00
Water Dept. Bldg.	\$994.00
Fencing	\$27.00
Market Place	\$101.00
Lloyd Park Platform	\$14.00
Ismon House	\$1,713.00
Train Depot	\$763.00
Site Improvements	\$6.00
Senior Citizen Apts.	\$9,336.00
Site Improvements	\$21.00

**City of Albion**  
**Premium Breakdown as of:**  
**July 1, 2019**

**Property**

Former Aedc Office Bldg., For Sale	\$869.00
Signage & Fencing	\$6.00
Water Treatment Plant, Generator	\$5,289.00
Well House #1	\$204.00
Well House #2	\$204.00
Fencing	\$25.00
Reiger Park Platform	\$14.00
Garage Bldg.	\$130.00
Shuffleboard Court	\$60.00
Sewer Lift Station	\$144.00
Cemetery Garage	\$341.00
Cemetery Office	\$178.00
Cemetery Cold Storage	\$91.00
Cemetery Mausoleum	\$343.00
Outdoor Stage, Flagpoles, Monument	\$278.00
Cemetery Headstones, 21,000 Plots	\$616.00
Decorative Street Lighting	\$252.00
Storage Bldg. Used By Calhoun Co. Recycling	\$150.00
Rental Bldg.	\$228.00
Street Garage Main Bldg.	\$2,509.00
Street Garage For Vehicle Storage	\$562.00
Salt Storage Bldg.	\$135.00
Fencing	\$125.00
Deck	\$24.00
Canoe Launch, Railings, Pedestrian Bridge	\$182.00
Pedestrian Bridges (3)	\$480.00
Fencing	\$132.00
Vehicle Storage Bldg.	\$133.00
Ambulance, Fire Station	\$1,203.00

**City of Albion**  
**Premium Breakdown as of:**  
**July 1, 2019**

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**Property**

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Food Hub	\$1,047.00
Aedc Office Contents	\$150.00
Extra Expense	\$60.00
Loss Of Rents	\$120.00
Valuable Papers	\$240.00
Personal Effects	\$59.00
Electronic Data Processing	\$570.00
Contractors Equipment	\$1,187.00
Tripp, German Shepherd	\$389.00
Camera & Video Equipment	\$137.00
<b>Total Property</b>	<b>\$59,264.00</b>

**Crime**

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Position Bond A	\$25.00
Employee Dishonesty Including Faithful Performance	\$25.00
<b>Total Crime</b>	<b>\$50.00</b>

**Automobile**

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(66) Vehicles	\$44,591.00
<b>Total Automobile</b>	<b>\$44,591.00</b>

<b>TOTAL ANNUAL POOL PREMIUM</b>	<b>\$195,047.00</b>
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**INFORMATION  
ONLY**

FROM 06/01/2019 TO 06/30/2019

FUND: 101 202 203 208 226 250 265 275 277 450 452 590 591 661

CASH AND INVESTMENT ACCOUNTS

Fund Account	Description	Beginning Balance 06/01/2019	Total Debits	Total Credits	Ending Balance 06/30/2019
Fund 101	GENERAL FUND				
001.00	CASH	(372,784.23)	445,055.52	320,396.37	(248,125.08)
002.00	CASH - INCOME TAX ACCOUNT	676,989.91	32,596.93	26,756.08	682,830.76
003.00	CERTIFICATES OF DEPOSIT	100,219.00	0.00	0.00	100,219.00
004.00	PETTY CASH	100.00	0.00	0.00	100.00
004.02	PETTY CASH - CHANGE DRAWER	400.00	0.00	0.00	400.00
005.00	HRA ACCOUNT FOR EMPLOYEES	1,913.94	0.00	0.00	1,913.94
007.00	CASH PARK FENCE	17,619.09	0.00	0.00	17,619.09
017.00	INVESTMENTS	315,141.43	0.00	0.00	315,141.43
	GENERAL FUND	739,599.14	477,652.45	347,152.45	870,099.14
Fund 202	MAJOR STREETS FUND				
001.00	CASH	689,066.24	88,930.58	18,714.23	759,282.59
017.00	INVESTMENTS	102,962.69	0.00	0.00	102,962.69
	MAJOR STREETS FUND	792,028.93	88,930.58	18,714.23	862,245.28
Fund 203	LOCAL STREETS FUND				
001.00	CASH	287,207.53	19,749.35	28,286.66	278,670.22
Fund 208	RECREATION FUND				
001.00	CASH	52,506.05	18,735.89	7,950.19	63,291.75
Fund 226	SOLID WASTE FUND				
001.00	CASH	276,711.31	35,678.15	8,899.02	303,490.44
017.00	INVESTMENTS	53,903.93	0.00	0.00	53,903.93
	SOLID WASTE FUND	330,615.24	35,678.15	8,899.02	357,394.37
Fund 250	CDBG FUND				
001.01	CDBG FUND CASH	33,499.18	0.00	0.00	33,499.18
Fund 265	DRUG LAW ENFORCEMENT FUND				
001.00	CASH	8,009.88	750.00	9,461.88	(702.00)
Fund 275	ALBION BUILDING AUTHORITY FUND				
001.01	FUND CASH ACCOUNT	199,980.68	126.00	2,262.48	197,844.20
004.00	PETTY CASH	276.76	0.00	0.00	276.76
	ALBION BUILDING AUTHORITY FUND	200,257.44	126.00	2,262.48	198,120.96
Fund 277	ABA SEC 8 MAPLE GROVE				
001.01	FUND CASH ACCOUNT	238,514.07	600.00	43,630.85	195,483.22
002.00	CASH - CAPITAL PROJECTS RESERV	513,324.63	5,892.88	0.00	519,217.51
008.00	CASH-SECURITY DEPOSIT	26,713.99	0.00	600.00	26,113.99
	ABA SEC 8 MAPLE GROVE	778,552.69	6,492.88	44,230.85	740,814.72
Fund 450	STREET IMPROVEMENTS FUND				
001.00	CASH	292,770.76	35,678.15	1,736.26	326,712.65
017.00	INVESTMENTS	257,406.80	0.00	0.00	257,406.80
	STREET IMPROVEMENTS FUND	550,177.56	35,678.15	1,736.26	584,119.45
Fund 452	MDOT RECONSTRUCTION FUND				
001.00	CASH	(28,158.14)	0.00	9,309.18	(37,467.32)
Fund 590	SEWER FUND				
001.00	CASH	8,660.64	93,514.42	99,333.43	2,841.63
017.00	INVESTMENTS	313,768.29	0.00	0.00	313,768.29

CASH SUMMARY BY ACCOUNT FOR CITY OF ALBION

FROM 06/01/2019 TO 06/30/2019

FUND: 101 202 203 208 226 250 265 275 277 450 452 590 591 661

CASH AND INVESTMENT ACCOUNTS

Fund Account	Description	Beginning Balance 06/01/2019	Total Debits	Total Credits	Ending Balance 06/30/2019
	SEWER FUND	322,428.93	93,514.42	99,333.43	316,609.92
Fund 591	WATER FUND				
001.00	CASH	472,888.67	103,383.56	79,236.62	497,035.61
003.00	CERTIFICATES OF DEPOSIT	249,944.50	0.00	0.00	249,944.50
006.00	RESTRICTED CASH - BOND RESERVE	61,990.00	0.00	0.00	61,990.00
008.00	CASH-SECURITY DEPOSIT	200.00	0.00	0.00	200.00
017.00	INVESTMENTS	365,410.42	0.00	0.00	365,410.42
	WATER FUND	<u>1,150,433.59</u>	<u>103,383.56</u>	<u>79,236.62</u>	<u>1,174,580.53</u>
Fund 661	EQUIPMENT POOL FUND				
001.00	CASH	269,109.46	21,914.25	116,373.15	174,650.56
	TOTAL - ALL FUNDS	<u>5,486,267.48</u>	<u>902,605.68</u>	<u>772,946.40</u>	<u>5,615,926.76</u>

REVENUE AND EXPENDITURE REPORT FOR CITY OF ALBION  
 PERIOD ENDING 06/30/2019  
 % Fiscal Year Completed: 49.59

GL NUMBER	DESCRIPTION	2018		END BALANCE	YTD BALANCE	2019	% BGDG USED
		AMENDED BUDGET	NORMAL	12/31/2018 (ABNORMAL)	06/30/2019 (ABNORMAL)	ORIGINAL BUDGET	
Fund 101 - GENERAL FUND							
000 - GENERAL		3,396,195.00		3,408,873.51	1,114,875.06	3,410,920.00	32.69
209 - ASSESSING		76.00		75.50	10.00	0.00	100.00
215 - CLERK		62.00		62.67	315.20	0.00	100.00
260 - FINANCE DEPT AND/OR ABA GENERAL		600.00		817.00	390.00	600.00	65.00
276 - CEMETERY		87,447.00		89,746.80	22,935.32	58,000.00	39.54
345 - PUBLIC SAFETY		85,173.00		36,163.93	18,358.70	36,500.00	50.30
422 - CODE ENFORCEMENT		93,150.00		97,037.93	40,768.60	101,500.00	40.17
448 - STREET LIGHTING		0.00		0.00	192,254.00	0.00	100.00
758 - ALBION RIVER/BIKE TRAIL		76,319.00		76,318.91	0.00	0.00	0.00
775 - PARKS		2,400.00		2,390.00	3,230.00	2,500.00	129.20
778 - HOLLAND PARK TRANSFORMATION PROJECT		4,704.00		4,704.16	10,000.00	10,000.00	100.00
930 - TRANSFER IN		10,000.00		10,000.00	0.00	10,000.00	0.00
TOTAL REVENUES		3,756,126.00		3,726,190.41	1,403,136.88	3,630,020.00	38.65
101 - CITY COUNCIL		54,055.00		40,841.67	12,984.10	50,606.00	25.66
172 - CITY MANAGER		98,480.00		81,391.09	47,373.92	208,295.00	22.74
209 - ASSESSING		48,300.00		45,879.40	27,118.33	44,810.00	60.52
210 - ATTORNEY		110,400.00		113,825.22	90,142.76	99,150.00	90.92
215 - CLERK		129,375.00		129,168.66	48,440.58	127,725.00	37.93
226 - HUMAN RESOURCES		29,579.00		25,642.52	6,992.03	14,900.00	46.93
260 - FINANCE DEPT AND/OR ABA GENERAL		371,682.00		320,111.78	224,273.29	484,735.00	46.27
265 - MUNICIPAL BLDG AND/OR 201 N CLINTON ST		151,370.00		136,844.10	34,079.23	72,175.00	47.22
276 - CEMETERY		172,126.00		153,552.73	76,792.94	165,210.00	46.48
345 - PUBLIC SAFETY		2,068,952.26		1,994,121.88	936,830.32	2,063,902.00	45.39
422 - CODE ENFORCEMENT		194,817.00		176,629.64	117,638.91	253,285.00	46.45
442 - CITY MAINTENANCE		64,182.00		48,279.07	17,103.21	56,125.00	30.47
444 - TREE TRIMMING		20,615.00		15,399.10	2,167.40	17,675.00	12.26
447 - ENGINEERING		28,737.00		22,140.42	4,709.91	15,270.00	30.84
448 - STREET LIGHTING		169,500.00		161,667.43	163,551.45	150,000.00	109.03
526 - EPA LANDFILL		8,600.00		9,803.12	5,358.80	21,000.00	25.52
758 - ALBION RIVER/BIKE TRAIL		76,319.00		76,318.91	0.00	0.00	0.00
775 - PARKS		226,135.00		209,545.17	92,334.79	207,700.00	44.46
778 - HOLLAND PARK TRANSFORMATION PROJECT		4,704.00		47.68	0.00	10,000.00	0.00
895 - GENERAL APPROPRIATION		136,650.00		128,297.34	91,305.91	149,674.00	61.00
TOTAL EXPENDITURES		4,164,578.26		3,889,506.93	1,999,197.88	4,212,237.00	47.46
Fund 101 - GENERAL FUND:							
TOTAL REVENUES		3,756,126.00		3,726,190.41	1,403,136.88	3,630,020.00	38.65
TOTAL EXPENDITURES		4,164,578.26		3,889,506.93	1,999,197.88	4,212,237.00	47.46
NET OF REVENUES & EXPENDITURES		(408,452.26)		(163,316.52)	(596,061.00)	(582,217.00)	102.38

REVENUE AND EXPENDITURE REPORT FOR CITY OF ALBION  
 PERIOD ENDING 06/30/2019  
 % Fiscal Year Completed: 49.59

GL NUMBER	DESCRIPTION	2018		2019		% BGD USED
		AMENDED BUDGET	END BALANCE 12/31/2018	YTD BALANCE 06/30/2019	ORIGINAL BUDGET	
Fund 202 - MAJOR STREETS FUND						
000 - GENERAL		750,327.00	739,779.68	77,380.95	775,882.00	9.97
487 - M-99 TRUNKLINE		133,234.00	62,919.48	46,577.24	55,000.00	84.69
TOTAL REVENUES		883,561.00	802,699.16	123,958.19	830,882.00	14.92
454 - ACT 51 NON-MOTORIZED		0.00	0.00	0.00	95,000.00	0.00
461 - MAINTENANCE		416,766.00	363,884.37	123,813.48	420,188.00	29.47
465 - TRAFFIC SERVICES		3,183.00	683.93	90.27	3,083.00	2.93
467 - WINTER MAINTENANCE		53,365.00	31,143.18	21,186.12	50,515.00	41.94
486 - I-94 TRUNKLINE		40,577.00	25,589.29	20,932.83	33,360.00	62.75
487 - M-99 TRUNKLINE		33,587.00	22,723.15	21,661.49	30,540.00	70.93
488 - M-199 TRUNKLINE		19,257.00	12,728.49	8,651.65	15,305.00	56.53
965 - TRANSFER OUT		193,000.00	193,000.00	0.00	128,000.00	0.00
TOTAL EXPENDITURES		759,735.00	649,752.41	196,335.84	775,991.00	25.30
Fund 202 - MAJOR STREETS FUND:						
TOTAL REVENUES		883,561.00	802,699.16	123,958.19	830,882.00	14.92
TOTAL EXPENDITURES		759,735.00	649,752.41	196,335.84	775,991.00	25.30
NET OF REVENUES & EXPENDITURES		123,826.00	152,946.75	(72,377.65)	54,891.00	131.86

REVENUE AND EXPENDITURE REPORT FOR CITY OF ALBION  
 PERIOD ENDING 06/30/2019  
 % Fiscal Year Completed: 49.59

GL NUMBER	DESCRIPTION	2018		END BALANCE	YTD BALANCE	2019	% BDTG USED
		AMENDED BUDGET	NORMAL	12/31/2018 (ABNORMAL)	06/30/2019 (ABNORMAL)	ORIGINAL BUDGET	
Fund 203 - LOCAL STREETS FUND							
000 - GENERAL		326,819.00		329,660.74	35,875.63	276,262.00	12.99
930 - TRANSFER IN		190,000.00		190,000.00	0.00	125,000.00	0.00
TOTAL REVENUES		516,819.00		519,660.74	35,875.63	401,262.00	8.94
461 - MAINTENANCE		376,332.00		340,998.09	172,649.41	342,082.00	50.47
465 - TRAFFIC SERVICES		7,127.00		1,413.30	408.40	6,965.00	5.86
467 - WINTER MAINTENANCE		57,950.00		33,462.90	17,987.55	41,600.00	43.24
965 - TRANSFER OUT		3,000.00		3,000.00	0.00	3,000.00	0.00
TOTAL EXPENDITURES		444,409.00		378,874.29	191,045.36	393,647.00	48.53
Fund 203 - LOCAL STREETS FUND:							
TOTAL REVENUES		516,819.00		519,660.74	35,875.63	401,262.00	8.94
TOTAL EXPENDITURES		444,409.00		378,874.29	191,045.36	393,647.00	48.53
NET OF REVENUES & EXPENDITURES		72,410.00		140,786.45	(155,169.73)	7,615.00	2,037.69

REVENUE AND EXPENDITURE REPORT FOR CITY OF ALBION  
 PERIOD ENDING 06/30/2019  
 % Fiscal Year Completed: 49.59

GL NUMBER	DESCRIPTION	2018	END BALANCE	YTD BALANCE	2019	% BDGT USED
		AMENDED BUDGET	12/31/2018 NORMAL (ABNORMAL)	06/30/2019 NORMAL (ABNORMAL)	ORIGINAL BUDGET	
Fund 208 - RECREATION FUND						
780 - RECREATION		142,636.00	151,726.04	23,353.48	178,065.00	13.12
TOTAL REVENUES		<u>142,636.00</u>	<u>151,726.04</u>	<u>23,353.48</u>	<u>178,065.00</u>	<u>13.12</u>
780 - RECREATION		153,687.00	138,936.60	83,002.90	177,599.00	46.74
TOTAL EXPENDITURES		<u>153,687.00</u>	<u>138,936.60</u>	<u>83,002.90</u>	<u>177,599.00</u>	<u>46.74</u>
Fund 208 - RECREATION FUND:						
TOTAL REVENUES		142,636.00	151,726.04	23,353.48	178,065.00	13.12
TOTAL EXPENDITURES		<u>153,687.00</u>	<u>138,936.60</u>	<u>83,002.90</u>	<u>177,599.00</u>	<u>46.74</u>
NET OF REVENUES & EXPENDITURES		(11,051.00)	12,789.44	(59,649.42)	466.00	2,800.30

REVENUE AND EXPENDITURE REPORT FOR CITY OF ALBION  
 PERIOD ENDING 06/30/2019  
 % Fiscal Year Completed: 49.59

GL NUMBER	DESCRIPTION	2018	END BALANCE	YTD BALANCE	2019	% BDGT USED
		AMENDED BUDGET	12/31/2018 NORMAL (ABNORMAL)	06/30/2019 NORMAL (ABNORMAL)	ORIGINAL BUDGET	
Fund 226 - SOLID WASTE FUND						
000 - GENERAL		251,488.00	266,269.81	36,619.35	252,725.00	14.49
TOTAL REVENUES		<u>251,488.00</u>	<u>266,269.81</u>	<u>36,619.35</u>	<u>252,725.00</u>	<u>14.49</u>
523 - LEAF PICKUP		16,205.00	0.00	203.13	7,523.00	2.70
524 - TREE DUMP		16,020.00	5,314.50	2,889.22	10,160.00	28.44
528 - SOLID WASTE		145,355.00	122,779.26	42,458.55	144,368.00	29.41
965 - TRANSFER OUT		25,500.00	25,500.00	0.00	25,500.00	0.00
TOTAL EXPENDITURES		<u>203,080.00</u>	<u>153,593.76</u>	<u>45,550.90</u>	<u>187,551.00</u>	<u>24.29</u>
Fund 226 - SOLID WASTE FUND:						
TOTAL REVENUES		251,488.00	266,269.81	36,619.35	252,725.00	14.49
TOTAL EXPENDITURES		<u>203,080.00</u>	<u>153,593.76</u>	<u>45,550.90</u>	<u>187,551.00</u>	<u>24.29</u>
NET OF REVENUES & EXPENDITURES		48,408.00	112,676.05	(8,931.55)	65,174.00	13.70

REVENUE AND EXPENDITURE REPORT FOR CITY OF ALBION  
 PERIOD ENDING 06/30/2019  
 % Fiscal Year Completed: 49.59

GL NUMBER	DESCRIPTION	2018		END BALANCE	YTD BALANCE	2019	% BDT USED
		AMENDED BUDGET	NORMAL	12/31/2018 (ABNORMAL)	06/30/2019 (ABNORMAL)	ORIGINAL BUDGET	
Fund 265 - DRUG LAW ENFORCEMENT FUND							
000 - GENERAL		12,830.00		6,821.15	2,569.91	44,000.00	5.84
400 - FED DRUG LAW ENFOR - REIMBUR		25,000.00		28,884.17	41,356.14	30,000.00	137.85
TOTAL REVENUES		<u>37,830.00</u>		<u>35,705.32</u>	<u>43,926.05</u>	<u>74,000.00</u>	<u>59.36</u>
333 - DRUG LAW ENFORCEMENT		29,264.00		27,696.09	23,337.49	72,500.00	32.19
400 - FED DRUG LAW ENFOR - REIMBUR		10,982.00		11,377.88	27,963.43	1,500.00	1,864.23
TOTAL EXPENDITURES		<u>40,246.00</u>		<u>39,073.97</u>	<u>51,300.92</u>	<u>74,000.00</u>	<u>69.33</u>
Fund 265 - DRUG LAW ENFORCEMENT FUND:							
TOTAL REVENUES		<u>37,830.00</u>		<u>35,705.32</u>	<u>43,926.05</u>	<u>74,000.00</u>	<u>59.36</u>
TOTAL EXPENDITURES		<u>40,246.00</u>		<u>39,073.97</u>	<u>51,300.92</u>	<u>74,000.00</u>	<u>69.33</u>
NET OF REVENUES & EXPENDITURES		<u>(2,416.00)</u>		<u>(3,368.65)</u>	<u>(7,374.87)</u>	<u>0.00</u>	<u>100.00</u>

REVENUE AND EXPENDITURE REPORT FOR CITY OF ALBION  
 PERIOD ENDING 06/30/2019  
 % Fiscal Year Completed: 49.59

GL NUMBER	DESCRIPTION	2018		END BALANCE	YTD BALANCE	2019	% BDTG USED
		AMENDED BUDGET	NORMAL	12/31/2018 (ABNORMAL)	06/30/2019 (ABNORMAL)	ORIGINAL BUDGET	
Fund 275 - ALBION BUILDING AUTHORITY FUND							
000 - GENERAL		4,743.00		4,857.09	1,332.06	4,569.00	29.15
264 - EDC BUILDING		137,439.00		137,439.34	0.00	0.00	0.00
265 - MUNICIPAL BLDG AND/OR 201 N CLINTON ST		1,512.00		1,512.00	504.00	1,512.00	33.33
271 - FIRE/AMBULANCE BUILDING		34,450.00		36,000.00	7,200.00	32,000.00	22.50
273		1.00		1.00	0.00	1.00	0.00
TOTAL REVENUES		178,145.00		179,809.43	9,036.06	38,082.00	23.73
260 - FINANCE DEPT AND/OR ABA GENERAL		7,090.00		5,929.56	2,978.40	7,107.00	41.91
264 - EDC BUILDING		17,190.00		16,965.64	297.24	0.00	100.00
265 - MUNICIPAL BLDG AND/OR 201 N CLINTON ST		1,945.00		1,931.37	94.14	2,005.00	4.70
270 - 101 N GALE ST		30,000.00		26,700.00	0.00	0.00	0.00
271 - FIRE/AMBULANCE BUILDING		29,250.00		22,617.19	9,023.31	26,850.00	33.61
273 - 112 E ERIE ST		12,400.00		10,600.54	818.75	1,951.00	41.97
TOTAL EXPENDITURES		97,875.00		84,744.30	13,211.84	37,913.00	34.85
Fund 275 - ALBION BUILDING AUTHORITY FUND:							
TOTAL REVENUES		178,145.00		179,809.43	9,036.06	38,082.00	23.73
TOTAL EXPENDITURES		97,875.00		84,744.30	13,211.84	37,913.00	34.85
NET OF REVENUES & EXPENDITURES		80,270.00		95,065.13	(4,175.78)	169.00	2,470.88

REVENUE AND EXPENDITURE REPORT FOR CITY OF ALBION  
 PERIOD ENDING 06/30/2019  
 % Fiscal Year Completed: 49.59

GL NUMBER	DESCRIPTION	2018		END BALANCE	YTD BALANCE	2019	% BDGT USED
		AMENDED BUDGET	NORMAL	12/31/2018 (ABNORMAL)	06/30/2019 (ABNORMAL)	ORIGINAL BUDGET	
Fund 277 - ABA SEC 8 MAPLE GROVE							
000 - GENERAL		450,400.00		471,362.45	182,721.77	455,400.00	40.12
TOTAL REVENUES		<u>450,400.00</u>		<u>471,362.45</u>	<u>182,721.77</u>	<u>455,400.00</u>	<u>40.12</u>
701 - ABA SEC 8 MAPLE GROVE		368,450.00		313,659.44	127,727.56	366,153.00	34.88
905 - DEBT SERVICE - BONDS		64,750.00		64,750.00	0.00	61,750.00	0.00
TOTAL EXPENDITURES		<u>433,200.00</u>		<u>378,409.44</u>	<u>127,727.56</u>	<u>427,903.00</u>	<u>29.85</u>
<hr/>							
Fund 277 - ABA SEC 8 MAPLE GROVE:							
TOTAL REVENUES		450,400.00		471,362.45	182,721.77	455,400.00	40.12
TOTAL EXPENDITURES		<u>433,200.00</u>		<u>378,409.44</u>	<u>127,727.56</u>	<u>427,903.00</u>	<u>29.85</u>
NET OF REVENUES & EXPENDITURES		17,200.00		92,953.01	54,994.21	27,497.00	200.00

REVENUE AND EXPENDITURE REPORT FOR CITY OF ALBION  
 PERIOD ENDING 06/30/2019  
 % Fiscal Year Completed: 49.59

GL NUMBER	DESCRIPTION	2018		END BALANCE	YTD BALANCE	2019	% BDT USED
		AMENDED BUDGET	NORMAL	12/31/2018 (ABNORMAL)	06/30/2019 (ABNORMAL)	ORIGINAL BUDGET	
Fund 367 - SIDEWALK PROGRAM FUND							
000 - GENERAL		23,906.00		25,689.59	1,995.54	(1,000.00)	(199.55)
TOTAL REVENUES		<u>23,906.00</u>		<u>25,689.59</u>	<u>1,995.54</u>	<u>(1,000.00)</u>	<u>(199.55)</u>
443 - SIDEWALK PROGRAM		23,856.00		0.00	0.00	300,000.00	0.00
TOTAL EXPENDITURES		<u>23,856.00</u>		<u>0.00</u>	<u>0.00</u>	<u>300,000.00</u>	<u>0.00</u>
Fund 367 - SIDEWALK PROGRAM FUND:							
TOTAL REVENUES		23,906.00		25,689.59	1,995.54	(1,000.00)	199.55
TOTAL EXPENDITURES		<u>23,856.00</u>		<u>0.00</u>	<u>0.00</u>	<u>300,000.00</u>	<u>0.00</u>
NET OF REVENUES & EXPENDITURES		50.00		25,689.59	1,995.54	(301,000.00)	0.66

REVENUE AND EXPENDITURE REPORT FOR CITY OF ALBION  
 PERIOD ENDING 06/30/2019  
 % Fiscal Year Completed: 49.59

GL NUMBER	DESCRIPTION	2018		END BALANCE	YTD BALANCE	2019	% BGD USED
		AMENDED BUDGET	NORMAL	12/31/2018 (ABNORMAL)	06/30/2019 (ABNORMAL)	ORIGINAL BUDGET	
Fund 590 - SEWER FUND							
000 - GENERAL		1,215,326.00		1,238,544.36	614,188.94	1,221,300.00	50.29
536 - WATER UTILITY OPERATIONS		0.00		2,250.00	0.00	0.00	0.00
546 - MEDC GRANT - DIGESTER, PUMP, ETC.		99,352.00		97,102.67	0.00	0.00	0.00
TOTAL REVENUES		<u>1,314,678.00</u>		<u>1,337,897.03</u>	<u>614,188.94</u>	<u>1,221,300.00</u>	<u>50.29</u>
536 - SEWER UTILITY OPERATIONS		1,348,808.00		1,326,798.41	490,531.38	1,367,208.00	35.88
542 - WWTP ENERGY IMPROVEMENTS		7,800.00		8,143.14	3,443.60	7,800.00	44.15
546 - MEDC GRANT - DIGESTER, PUMP, ETC.		400,000.00		0.25	2,291.00	0.00	100.00
965 - TRANSFER OUT		148,400.00		148,400.00	0.00	148,400.00	0.00
TOTAL EXPENDITURES		<u>1,905,008.00</u>		<u>1,483,341.80</u>	<u>496,265.98</u>	<u>1,523,408.00</u>	<u>32.58</u>
Fund 590 - SEWER FUND:							
TOTAL REVENUES		<u>1,314,678.00</u>		<u>1,337,897.03</u>	<u>614,188.94</u>	<u>1,221,300.00</u>	<u>50.29</u>
TOTAL EXPENDITURES		<u>1,905,008.00</u>		<u>1,483,341.80</u>	<u>496,265.98</u>	<u>1,523,408.00</u>	<u>32.58</u>
NET OF REVENUES & EXPENDITURES		<u>(590,330.00)</u>		<u>(145,444.77)</u>	<u>117,922.96</u>	<u>(302,108.00)</u>	<u>39.03</u>

REVENUE AND EXPENDITURE REPORT FOR CITY OF ALBION  
 PERIOD ENDING 06/30/2019  
 % Fiscal Year Completed: 49.59

GL NUMBER	DESCRIPTION	2018		END BALANCE	YTD BALANCE	2019	% BDTG USED
		AMENDED BUDGET	NORMAL (ABNORMAL)	12/31/2018	06/30/2019	ORIGINAL BUDGET	
Fund 591 - WATER FUND							
000 - GENERAL		930,714.00		952,652.17	490,654.08	952,850.00	51.49
548 - WATERTOWER PAINTING PROJECT		500,000.00		500,000.00	0.00	0.00	0.00
TOTAL REVENUES		1,430,714.00		1,452,652.17	490,654.08	952,850.00	51.49
536 - WATER UTILITY OPERATIONS		1,059,059.00		1,047,971.16	444,831.72	1,064,423.00	41.79
540 - WELLHEAD PROTECTION		500.00		0.00	0.00	500.00	0.00
548 - WATERTOWER PAINTING PROJECT		568,200.00		0.00	0.00	0.00	0.00
965 - TRANSFER OUT		11,450.00		11,450.00	0.00	231,800.00	0.00
TOTAL EXPENDITURES		1,639,209.00		1,059,421.16	444,831.72	1,296,723.00	34.30
Fund 591 - WATER FUND:							
TOTAL REVENUES		1,430,714.00		1,452,652.17	490,654.08	952,850.00	51.49
TOTAL EXPENDITURES		1,639,209.00		1,059,421.16	444,831.72	1,296,723.00	34.30
NET OF REVENUES & EXPENDITURES		(208,495.00)		393,231.01	45,822.36	(343,873.00)	13.33

REVENUE AND EXPENDITURE REPORT FOR CITY OF ALBION  
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GL NUMBER	DESCRIPTION	2018		2019		% BGD USED
		AMENDED BUDGET	NORMAL (ABNORMAL)	YTD BALANCE 06/30/2019	ORIGINAL BUDGET	
Fund 661 - EQUIPMENT POOL FUND						
000 - GENERAL		271,252.00	323,267.55	164,517.82	285,175.00	57.69
TOTAL REVENUES		<u>271,252.00</u>	<u>323,267.55</u>	<u>164,517.82</u>	<u>285,175.00</u>	<u>57.69</u>
770 - EQUIPMENT POOL		315,261.00	297,367.04	123,151.03	299,875.00	41.07
905 - DEBT SERVICE - BONDS		93.00	93.30	0.00	0.00	0.00
965 - TRANSFER OUT		17,850.00	17,850.00	0.00	17,850.00	0.00
TOTAL EXPENDITURES		<u>333,204.00</u>	<u>315,310.34</u>	<u>123,151.03</u>	<u>317,725.00</u>	<u>38.76</u>
Fund 661 - EQUIPMENT POOL FUND:						
TOTAL REVENUES		271,252.00	323,267.55	164,517.82	285,175.00	57.69
TOTAL EXPENDITURES		<u>333,204.00</u>	<u>315,310.34</u>	<u>123,151.03</u>	<u>317,725.00</u>	<u>38.76</u>
NET OF REVENUES & EXPENDITURES		(61,952.00)	7,957.21	41,366.79	(32,550.00)	127.09
TOTAL REVENUES - ALL FUNDS		9,257,555.00	9,292,929.70	3,129,983.79	8,318,761.00	37.63
TOTAL EXPENDITURES - ALL FUNDS		<u>10,198,087.26</u>	<u>8,570,965.00</u>	<u>3,771,621.93</u>	<u>9,724,697.00</u>	<u>38.78</u>
NET OF REVENUES & EXPENDITURES		(940,532.26)	721,964.70	(641,638.14)	(1,405,936.00)	45.64