

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**CITY OF GRAND LEDGE  
EATON COUNTY, MICHIGAN**

**PREPARED BY  
DAVID PAWLEY, FINANCE DIRECTOR**

**FISCAL YEAR ENDED JUNE 30, 2023**

## TABLE OF CONTENTS

	<u>Page</u>
<b>INTRODUCTORY SECTION</b> .....	1
Letter of Transmittal .....	2-6
List of City Officials and Departments.....	7
Organizational Chart.....	8
<b>FINANCIAL SECTION</b> .....	9
INDEPENDENT AUDITOR'S REPORT .....	10-12
MANAGEMENT'S DISCUSSION AND ANALYSIS .....	13-20
BASIC FINANCIAL STATEMENTS.....	21
Government-wide Financial Statements	
Statement of Net Position.....	22
Statement of Activities .....	23
Fund Financial Statements	
Governmental Funds	
Balance Sheet.....	24
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position .....	25
Statement of Revenues, Expenditures, and Changes in Fund Balances .....	26
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities.....	27
Proprietary Funds	
Statement of Net Position.....	28
Reconciliation of the Proprietary Funds Statement of Net Position to the Government-wide Financial Statements Statement of Net Position .....	29
Statement of Revenues, Expenses, and Changes in Net Position.....	30
Reconciliation of the Statement of Revenues, Expenses, and Changes in Fund Net Position of the Proprietary Funds to the Statement of Activities .....	31
Statement of Cash Flows.....	32-33
Fiduciary Funds	
Statement of Fiduciary Net Position .....	34
Statement of Changes in Fiduciary Net Position.....	35
Component Unit Financial Statements	
Combining Statement of Net Position .....	36
Combining Statement of Activities .....	37
Notes to Financial Statements .....	38-68
REQUIRED SUPPLEMENTARY INFORMATION.....	69
General Fund	
Budgetary Comparison Schedule .....	70-71
Major Streets Fund	
Budgetary Comparison Schedule .....	72

## TABLE OF CONTENTS

Page

### FINANCIAL SECTION (continued)

#### REQUIRED SUPPLEMENTARY INFORMATION (continued)

Municipal Streets Fund	
Budgetary Comparison Schedule.....	73
Pension	
Schedule of Changes in Employer’s Net Pension Liability and Related Ratios .....	74
Schedule of Employer Pension Contributions.....	75
OPEB	
Schedule of Changes in Employer’s Net OPEB Asset and Related Ratios .....	76
Schedule of Employer OPEB Contributions.....	77
Schedule of OPEB Investments Returns.....	78
Notes to Required Supplementary Information .....	79-80
OTHER SUPPLEMENTARY INFORMATION .....	
	81
Nonmajor Governmental Funds	
Fund Descriptions .....	82
Combining Balance Sheet .....	83
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	84
Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	
Local Streets Fund.....	85
Parks and Recreation Fund.....	86
Drug Forfeiture Fund.....	87
Police Restricted Fund .....	88
Airport Development Fund.....	89
Internal Service Funds	
Fund Description .....	90
Combining Balance Sheet .....	91
Combining Statement of Revenues, Expenses, and Changes in Net Position.....	92
Combining Statement of Cash Flows.....	93
Custodial Funds	
Fund Description .....	94
Combining Statement of Fiduciary Net Position.....	95
Combining Statement of Changes in Fiduciary Net Position.....	96
Component Unit Funds	
Downtown Development Authority	
Balance Sheet.....	97
Reconciliation of the Balance Sheet to the Statement of Net Position .....	98
Statement of Revenues, Expenditures, and Changes in Fund Balances .....	99
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances .....	100

## TABLE OF CONTENTS

	<u>Page</u>
<b>FINANCIAL SECTION (concluded)</b>	
OTHER SUPPLEMENTARY INFORMATION (concluded)	
Component Unit Funds (concluded)	
Local Development Finance Authority	
Balance Sheet.....	101
Reconciliation of the Combining Balance Sheet to the Statement of Net Position.....	102
Statement of Revenues, Expenditures, and Changes in Fund Balance .....	103
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance .....	104
<b>STATISTICAL SECTION (UNAUDITED) .....</b>	<b>105</b>
Statistical Section Index .....	106
Net Position by Component.....	107
Changes in Net Position.....	108-109
Fund Balances - Governmental Funds .....	110
Changes in Fund Balances - Governmental Funds .....	111
Assessed Taxable Values (History of Property Values) .....	112
Property Tax Rates - Direct and Overlapping Governments.....	113
Principal Property Taxpayers .....	114
Property Tax Levies and Collections.....	115
Ratio of Outstanding Debt by Type.....	116
Ratio of Net General Bonded Debt Outstanding.....	117
Direct and Overlapping Governmental Activities Debt .....	118
Computation of Legal Debt Margin.....	119
Historical Debt Payment Requirements.....	120
Demographic Statistics .....	121
Concentration of Workforce.....	122
Full Time Equivalent City Employees by Function .....	123
Operating Indicators by Function.....	124
Capital Assets Statistics by Function.....	125

## **INTRODUCTORY SECTION**

September 25, 2023

**To the Honorable Mayor, Members of the City Council, and Citizens of the City of Grand Ledge,**

The Annual Comprehensive Financial Report (ACFR) of the City of Grand Ledge for the fiscal year ending June 30, 2023, is submitted. It was prepared by city staff. The City has the responsibility for all disclosures and the accuracy of material contained in this report.

State law requires that all local governments, subject to certain size criteria, publish within six months of the close of each fiscal year a complete set of financial statements that conforms with the Generally Accepted Accounting Principles (GAAP) and is audited in accordance with Generally Accepted Auditing Standards (GAAS) by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report (ACFR) of the City of Grand Ledge for the fiscal year ending June 30, 2023.

This report consists of management's representations regarding the finances of the City. Management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, City management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile enough reliable information for the preparation of the City's financial statements in conformity with GAAP. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects. Keeping in mind that the cost of internal controls should never outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatements.

The financial statements contained within this report are intended to provide our citizens and stakeholders with information to assist in determining the fiscal health of the City, both long and short-term. These financial statements are also intended to fairly set forth the financial position of the City and include all disclosures necessary to gain a comprehensive understanding of the City's financial affairs.

As required by State laws, the basic financial statements as defined in the table of contents were audited by Maner Costerisan, PC. Their unmodified opinion follows this letter of transmittal. An unmodified opinion is the best opinion that an organization can receive on its financial statements. It indicates that the auditor's examination has disclosed no conditions that cause them to believe that the financial statements are not fairly stated in all material aspects.

Management's Discussion & Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A section should be read in conjunction with this letter of transmittal.

## Profile of the Government

The City of Grand Ledge is located in the northeast section of Eaton County. The City of Grand Ledge was officially incorporated as a city on March 27, 1893. The City currently has a land area of approximately 4.03 square miles housing a population of 7,784 based on the 2020 census. The government is empowered to levy a property tax on both real and personal property located within its boundaries. Pursuant to Michigan Public Act 425 of 1984, the City has PA425 agreements with Oneida Township and Eagle Township. Annexations of parcels within these areas are done periodically at the discretion of City Council.

All powers of the City are vested in, and all matters of policy of the City are exercised and determined by, a Council of seven members composed of a Mayor and six Council members. City Council holds at least one regular meeting per month. City Council is the City's legislative and policymaking body. City Council is responsible for adopting the annual budget, contracts, laws, ordinances and resolutions; approving purchases; and granting permits and license terms. Council members are elected to four-year, staggered terms; elections are held in November of even years. City Council appoints the City Manager, City Clerk, City Treasurer, City Assessor, City Attorney, Chief of Police, and Public Services Director. Although the City Charter also lists the Fire Chief, fire protection is currently the responsibility of Grand Ledge Area Emergency Services Authority. The City Manager is responsible for carrying out the policies and decisions of City Council, for supervising the day-to-day operations of the government, and for Human Resources.

City Council is required to adopt an annual budget, as well as a multi-year capital improvement program by June 30 for the ensuing fiscal year. This annual budget serves as the foundation for the City's financial planning and control. The budget is prepared at the department level within the general fund, and at the fund level for all other funds, and is adopted in compliance with State and Federal Law, as well as the Charter of the City of Grand Ledge. The multi-year capital improvement program helps plan for future expenditures of the City on large-scale items.

As required by GAAP, these financial statements present the City of Grand Ledge and its related component units comprised of, the Downtown Development Authority (DDA), and Local Development Finance Authority (LDFA). The DDA and LDFA are discreetly presented in the City's reporting entity because of the significance of their operational or financial relationships with the City. Additional information on these legally separate entities can be found in the notes to the financial statements.

### *Services Provided*

The ACFR includes all funds of the City and encompasses a full range of municipal services including Building Services, Cemetery, Composting & Recycling, Construction and Maintenance – Streets and Infrastructure, Parks & Recreation, Economic Development, Elections, Municipal Airport, Planning & Zoning, and Police Protection. Additionally, water and sewer services are provided, with user charges set by City Council to ensure adequate coverage of operating expenses as well as funds for the construction of water and sewer system infrastructure. Water and Sewer services are accounted for in an Enterprise Fund, with services provided to the entire City as well as portions of Oneida Township.

## Factors Affecting Economic Condition

The information presented in the ACFR is best understood when broadly considering the items as described below:

### *Local Economy*

The City of Grand Ledge is comprised of a healthy mixture of industries including education, manufacturing, professional services, recreation, and retail. Recreation is a major underlying industry, with over 125 acres of parkland and greenspace within the city limits, and nearly 10,000 feet of park waterfront situated along the Grand River. Grand Ledge is home to 15 parks and open spaces, including the Lower Peninsula's premier natural rock-climbing site comprised of historic sandstone ledges. Grand Ledge Public Schools, an exemplary Class A school system, maintains a higher than state average rate for graduation and college attendance. The community includes a lively, historic downtown featuring restaurants, retail, commercial, and cultural organizations. Community events, parades, and festivals keep the city bustling year-round.

The City's tax base and associated revenues have grown substantially over the last several years. In the most recent year, the taxable value (TV) grew by 5.69%, slightly lower than the prior year's increase of 8.81%. The City's State Equalized Value (SEV) increased by 7.97%, slightly lower than the prior year's increase of 9.73%. In 2019, the citizens of Grand Ledge voted in a new charter, which included an operating, park millage. This provides the city with a financial resource not afforded to most Michigan municipalities. Since 2019 the city has been able to levy 11.2506 total mills, with the impacts of Proposal A and Headlee rollbacks not reducing the amount levied.

The city benefits from the Lansing-East Lansing Metropolitan Statistical Area economy (Greater Lansing). Greater Lansing includes a population of over 540,000 people in the most recent 2020 census. Greater Lansing includes the State Capitol, Michigan State University, Lansing Community College, and a rich mix of industry, culture, and recreation.

### *Budget Controls*

In accordance with state law, the City's budget and accounting records rely on the modified accrual basis for governmental funds. Under modified accrual accounting, revenues are recorded when they are available and measurable. Expenditures are recorded when the liability is incurred, except for interest on long-term debt and accrued leave time benefits. Governmental funds, such as the general fund, special revenue funds, debt service funds, and capital project funds are reported on a modified accrual basis as well. The City's enterprise and internal service funds are reported on a full accrual basis. Under full accrual, revenues are recorded when earned and expenses are recorded when incurred. Budgets for all funds are reviewed monthly for variances and presented to City Council.

### *Relevant Financial Policies*

The City's investment policy includes investing surplus public funds in a manner that will provide the highest investment return with maximum security. This is done under the constraints of meeting daily cash flow demands and conforming to all state statutes and local ordinances that govern the investment of public funds. Idle cash is invested in approved funds. Interest earned for the current fiscal year amounted to \$363,928 which was a substantial increase. The increase is mostly caused by additional revenues, increased fund balances, and the receipt of 2023 Bond Funds, all coupled with higher yields on the investments due to rising interest rates. The City consistently evaluates investment options that fit current economic conditions.

The City's fund balance policy requires that a minimum of 25% is maintained within the general fund. As noted in the statistical section, the City has maintained a balance greater than the required policy for many years.

The City's debt management policy establishes guidelines for the issuance of debt, and is used in conjunction with the annual budget and multi-year capital improvement program to issue debt.

### *Long-Term Financial Planning*

In addition to the previously stated annual Budget and multi-year capital improvement program, the City adopts City Council priorities to support these goals on a bi-annual basis. Management analyzes the City's needs over the course of the next five years using the most recently available data and puts cost estimates to each project so long-range financial planning can occur. The inclusion of both the Budget and the multi-year capital improvement program on an annual basis connects the City's long-term strategic focus with the short-term financial needs. The annual budget, City Council priorities, and multi-year capital improvement program are spaced in one, two, and five year intervals, and serve as the foundation of the City's long-term financial planning.

City Council is committed to strategies designed to ensure the long-term health of the city and maintaining a high quality of life for its residents. The City has successfully followed its long-term strategies which include reducing expenditures and maintaining fund balances above the policy limit that is established by City Council. Long-term planning in the current fiscal environment has a focus on debt and cash flow management. Most notably this impacts the sewer and water infrastructure initiatives including the Wastewater Treatment Plant (estimated at \$52.5M) and the Iron Removal Plant (estimated at \$20M).

### *Major Initiatives*

- The City was awarded a \$1,000,000 grant through the State of Michigan's Michigan Economic Development Corporation (MEDC) to fund the Grand Renovations for Downtown Grand Ledge redevelopment project. The City issued \$4,067,000 bonds which brought this project to a total budget of \$5,067,000. This project will reconstruct and revitalize the City's downtown district.
- The City is in the process of constructing a new Iron Removal Plant utilizing loans through the Michigan State Revolving Funds program. This program includes a State-subsidized interest rate of 2.125% as well as a \$4,300,000 American Rescue Plan Grant. The total project budget is estimated at \$20M. Construction is expected to be completed in the fall of 2025.

- The City is in the process of securing financing for construction to update and expand the existing Wastewater Treatment Plant. Design engineering has been completed with financing pending from the Michigan State Revolving Loan Funds program.
- The City is currently constructing two new baseball fields on newly acquired land adjacent to Fitzgerald Park.
- The City prepared their multi-year capital improvement program with new standards and guidelines providing further detail on upcoming projects.

### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) established the Certificate of Achievement for Excellence in Financial Reporting Program (COA) in 1945 to encourage and assist state and local governments to go above and beyond the minimum requirements of generally accepted accounting principles to prepare ACFR. The GFOA reviews the City's ACFR for, "evidence the spirit of transparency and full disclosure and then to recognize individual governments that succeed in achieving that goal." The COA is only valid for a period of one year.

The city published an easily readable and efficiently organized ACFR that satisfied both GAAP and applicable legal requirements. We believe our current ACFR meets the COA program requirements and are submitting it to the GFOA to determine its eligibility for a certificate.

Preparation of this key report would not have been possible without the efficient and dedicated services of the City's finance and administrative departments. We wish to express our appreciation to all department members who assisted and contributed to the preparation of this report. Credit must also be given to the Mayor and City Council for their ongoing support. We thank them for their ability to maintain the highest standards of professionalism for the City of Grand Ledge's financial management.

Respectfully submitted,



Finance Director/Treasurer

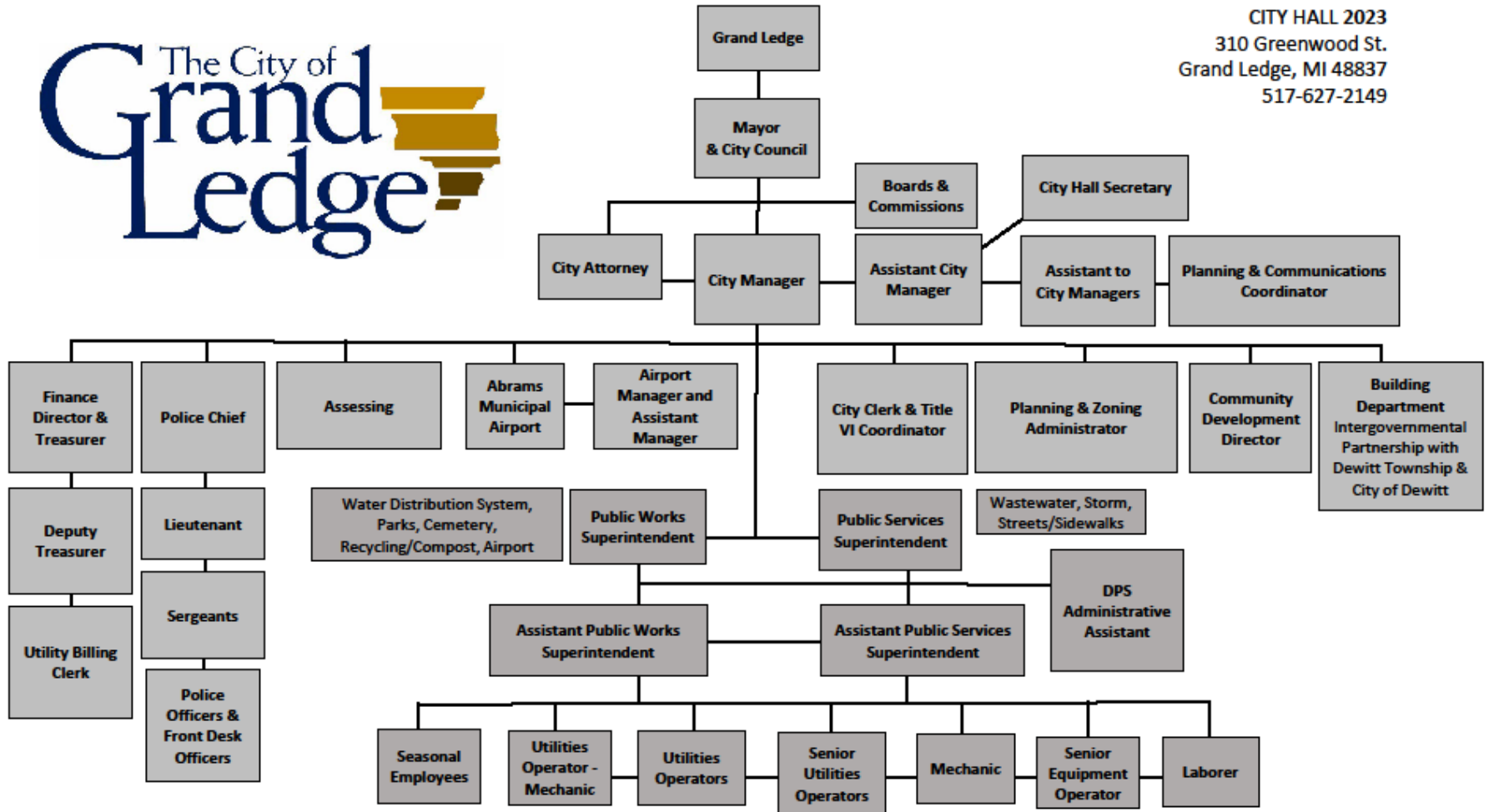
**CITY OF GRAND LEDGE  
LIST OF CITY OFFICIALS AND DEPARTMENTS  
JUNE 30, 2023**

MAYOR	Keith Mulder
CITY COUNCIL	Brett Gillespie, Ward 1 Dave Logel, Ward 1 Rick Lantz (Mayor Pro-tem), Ward 2 Lynne MacDowell, Ward 2 Tom Jancek, Ward 3 Don Willems, Ward 3
CITY ADMINISTRATION	Adam Smith, City Manager Amee King, Assistant City Manager
CITY ASSESSOR	Christopher Coucke
CITY CLERK	Gregory Newman
COMMUNITY DEVELOPMENT	Rich Morrison, Director
BUILDING DEPARTMENT	Cory Donnell, Building Official
FINANCE	David Pawley, Director / City Treasurer
PLANNING & ZONING	Susan Stachowiak, Zoning Administrator
POLICE DEPARTMENT	Thomas Osterholzer, Chief of Police
PUBLIC SERVICES	Dave Gutches, Superintendent (Streets, Wastewater)
PUBLIC WORKS	Kurt Ristow, Superintendent (Airport, Cemetery, Parks, Water)

**CITY OF GRAND LEDGE  
ORGANIZATIONAL CHART  
JUNE 30, 2023**



CITY HALL 2023  
310 Greenwood St.  
Grand Ledge, MI 48837  
517-627-2149



## **FINANCIAL SECTION**



2425 E. Grand River Ave.,  
Suite 1, Lansing, MI 48912  
☎ 517.323.7500  
📠 517.323.6346

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and  
Members of the City Council  
City of Grand Ledge, Michigan

### Report on the Audit of the Financial Statements

#### *Opinions*

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 Grand Ledge, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Grand Ledge's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Grand Ledge, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

#### *Change in Accounting Principle*

As discussed in Note 15 to the financial statements, in 2023 the City adopted new accounting guidance, GASB Statement No. 96, *Subscription-based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

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

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

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

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

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

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, nonmajor fund budgetary comparison schedules, and statistical section 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 and nonmajor fund budgetary comparison schedules 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2023, on our consideration of the City'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 scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Maney Costeiran PC*

September 25, 2023

## **CITY OF GRAND LEDGE MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the City of Grand Ledge, we offer readers of the City of Grand Ledge financial statements this narrative overview and analysis of the financial activities of the City of Grand Ledge for the fiscal year ended June 30, 2023.

### **Financial Highlights**

- At the close of the fiscal year, the City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$50,358,756 (net position). Of this amount, \$8,239,996 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$5,127,732.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$4,865,691, an increase of \$1,118,255 from the prior year, of which \$2,526,351 is available for unrestricted spending (unassigned fund balance). The increase of \$591,646 is primarily the result of ARPA funding and additional state shared revenue received by the City.
- Fund balance of the General Fund increased by \$769,541 during the current fiscal year, compared to the \$480,549 decrease to fund balance anticipated in the final budget. At the end of the current fiscal year, unassigned fund balance for the General Fund was \$2,526,351 or 59.8% of total General Fund expenditures and other financing uses.

### **Overview of the Financial Statements**

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

#### **Government-wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The statement of net position presents information on all of the City's assets, deferred outflows, liabilities and deferred inflows. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, highways and streets, and recreation and culture. The business-type activities of the City include water and sewer enterprise operations.

## **CITY OF GRAND LEDGE MANAGEMENT'S DISCUSSION AND ANALYSIS**

The government-wide financial statements include not only the City itself (known as the primary government), but also legally separate entities for which the City is financially accountable. Financial information for these component units are reported separately from the financial information presented for the primary government itself. The component units are the Downtown Development Authority and the Local Development Finance Authority.

### Fund Financial Statements

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

### Governmental Funds

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

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

The City maintains 13 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general, major streets, and municipal streets, which are considered to be major funds. Data from the other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

### Proprietary Funds

The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its water and sewer operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its equipment operating and employee benefits services. Because these services predominantly benefit governmental rather than business-type functions, they have been largely included within governmental activities in the government-wide financial statements.

**CITY OF GRAND LEDGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the water and sewer enterprise fund, which is considered to be a major fund of the City. Conversely, all of the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

Fiduciary Funds

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Required supplementary information includes this management's discussion and analysis and the schedules for the City's pension and other post-employment benefits plans.

The combining statements referred to earlier in connection with nonmajor funds are presented immediately following the required supplementary information.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's net position was \$50,358,756 at the close of the most recent fiscal year.

By far the largest portion of the City's net position (78.68%) reflects its investment in capital assets (e.g., land, buildings, vehicles, equipment, systems, parks, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**CITY OF GRAND LEDGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**The City as a Whole**

The following table shows, in a condensed format, the current year's net position for the years ended June 30, 2023 and 2022:

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>ASSETS</b>						
Current and other assets	\$ 6,613,993	\$ 6,124,531	\$ 8,042,477	\$ 6,097,526	\$ 14,656,470	\$ 12,222,057
Capital assets, net	27,390,459	27,547,724	24,354,869	22,366,006	51,745,328	49,913,730
<b>TOTAL ASSETS</b>	<b>34,004,452</b>	<b>33,672,255</b>	<b>32,397,346</b>	<b>28,463,532</b>	<b>66,401,798</b>	<b>62,135,787</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>1,054,609</b>	<b>623,212</b>	<b>51,294</b>	<b>52,046</b>	<b>1,105,903</b>	<b>675,258</b>
<b>LIABILITIES</b>						
Current	1,269,110	1,817,248	2,562,145	1,232,436	3,831,255	3,049,684
Noncurrent	7,622,603	7,656,050	4,824,098	5,685,458	12,446,701	13,341,508
<b>TOTAL LIABILITIES</b>	<b>8,891,713</b>	<b>9,473,298</b>	<b>7,386,243</b>	<b>6,917,894</b>	<b>16,277,956</b>	<b>16,391,192</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>388,636</b>	<b>666,377</b>	<b>482,353</b>	<b>522,452</b>	<b>870,989</b>	<b>1,188,829</b>
<b>NET POSITION</b>						
Net invested in capital assets	20,982,394	20,630,286	18,641,673	15,785,582	39,624,067	36,415,868
Restricted	2,469,329	2,226,200	25,364	20,270	2,494,693	2,246,470
Unrestricted	2,326,989	1,299,306	5,913,007	5,269,380	8,239,996	6,568,686
<b>TOTAL NET POSITION</b>	<b>\$ 25,778,712</b>	<b>\$ 24,155,792</b>	<b>\$ 24,580,044</b>	<b>\$ 21,075,232</b>	<b>\$ 50,358,756</b>	<b>\$ 45,231,024</b>

Approximately 81.38% of the City's net position of governmental activities reflects its investment in capital less any related debt used to acquire those assets. Restricted net position represents resources that are subject to external restrictions on how they may be used. Unrestricted net position of governmental activities of \$2,326,989 represents the amount that may be used to meet the City's ongoing obligations.

Governmental Activities

Net position of the City's governmental activities increased approximately \$1,622,920, or 6.72%, to \$25.78 million. This increase demonstrates an ongoing continued commitment to asset management, maintaining streets, enhancing parks, delivering municipal services, and providing public safety.

Business-type Activities

The net position of the City's business-type activities increased approximately \$3,504,812, or 16.63%, to \$24.58 million during the fiscal year. This increase is due to continued investment in infrastructure, maintenance of water and sanitary sewer mains, as well as improvements to the water and wastewater treatment facilities.

**CITY OF GRAND LEDGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The following table illustrates the varying results of the governmental activities and business-type activities, which combine to capture the City's total net position, for the years ended June 30, 2023 and 2022.

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>REVENUES</b>						
Program revenue						
Charges for services	\$ 1,001,400	\$ 819,875	\$ 5,796,716	\$ 4,998,133	\$ 6,798,116	\$ 5,818,008
Operating grants and contributions	1,899,145	1,837,612	-	-	1,899,145	1,837,612
Capital grants and contributions	221,646	594,085	2,007,733	-	2,229,379	594,085
General revenues						
Property taxes	2,533,656	2,391,657	-	-	2,533,656	2,391,657
State Revenue Sharing	966,219	941,935	-	-	966,219	941,935
Investment earnings	144,411	9,346	126,344	17,519	270,755	26,865
Gain on sale of capital assets	2,876	21,252	-	12,063	2,876	33,315
Miscellaneous	36,005	32,659	-	-	36,005	32,659
Transfers	138,102	145,338	(138,102)	(145,338)	-	-
<b>TOTAL REVENUES</b>	<b>6,943,460</b>	<b>6,793,759</b>	<b>7,792,691</b>	<b>4,882,377</b>	<b>14,736,151</b>	<b>11,676,136</b>
<b>EXPENSES</b>						
General government	1,458,537	1,830,885	-	-	1,458,537	1,830,885
Public safety	2,081,626	1,791,008	-	-	2,081,626	1,791,008
Public works	1,200,469	728,957	-	-	1,200,469	728,957
Community and economic development	63,181	61,182	-	-	63,181	61,182
Recreation and culture	211,649	156,511	-	-	211,649	156,511
Interest on long-term debt	305,078	326,037	-	-	305,078	326,037
Water and Sewer	-	-	4,287,879	3,266,616	4,287,879	3,266,616
<b>TOTAL EXPENSES</b>	<b>5,320,540</b>	<b>4,894,580</b>	<b>4,287,879</b>	<b>3,266,616</b>	<b>9,608,419</b>	<b>8,161,196</b>
Change in net position	\$ 1,622,920	\$ 1,899,179	\$ 3,504,812	\$ 1,615,761	\$ 5,127,732	\$ 3,514,940

**Financial Analysis of the City's Funds**

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$4,865,691, an increase of \$1,118,255 from the prior year. Of the total fund balance, 51.9% or \$2,526,351 constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is divided into categories based on the relative strength of the constraints that control how amounts can be spent. Restricted fund balance of \$2,334,083 consists of items that can only be spent for specific purposes based on external resource providers or legislation. Funds included in this category are the major, local, and municipal street funds, other special revenue funds, debt service funds, and capital projects fund financed by bond proceeds.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, total fund balance of the General Fund was \$2,593,349. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total General Fund expenditures and other financing uses. Unassigned fund balance represents 67.6% of total General Fund expenditures and other financing uses. Total fund balance increased by \$769,541 during the current fiscal year. This increase was the result of ARPA funding and additional state shared revenue received by the City.

**CITY OF GRAND LEDGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The Major Streets Fund had total restricted fund balance of \$596,835, an increase of \$233,308. The primary revenue source for this fund is State Act 51 revenue. Any unspent amounts at year-end are restricted for delayed and future street projects.

The Municipal Streets Fund had total restricted fund balance of \$790,407, an increase of \$20,215. The primary revenue source for this fund is a dedicated property tax millage. Any unspent amounts at year-end are restricted for future street expenditures.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the water and sewer enterprise fund at the end of the year amounted to \$5,888,100. The fund had an increase in net position for the year of \$3,534,342. Factors related to this fund are addressed in the analysis for business-type activities.

**General Fund Budgetary Highlights**

The City amended the budget throughout the year as new information became available. Changes between original and final budget balances result from the carryover of certain budget appropriations under the City's budgetary policies, taking advantage of grant opportunities, and several complementary appropriations.

In total, the General Fund had a positive variance in the net change in fund balance of \$769,541. The most significant fluctuation with the final amended expenditure budget relates to general government activities that were approximately \$364,163 under budget due to strong control over expenditures. On the revenue side, revenues come in approximately \$672,124 higher than expected mainly in intergovernmental revenue that was over budget by \$236,548 due to ARPA funding recognized by the City.

**CITY OF GRAND LEDGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Capital Asset and Debt Administration**

At the end of the 2023 fiscal year, the City had invested approximately \$51,75 million in a broad range of capital assets, including buildings and improvements, public safety (police) equipment, parks and recreational facilities, roads, a water well, and water and sewer lines, net of accumulated depreciation. More detailed information about the City's capital assets is presented in Note 5 to the basic financial statements.

	Governmental Activities	Business-type Activities	Total
Land	\$ 2,234,333	\$ 587,294	\$ 2,821,627
Construction in progress	601,548	2,686,030	3,287,578
Land improvements	2,687,730	33,536	2,721,266
Buildings and improvements	3,720,472	20,782,839	24,503,311
Equipment	1,275,682	265,170	1,540,852
Infrastructure	16,870,694	-	16,870,694
Capital assets, net	<u>\$ 27,390,459</u>	<u>\$ 24,354,869</u>	<u>\$ 51,745,328</u>

At year end, the City had approximately \$11.86 million in bonds and other obligations outstanding. This represents a decrease of \$1.34 million from the previous fiscal year. More detailed information about the City's long-term liabilities is presented in Note 6 to the basic financial statements.

	Governmental Activities	Business-type Activities	Total
General obligation bonds	\$ 6,150,876	\$ 4,318,186	\$ 10,469,062
Contractual obligation with Eaton County	-	1,080,000	1,080,000
Accrued compensated absences	245,994	67,795	313,789
Total outstanding debt	<u>\$ 6,396,870</u>	<u>\$ 5,465,981</u>	<u>\$ 11,862,851</u>

The City also had \$594,461 in net unamortized bond items at June 30, 2023. The City of Grand Ledge has been given a bond rating of "AA-" by Standard and Poor's.

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

- Property tax revenue and state revenue sharing conservative increases.
- Increase in water/sewer utility rates annually effective July 1, to reflect, at minimum, the consumer price index.
- The City has not budgeted to contribute to the OPEB trust but neither is it budgeted to withdraw from the trust at this time.
- Exclusion of Retiree Health Care for all employees hired on or after July 1, 2018.
- Exclusion of Defined Benefits for Police Command employees hired on or after July 1, 2018.

**CITY OF GRAND LEDGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Contacting the City of Grand Ledge Management**

This financial report is intended to provide citizens, taxpayers, customers, and investors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional information, we welcome you to contact the City Finance Director at 310 Greenwood, Grand Ledge, Michigan 48837.

## **BASIC FINANCIAL STATEMENTS**

**CITY OF GRAND LEDGE**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

	Primary Government		Total	Component Units
	Governmental Activities	Business-type Activities		
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ 5,803,286	\$ 5,307,844	\$ 11,111,130	\$ 4,759,487
Receivables	39,291	1,139,424	1,178,715	-
Due from other governmental units	328,888	1,101,328	1,430,216	-
Prepays	67,934	-	67,934	-
Total current assets	<u>6,239,399</u>	<u>7,548,596</u>	<u>13,787,995</u>	<u>4,759,487</u>
Noncurrent assets				
Receivables	212,057	468,517	680,574	-
Capital assets not being depreciated	2,835,881	3,273,324	6,109,205	2,902,113
Capital assets, net of accumulated depreciation	24,554,578	21,081,545	45,636,123	1,323,357
Net other post-employment benefits asset	162,537	25,364	187,901	-
Total noncurrent assets	<u>27,765,053</u>	<u>24,848,750</u>	<u>52,613,803</u>	<u>4,225,470</u>
<b>TOTAL ASSETS</b>	<u>34,004,452</u>	<u>32,397,346</u>	<u>66,401,798</u>	<u>8,984,957</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charges on refunding	-	22,262	22,262	-
Deferred outflows of resources related to pensions	564,269	-	564,269	-
Deferred outflows of resources related to OPEB	490,340	29,032	519,372	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>1,054,609</u>	<u>51,294</u>	<u>1,105,903</u>	<u>-</u>
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	283,517	1,510,702	1,794,219	11,859
Accrued liabilities	60,419	40,039	100,458	809
Accrued interest payable	30,302	32,249	62,551	30,443
Unearned revenue	277,262	-	277,262	-
Current portion of compensated absences	89,191	16,850	106,041	-
Current portion of long-term debt	528,419	962,305	1,490,724	301,265
Total current liabilities	<u>1,269,110</u>	<u>2,562,145</u>	<u>3,831,255</u>	<u>344,376</u>
Noncurrent liabilities				
Noncurrent portion of compensated absences	156,803	50,945	207,748	-
Noncurrent portion of long-term debt	5,879,646	4,773,153	10,652,799	4,105,963
Net pension liability	1,586,154	-	1,586,154	-
Total noncurrent liabilities	<u>7,622,603</u>	<u>4,824,098</u>	<u>12,446,701</u>	<u>4,105,963</u>
<b>TOTAL LIABILITIES</b>	<u>8,891,713</u>	<u>7,386,243</u>	<u>16,277,956</u>	<u>4,450,339</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues - leases	201,930	478,228	680,158	-
Deferred inflows of resources related to pensions	70,323	-	70,323	-
Deferred inflows of resources related to OPEB	116,383	4,125	120,508	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>388,636</u>	<u>482,353</u>	<u>870,989</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	20,982,394	18,641,673	39,624,067	3,576,694
Restricted	2,469,329	25,364	2,494,693	3,989,814
Unrestricted	2,326,989	5,913,007	8,239,996	(3,031,890)
<b>TOTAL NET POSITION</b>	<u>\$ 25,778,712</u>	<u>\$ 24,580,044</u>	<u>\$ 50,358,756</u>	<u>\$ 4,534,618</u>

See accompanying notes to financial statements.

**CITY OF GRAND LEDGE  
STATEMENT OF ACTIVITIES  
JUNE 30, 2023**

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	\$ 1,458,537	\$ 314,916	\$ 475,695	\$ -	\$ (667,926)	\$ -	\$ (667,926)	\$ -
Public safety	2,081,626	339,211	42,797	-	(1,699,618)	-	(1,699,618)	-
Public works	1,200,469	239,962	1,327,653	50,169	417,315	-	417,315	-
Community and economic development	63,181	103,501	50,000	171,477	261,797	-	261,797	-
Recreation and culture	211,649	3,810	3,000	-	(204,839)	-	(204,839)	-
Interest on long-term debt	305,078	-	-	-	(305,078)	-	(305,078)	-
<b>Total governmental activities</b>	<b>5,320,540</b>	<b>1,001,400</b>	<b>1,899,145</b>	<b>221,646</b>	<b>(2,198,349)</b>	<b>-</b>	<b>(2,198,349)</b>	<b>-</b>
<b>Business-type activities</b>								
Water and Sewer	4,287,879	5,796,716	-	2,007,733	-	3,516,570	3,516,570	-
<b>Total primary government</b>	<b>9,608,419</b>	<b>6,798,116</b>	<b>1,899,145</b>	<b>2,229,379</b>	<b>(2,198,349)</b>	<b>3,516,570</b>	<b>1,318,221</b>	<b>-</b>
<b>Component units</b>								
Downtown Development Authority	1,187,996	-	47,283	-	-	-	-	(1,140,713)
Local Development Finance Authority	19,287	-	-	-	-	-	-	(19,287)
<b>Total component units</b>	<b>\$ 1,207,283</b>	<b>\$ -</b>	<b>\$ 47,283</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,160,000)</b>
<b>General revenues</b>								
Property taxes					2,533,656	-	2,533,656	1,413,657
State shared revenue					966,219	-	966,219	-
Investment earnings					144,411	126,344	270,755	71,688
Gain on sale of capital assets					2,876	-	2,876	-
Miscellaneous					36,005	-	36,005	350
Transfers					138,102	(138,102)	-	-
<b>Total general revenues and transfers</b>					<b>3,821,269</b>	<b>(11,758)</b>	<b>3,809,511</b>	<b>1,485,695</b>
<b>Change in net position</b>					<b>1,622,920</b>	<b>3,504,812</b>	<b>5,127,732</b>	<b>325,695</b>
<b>Net position, beginning of the year</b>					<b>24,155,792</b>	<b>21,075,232</b>	<b>45,231,024</b>	<b>4,208,923</b>
<b>Net position, end of year</b>					<b>\$ 25,778,712</b>	<b>\$ 24,580,044</b>	<b>\$ 50,358,756</b>	<b>\$ 4,534,618</b>

**CITY OF GRAND LEDGE  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2023**

	General	Major Streets	Municipal Streets	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 2,841,853	\$ 486,304	\$ 823,523	\$ 883,696	\$ 5,035,376
Receivables					
Accounts	31,752	-	-	-	31,752
Leases	-	-	-	212,057	212,057
Taxes	5,317	-	1,595	531	7,443
Due from other governmental units	164,165	119,260	-	45,463	328,888
Prepays	5,257	-	-	-	5,257
	<u>\$ 3,048,344</u>	<u>\$ 605,564</u>	<u>\$ 825,118</u>	<u>\$ 1,141,747</u>	<u>\$ 5,620,773</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 147,918	\$ 6,753	\$ 32,162	\$ 33,904	\$ 220,737
Accrued liabilities	37,440	1,976	954	12,657	53,027
Unearned revenue	269,637	-	-	7,625	277,262
	<u>454,995</u>	<u>8,729</u>	<u>33,116</u>	<u>54,186</u>	<u>551,026</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - leases	-	-	-	201,930	201,930
Unavailable revenue - delinquent personnel property	-	-	1,595	531	2,126
	<u>-</u>	<u>-</u>	<u>1,595</u>	<u>202,461</u>	<u>204,056</u>
<b>FUND BALANCES</b>					
Nonspendable	5,257	-	-	-	5,257
Restricted	61,741	596,835	790,407	885,100	2,334,083
Unassigned	2,526,351	-	-	-	2,526,351
	<u>2,593,349</u>	<u>596,835</u>	<u>790,407</u>	<u>885,100</u>	<u>4,865,691</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 3,048,344</u>	<u>\$ 605,564</u>	<u>\$ 825,118</u>	<u>\$ 1,141,747</u>	<u>\$ 5,620,773</u>

See accompanying notes to financial statements.

**CITY OF GRAND LEDGE  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE  
SHEET TO THE STATEMENT OF NET POSITION  
JUNE 30, 2023**

**Total Fund Balances - Governmental Funds** \$ 4,865,691

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	\$ 36,982,350	
Accumulated depreciation is	<u>(10,783,413)</u>	
Capital assets, net		26,198,937

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 and business-type activities in the Government-wide Statement of Net Position.

Net position of governmental activities accounted for in the Internal Service Funds		1,235,569
-------------------------------------------------------------------------------------	--	-----------

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

Unavailable revenue		2,126
---------------------	--	-------

Some assets are not a current financial resources and therefore are not reported in the Governmental Funds Balance Sheet. Noncurrent assets at year-end consist of:

Net other post-employment benefits asset		162,537
------------------------------------------	--	---------

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. 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, net differences between projected and actual plan investment earnings, and changes in proportion and differences between employer contributions and proportionate share of contributions will be deferred over time in the government-wide financial statements. These amounts consist of:

Deferred outflows of resources related to pensions	564,269	
Deferred inflows of resources related to pensions	(70,323)	
Deferred outflows of resources related to OPEB	490,340	
Deferred inflows of resources related to OPEB	<u>(116,383)</u>	
		867,903

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	(5,440,511)	
Capitalized bond premiums/discounts	(257,189)	
Accrued interest payable	(26,462)	
Compensated absences	(243,735)	
Net pension liability	<u>(1,586,154)</u>	
		<u>(7,554,051)</u>

**Net Position of Governmental Activities** \$ 25,778,712

**CITY OF GRAND LEDGE  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2023**

	General	Major Streets	Municipal Streets	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 1,967,800	\$ -	\$ 543,299	\$ 189,414	\$ 2,700,513
Special assessments	-	-	18,169	-	18,169
Licenses and permits	257,714	-	-	-	257,714
Intergovernmental	1,531,302	724,283	335,464	474,792	3,065,841
Charges for services	1,044,868	-	-	-	1,044,868
Fines and forfeits	11,697	-	-	-	11,697
Interest and rents	124,571	9,032	13,812	124,715	272,130
Other	2,595	17,874	23,720	45,050	89,239
<b>TOTAL REVENUES</b>	<b>4,940,547</b>	<b>751,189</b>	<b>934,464</b>	<b>833,971</b>	<b>7,460,171</b>
<b>EXPENDITURES</b>					
Current					
General government	1,463,412	-	-	-	1,463,412
Public safety	2,011,107	-	-	4,328	2,015,435
Public works	249,452	260,866	448,362	345,089	1,303,769
Community and economic development	60,726	-	-	-	60,726
Recreation and culture	-	-	-	144,074	144,074
Capital outlay	284,671	157,015	39,125	260,312	741,123
Debt service	151,638	-	-	599,570	751,208
<b>TOTAL EXPENDITURES</b>	<b>4,221,006</b>	<b>417,881</b>	<b>487,487</b>	<b>1,353,373</b>	<b>6,479,747</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>719,541</b>	<b>333,308</b>	<b>446,977</b>	<b>(519,402)</b>	<b>980,424</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	50,000	-	-	664,593	714,593
Transfers out	-	(100,000)	(426,762)	(50,000)	(576,762)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>50,000</b>	<b>(100,000)</b>	<b>(426,762)</b>	<b>614,593</b>	<b>137,831</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>769,541</b>	<b>233,308</b>	<b>20,215</b>	<b>95,191</b>	<b>1,118,255</b>
Fund balances, beginning of year	1,823,808	363,527	770,192	789,909	3,747,436
Fund balances, end of year	<u>\$ 2,593,349</u>	<u>\$ 596,835</u>	<u>\$ 790,407</u>	<u>\$ 885,100</u>	<u>\$ 4,865,691</u>

See accompanying notes to financial statements.

**CITY OF GRAND LEDGE**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2023**

**Net Change in Fund Balances - Total Governmental Funds** \$ 1,118,255

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	\$ 741,124	
Depreciation expense	<u>(880,066)</u>	
Excess of depreciation expense over capital outlay		(138,942)

Internal Service Funds are used by management to charge the costs of certain activities to individual funds. The change in net position of the Internal Service Funds is allocated to the governmental activities and business-type activities in the Government-wide Statement of Activities.

Change in net position of governmental activities accounted for in the Internal Service Funds		257,630
-----------------------------------------------------------------------------------------------	--	---------

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

(Decrease) in unavailable revenue	(3,209)	
(Decrease) in net other post-employment benefits asset	<u>(323,605)</u>	
		(326,814)

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:

Payments on long-term debt	438,085	
Decrease in capitalized bond premiums/discounts	<u>24,186</u>	
		462,271

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:

Decrease in accrued interest payable	2,015	
Decrease in compensated absences	11,616	
(Increase) in net pension liability	(447,008)	
Increase in deferred outflows of resources related to pensions	163,472	
Decrease in deferred inflows of resources related to pensions	236,228	
Increase in deferred outflows of resources related to OPEB	267,925	
Decrease in deferred inflows of resources related to OPEB	<u>16,272</u>	
		<u>250,520</u>

**Change in Net Position of Governmental Activities** \$ 1,622,920

See accompanying notes to financial statements.

**CITY OF GRAND LEDGE  
PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
JUNE 30, 2023**

	<u>Business-type Activities</u>	<u>Governmental Activities</u>
	<u>Water and Sewer</u>	<u>Internal Service</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 5,307,844	\$ 767,910
Accounts receivable	1,109,421	96
Leases receivable	30,003	-
Due from other governmental units	1,101,328	-
Prepays	-	62,677
	<u>7,548,596</u>	<u>830,683</u>
Total current assets		
Noncurrent assets		
Leases receivable	468,517	-
Capital assets not being depreciated	3,273,324	13,602
Capital assets, net of accumulated depreciation	21,081,545	1,177,920
Net other post-employment benefits asset	25,364	-
	<u>24,848,750</u>	<u>1,191,522</u>
Total noncurrent assets		
<b>TOTAL ASSETS</b>		
	<u>32,397,346</u>	<u>2,022,205</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred charges on refunding	22,262	-
Deferred outflows of resources related to OPEB	29,032	-
	<u>51,294</u>	<u>-</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES		
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	1,510,702	62,780
Accrued liabilities	40,039	7,392
Accrued interest payable	32,249	3,840
Current portion of compensated absences	16,850	2,259
Current portion of long-term debt	962,305	43,068
	<u>2,562,145</u>	<u>119,339</u>
Total current liabilities		
Noncurrent liabilities		
Noncurrent portion of long-term debt	4,773,153	667,297
Noncurrent of compensated absences	50,945	-
	<u>4,824,098</u>	<u>667,297</u>
Total noncurrent liabilities		
<b>TOTAL LIABILITIES</b>		
	<u>7,386,243</u>	<u>786,636</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue - leases	478,228	-
Deferred inflows of resources related to OPEB	4,125	-
	<u>482,353</u>	<u>-</u>
TOTAL DEFERRED INFLOWS OF RESOURCES		
<b>NET POSITION</b>		
Net investment in capital assets	18,641,673	481,157
Restricted for other post-employment benefits	25,364	-
Unrestricted	5,913,007	754,412
	<u>\$ 24,580,044</u>	<u>\$ 1,235,569</u>
TOTAL NET POSITION		

See accompanying notes to financial statements.

**CITY OF GRAND LEDGE**  
**RECONCILIATION OF THE PROPRIETARY FUNDS STATEMENT OF NET POSITION TO THE**  
**GOVERNMENT-WIDE FINANCIAL STATEMENTS STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

**Total Net Position - Enterprise Fund** \$ 24,580,044

Amounts reported for the business-type activities in the statement of net position are different because:

Internal Service Funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the Internal Service Funds are allocated to the governmental and the business-type activities in the Government-wide Statement of Net Position.

Net position of business-type activities accounted for in  
the Internal Service Funds

-

**Net Position of Business-type Activities**

\$ 24,580,044

**CITY OF GRAND LEDGE  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 YEAR ENDED JUNE 30, 2023**

	Business-type Activities	Governmental Activities
	Water and Sewer	Internal Service
OPERATING REVENUES		
Water operations	\$ 3,101,879	\$ -
Sewer operations	2,554,817	-
Internal operations	-	1,763,884
Interest and penalty charges	60,169	-
Rent	77,268	-
Other	2,583	-
	<u>5,796,716</u>	<u>1,763,884</u>
TOTAL OPERATING REVENUES		
OPERATING EXPENSES		
Personnel	1,196,137	1,273,377
Repair and maintenance	1,453,457	132,849
Utilities	281,183	7,859
Other	512,114	42,855
Depreciation	697,167	101,144
	<u>4,140,058</u>	<u>1,558,084</u>
TOTAL OPERATING EXPENSES		
OPERATING INCOME	<u>1,656,658</u>	<u>205,800</u>
NONOPERATING REVENUES (EXPENSES)		
Intergovernmental	2,007,733	-
Investment earned	126,344	11,621
Gain on sale of capital assets	-	4,347
Amortization, net	22,415	-
Bond issuance costs	(70,341)	-
Interest expense and fees	(70,365)	6,061
	<u>2,015,786</u>	<u>22,029</u>
TOTAL NONOPERATING REVENUES (EXPENSES)		
INCOME BEFORE TRANSFERS	<u>3,672,444</u>	<u>227,829</u>
Transfers in	-	25,000
Transfers out	(138,102)	(24,729)
NET CHANGE IN NET POSITION	3,534,342	228,100
Net position, beginning of year	<u>21,045,702</u>	<u>1,007,469</u>
Net position, end of year	<u>\$ 24,580,044</u>	<u>\$ 1,235,569</u>

See accompanying notes to financial statements.

**CITY OF GRAND LEDGE  
PROPRIETARY FUNDS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND  
NET POSITION OF THE PROPRIETARY FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2023**

**Net Change in Net Position - Enterprise Fund** \$ 3,534,342

Amounts reported for business-type activities in the statement of activities are different because:

Internal Service Funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is allocated to governmental and business-type activities in the Government-wide Statement of Activities.

Change in net position of business-type activities  
accounted for in the Internal Service Funds (29,530)

**Change in Net Position of Business-type Activities** \$ 3,504,812

**CITY OF GRAND LEDGE  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 YEAR ENDED JUNE 30, 2023**

	Business-type Activities	Governmental Activities
	Water and Sewer	Internal Service
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers	\$ 5,607,217	\$ 1,786,430
Cash paid to suppliers/claimants	(906,694)	(1,200,746)
Cash paid to employees	(1,220,210)	(223,399)
NET CASH PROVIDED BY OPERATING ACTIVITIES	3,480,313	362,285
<b>CASH FLOWS FROM NONCAPITAL AND FINANCING ACTIVITIES</b>		
(Payment)/receipt of interfund balances	(138,102)	271
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Intergovernmental	906,405	-
Purchase of capital assets	(2,686,030)	(82,821)
Sale of capital assets	-	4,347
Proceeds on borrowing	50,000	-
Payments on borrowing	(894,813)	(34,980)
Issuance costs	(70,341)	-
Interest expense and fees	(75,358)	(6,342)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(2,770,137)	(119,796)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment income	126,344	11,621
NET CASH PROVIDED BY INVESTING ACTIVITIES	126,344	11,621
NET INCREASE IN CASH AND CASH EQUIVALENTS	698,418	254,381
Cash and cash equivalents, beginning of year	4,592,576	513,529
Cash and cash equivalents, end of year	\$ 5,290,994	\$ 767,910

See accompanying notes to financial statements.

**CITY OF GRAND LEDGE  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 YEAR ENDED JUNE 30, 2023**

	<u>Business-type Activities</u>	<u>Governmental Activities</u>
	<u>Water and Sewer</u>	<u>Internal Service</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 1,656,658	\$ 205,800
Adjustment to reconcile operating income to net cash provided by operating activities		
Depreciation	697,167	101,144
Accounts receivable	(179,636)	22,546
Leases receivable	30,004	-
Prepays	-	(5,610)
Net OPEB asset	(8,253)	-
Deferred outflows of resources related to OPEB	(21,516)	-
Increase (decrease) in:		
Accounts payable	1,400,627	50,111
Accrued liabilities	(30,566)	(13,687)
Compensated absences	(24,073)	1,981
Unavailable revenue - leases	(39,867)	-
Deferred inflows of resources related to OPEB	(232)	-
	<u>\$ 3,480,313</u>	<u>\$ 362,285</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		

See accompanying notes to financial statements.

**CITY OF GRAND LEDGE  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2023**

	<u>Other Post- Employment Benefits Trust Fund</u>	<u>Custodial Funds</u>
<b>ASSETS</b>		
Cash	\$ -	\$ 16,985
Investments	925,192	-
Account receivable	-	31,686
	<u>925,192</u>	<u>48,671</u>
<b>LIABILITIES</b>		
Due to individuals and agencies	-	46,115
Due to other governmental units	-	2,556
	<u>-</u>	<u>48,671</u>
<b>NET POSITION</b>		
Restricted		
Other post-employment benefits (health insurance)	<u>\$ 925,192</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**CITY OF GRAND LEDGE  
FIDUCIARY FUND  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
YEAR ENDED JUNE 30, 2023**

	Other Post- Employment Benefits Trust Fund	Custodial Funds
<b>ADDITIONS</b>		
Contributions		
Employer	\$ 22,604	\$ -
Property tax collection for other governmental units	-	10,379,353
Investment earnings	64,277	-
<b>TOTAL ADDITIONS</b>	<b>86,881</b>	<b>10,379,353</b>
<b>DEDUCTIONS</b>		
Benefit payments	22,604	-
Administrative expenses	1,628	-
Property tax distributions to other governmental units	-	10,379,353
<b>TOTAL DEDUCTIONS</b>	<b>24,232</b>	<b>10,379,353</b>
<b>NET CHANGE IN FIDUCIARY NET POSITION</b>	<b>62,649</b>	<b>-</b>
<b>NET POSITION</b>		
Beginning of year	862,543	-
End of year	<b>\$ 925,192</b>	<b>\$ -</b>

See accompanying notes to financial statements.

**CITY OF GRAND LEDGE  
 COMPONENT UNITS  
 COMBINING STATEMENT OF NET POSITION  
 JUNE 30, 2023**

	<u>Downtown Development Authority</u>	<u>Local Development Finance Authority</u>	<u>Total Component Units</u>
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 4,740,678	\$ 18,809	\$ 4,759,487
Noncurrent assets			
Capital assets not being depreciated	498,341	2,403,772	2,902,113
Capital assets, net of accumulated depreciation	<u>1,323,357</u>	<u>-</u>	<u>1,323,357</u>
Total noncurrent assets	<u>1,821,698</u>	<u>2,403,772</u>	<u>4,225,470</u>
<b>TOTAL ASSETS</b>	<u>6,562,376</u>	<u>2,422,581</u>	<u>8,984,957</u>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	11,584	275	11,859
Accrued liabilities	809	-	809
Accrued interest payable	30,443	-	30,443
Current portion of long-term debt	<u>301,265</u>	<u>-</u>	<u>301,265</u>
Total current liabilities	344,101	275	344,376
Noncurrent liabilities			
Noncurrent portion of long-term debt	<u>4,105,963</u>	<u>-</u>	<u>4,105,963</u>
<b>TOTAL LIABILITIES</b>	<u>4,450,064</u>	<u>275</u>	<u>4,450,339</u>
<b>NET POSITION</b>			
Net investment in capital assets	1,172,922	2,403,772	3,576,694
Restricted	3,989,814	-	3,989,814
Unrestricted	<u>(3,050,424)</u>	<u>18,534</u>	<u>(3,031,890)</u>
<b>TOTAL NET POSITION</b>	<u>\$ 2,112,312</u>	<u>\$ 2,422,306</u>	<u>\$ 4,534,618</u>

See accompanying notes to financial statements.

**CITY OF GRAND LEDGE  
COMPONENT UNITS  
COMBINING STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2023**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Downtown Development Authority	Local Development Finance Authority	Total Component Units
Governmental activities						
Downtown Development Authority	\$ 1,187,996	\$ -	\$ 47,283	\$ (1,140,713)	\$ -	\$ (1,140,713)
Local Development Finance Authority	19,287	-	-	-	(19,287)	(19,287)
Total component units	<u>\$ 1,207,283</u>	<u>\$ -</u>	<u>\$ 47,283</u>	<u>(1,140,713)</u>	<u>(19,287)</u>	<u>(1,160,000)</u>
General revenues						
Property taxes				1,365,243	48,414	1,413,657
Investment earnings				70,868	820	71,688
Other				350	-	350
Total general revenues				<u>1,436,461</u>	<u>49,234</u>	<u>1,485,695</u>
Change in net position				295,748	29,947	325,695
Net position, beginning of year				<u>1,816,564</u>	<u>2,392,359</u>	<u>4,208,923</u>
Net position, end of year				<u>\$ 2,112,312</u>	<u>\$ 2,422,306</u>	<u>\$ 4,534,618</u>

See accompanying notes to financial statements.

**CITY OF GRAND LEDGE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Grand Ledge (the City) is located in Eaton County, Michigan and has a population of approximately 7,800. The City is a municipal corporation governed by 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 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.

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 (primary government) and its component units, entities for which the government is considered to be financially accountable. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the City. All component units are included in the City's financial statements and are not audited separately.

Discretely Presented Component Units

These component units are reported in a separate column to emphasize that, while legally separate, the City remains financially accountable for this entity or the nature and significance of the relationship between the entity and the City is such that exclusion of the entity would render the financial statements misleading or incomplete. The financial statements contain the following discretely presented component units:

Downtown Development Authority - The City of Grand Ledge Downtown Development Authority (DDA) was established under Public Act 197 of 1975 to revitalize and plan for controlled development of the downtown business district. The City's Council appoints the members of the DDA's governing board. The DDA is also fiscally dependent upon the City because the City Council approves the DDA's budget and any debt issuances.

Local Development Finance Authority - The City of Grand Ledge Local Development Finance Authority (LDFA) was established under Public Act 281 of 1986 to preserve and promote the continued growth of the City and the LDFA district. The City's Council appoints the members of the LDFA's governing board. The LDFA is also fiscally dependent upon the City because the City's Council approves the LDFA's budget and any debt issuances.

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 non-fiduciary 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.

**CITY OF GRAND LEDGE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Basis of Presentation (continued)

GOVERNMENT-WIDE FINANCIAL STATEMENTS (concluded)

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. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds and the major individual enterprise fund 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 *Major Streets Fund* is a Special Revenue Fund used to account for restricted financial resources (primarily Act 51 revenues) that are used for repairs and maintenance of the City's major streets.
- c. The *Municipal Streets Fund* is a Special Revenue Fund used to account for the restricted financial resources (primarily property taxes) that are used for street and sidewalk related repairs, maintenance, and construction.

The City reports the following *Major Enterprise Fund*:

- a. The *Water and Sewer Fund* is used to account for utility operations, both water and sewer services to the general public, that are financed primarily by user charges.

Additionally, the City reports the following *Fund Types*:

- a. *Internal Service Funds* account for the management of equipment operating and employee benefits provided to various departments of the City on cost reimbursement basis.
- b. *Component Unit Fiduciary Funds* are used to account for the assets held in a trustee capacity. The Other Post-Employment Benefits Trust Fund accounts for the assets held by the Municipal Employees' Retirement System (MERS) to fund future medical insurance for eligible retirees and their beneficiaries.

**CITY OF GRAND LEDGE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Basis of Presentation (continued)

FUND FINANCIAL STATEMENTS (concluded)

- c. *Custodial Funds* account for assets held by the City as a custodian for other governments, private organizations, or individuals. The City's custodial funds are the Miscellaneous Tax Fund and Current Tax Collection Fund.

Measurement Focus

The government-wide, proprietary, and 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.

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 a 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 (i.e., enterprise and internal service) 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 nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the 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 nonoperating revenues and expenses.

**CITY OF GRAND LEDGE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Basis of Accounting (concluded)

The fiduciary funds financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, except for the recognition of certain liabilities to the beneficiaries of a fiduciary activity. Liabilities to beneficiaries are recognized when an event has occurred that compels the City to disburse fiduciary resources.

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

Budgets and Budgetary Accounting

The General and Special Revenue Funds' budgets shown as required supplementary information were prepared on the same modified accrual basis used to reflect actual results. This basis is consistent with accounting principles generally accepted in the United States of America. The City employs the following procedures in establishing the budgetary data reflected in the financial statements.

- a. Prior to the first regular Council meeting in April, the budget officer submits to the Council a proposed budget for the fiscal year beginning the following July 1.
- b. A public hearing is then conducted to obtain citizen comments.
- c. No later than the first Council meeting in June, the budget is required to be legally enacted through passage of a resolution.
- d. The budget is legally adopted at the department level for the General Fund and total expenditure level for the 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 June 30 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.

Cash, Cash Equivalents, and Investments

Cash consists of checking and savings accounts and cash equivalents consists of uncategorized pooled investments held by Michigan CLASS.

Investments are stated at fair value in accordance with applicable GASB 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.

**CITY OF GRAND LEDGE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Cash, Cash Equivalents, and Investments (concluded)

- 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 highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase.
- 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.
- g. Section 5 or 6 of Act No. 105 of the Public Acts of 1855, as amended, being Section 21.145 and 21.146 of the Michigan Compiled Laws.

Michigan Compiled Laws allow for collateralization of government deposits, if the assets for pledging are acceptable to the State Treasurer under Section 3 of 1855 PA 105, MCL 21.143, to secure deposits of State surplus funds, securities issued by the Federal Loan Mortgage Corporation, Federal National Mortgage Association, or Government National Mortgage Association.

Receivables

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

Due from Other Governmental Units

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

Leases

The City is a lessor for noncancelable leases of space on its water tower and hanger space at its airport. The City recognizes lease receivables and deferred inflows of resources in the government-wide and governmental fund financial statements.

**CITY OF GRAND LEDGE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Leases (concluded)

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payment received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgements include how the City determines (1) the discount rate is uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of this lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

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 net 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.

Capital Assets

**PRIMARY GOVERNMENT AND COMPONENT UNITS**

Capital assets are recorded (net of accumulated depreciation, if applicable) in the government-wide financial statements and proprietary fund types. Capital assets are those with an initial individual cost of \$10,000 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 value 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:

Land improvements	10 - 50 years
Buildings and improvements	10 - 50 years
Equipment	5 - 25 years
Infrastructure	25 - 50 years

**CITY OF GRAND LEDGE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Net Other Post-Employment Benefits Asset

The net other post-employment benefit asset is deemed to be a noncurrent asset and is recognized in the Government-Wide and Water and Sewer Fund financial statements.

Accrued Interest Payable

Accrued interest payable is presented for long-term obligations in the applicable financial statements.

Compensated Absences

It is the government's policy to permit eligible employees to accumulate earned but unused vacation and sick pay benefits. Employees are allowed to accumulate an unlimited amount of sick leave, which is paid only upon illness while in the employ of the City or upon retirement. Payment for sick leave upon termination of employment is capped at 60 hours. Employees are also allowed to cash in up to 60 hours of annually accrued sick time not used during a calendar year. Earned vacation time may be accumulated for up to twice the annual allotment. Employees are only paid for unused vacation at the time of termination. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee retirements.

All employees with accumulated compensated absences at June 30, 2023, that had amounts due to them, along with the related payroll taxes, are recorded in the Government-Wide, Water and Sewer Fund, and internal service fund financial statements, where applicable.

Long-term Liabilities

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.

Net Pension Liability

The net pension liability is deemed to be a noncurrent liability and is recognized in the government-wide financial statements.

**CITY OF GRAND LEDGE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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. The City has several items that qualify for reporting in these categories and are reported in the government-wide financial statement of net position, the governmental funds, or proprietary funds balance sheet/statement of net position.

The City reports deferred outflows of resources for the deferred charge on refunding which results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The City also reports deferred outflows of resources and deferred inflows of resources which correspond to the City's net pension liability and net OPEB asset and are related to differences between expected and actual experience, changes in assumptions, and differences between projected and actual plan investment earnings. These amounts are deferred and recognized as an outflow or inflow of resources in the period to which they apply.

The City also reports deferred inflows of resources, one of which arises only under a modified accrual basis of accounting and qualify for reporting in this category. The City reports unavailable revenue for long-term leases entered into by the City in which the City is the lessor. These amounts are recognized as revenue over the term of the lease agreements. The City also reports *unavailable revenue* in the governmental funds balance sheet. The governmental funds report unavailable revenues from revenues collected subsequent to 60 days after year end and from long-term property tax receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Property Tax

The City 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 on August 1 and December 1 and are payable without penalty through October 1 and February 14, respectively. The August 1 levy is composed of the City's millage, special assessments, and school taxes. The December 1 levy is composed of county and school taxes. All real property taxes not paid to the City by March 1 are turned over to the Eaton County Treasurer for collection. The County Treasurer purchases the receivables of all taxing districts on any delinquent real property taxes. Delinquent personal property taxes are retained by the City for subsequent collection. City property tax revenues are recognized as revenues in the fiscal year levied.

The City is permitted by charter to levy taxes up to 14 mills (\$14 per \$1,000 of taxable valuation) for general governmental services other than the payment of Debt Service Fund expenses and 1 mill (\$1 per \$1,000 of taxable valuation) for parks and recreation. For the year ended June 30, 2023, the City levied 10.4474 mills per \$1,000 of assessed valuation for general governmental services and 0.8032 mills for recreation. The total ad valorem taxable value for the 2022 levy for property within the City was \$273,422,973.

**CITY OF GRAND LEDGE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Tax Abatements

The City's tax revenue has been reduced by tax abatements throughout the City. Management has determined these amounts to be immaterial to the financial statements.

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. Balances for transfers that have not yet cleared as of the balance sheet date are considered interfund receivables and payables.

The Internal Service Funds (Equipment Operating and Employee Benefit Funds) record charges for services provided to various City departments and funds as operating revenue. All City funds record these payments as operating expenditures/expenses.

Restricted Net Position

Restrictions of net position shown in the government-wide financial statements indicate restrictions that have been imposed by outside sources which preclude a portion of net position from their use for unrestricted purposes.

Fund Balance Classifications

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 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.

**CITY OF GRAND LEDGE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)**

Fund Balance Classification Policies and Procedures

For assigned fund balances, the City Council is authorized to assign amounts to a specific purpose. Currently, assigned fund balance is determined through the budget and any residual amounts of fund balance in governmental funds other than the General Fund.

The City has adopted an unassigned fund balance policy with the desire to maintain an unassigned fund balance level of 25% of annual budgeted General Fund expenditures less non-recurring capital expenditures.

For the classification of fund balances, the City considers restricted amounts to have been spent when an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available. Also, for the classification of fund balances, the City considers committed, assigned, or unassigned amounts to have been spent when an expenditure is incurred for purpose for which amounts in any of those unrestricted fund balance classifications could be used.

Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Net Investment in Capital Assets

Net investment in capital assets represents following:

<u>Net Investment in Capital Assets</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Component Units</u>
Capital assets, net	\$ 27,390,459	\$ 24,354,869	\$ 4,225,470
Less			
Outstanding principal of capital related debt	(6,150,876)	(5,398,186)	(4,345,000)
Unamortized original issue premiums	(272,845)	(337,272)	(66,171)
Plus			
Capital borrowing related to unspent bond proceeds	-	-	3,758,452
Unamortized original issue discounts	15,656	-	3,943
Deferred charges on refunding	-	22,262	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Net investment in capital assets	<u>\$ 20,982,394</u>	<u>\$ 18,641,673</u>	<u>\$ 3,576,694</u>

**CITY OF GRAND LEDGE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 - DEPOSITS AND INVESTMENTS**

As of June 30, 2023, the City had deposits and investments subject to the following risk:

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. As of June 30, 2023, \$3,382,313 of the City's bank balance of \$3,882,313 was exposed to custodial credit risk because it was uninsured and uncollateralized. The balance of \$3,748,303 is reported on the financial statements as of June 30, 2023. The financial statements report \$550 of petty cash on hand.

Custodial Credit Risk - Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

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 allowed by law; and investing through pre-approved third-party custodians.

Interest Rate Risk

In accordance with its investment policy, 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 designing the investment portfolio with the objective of obtaining a rate of return throughout the budgetary and economic cycles, considering the investment risk constraints and the cash flow characteristics of the portfolio.

Investment Type	Fair Value	Weighted Average Maturity (Years)
PRIMARY GOVERNMENT		
Michigan CLASS Investment Pool	\$ 12,138,749	0.1215

One day maturity equals 0.0027; one year equals 1.00.

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). Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

Investment Type	Fair Value	Standard & Poor's Rating
PRIMARY GOVERNMENT		
Michigan CLASS Investment Pool	\$ 12,138,749	AAAm

**CITY OF GRAND LEDGE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 - DEPOSITS AND INVESTMENTS (continued)**

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 investment in a single issuer, by diversifying the investment portfolio by security type and institution in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

Foreign Currency Risk

The City is not authorized to invest in investments which have this type of risk.

Investments in Entities that Calculate Net Asset Value Per Share

The City holds shares or interests in the Michigan CLASS investment pool which invests in U.S. Treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated "A1" or better), collateralized bank deposits, repurchase agreements (collateralized at 102 percent by treasuries and agencies), and approved money market funds. The program is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities, and other public agencies.

The City also holds shares or interests in MERS where the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient. MERS invests assets in a manner which will seek the highest investment return consistent with the preservation of principal and meet the daily liquidity needs of participants.

At the year ended June 30, 2023, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency, if Eligible</u>	<u>Redemption Notice Period</u>
PRIMARY GOVERNMENT				
Michigan CLASS Investment Pool	\$ 12,138,749	\$ -	No restrictions	None
FIDUCIARY FUNDS				
MERS total market portfolio	<u>925,192</u>	<u>-</u>	No restrictions	None
Total investments at NAV	<u>\$ 13,063,941</u>	<u>\$ -</u>		

**CITY OF GRAND LEDGE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 - DEPOSITS AND INVESTMENTS (concluded)**

Investments in Entities that Calculate Net Asset Value Per Share (concluded)

The deposits and investments referred to above have been reported in either the cash and cash equivalents or investments captions on the financial statements, based upon criteria disclosed in Note 1. The following summarizes the categorization of these amounts as of June 30, 2023:

	<u>Primary Government</u>	<u>Fiduciary Funds</u>	<u>Component Units</u>	<u>Reporting Entity</u>
Cash and cash equivalents	\$ 11,111,130	\$ 16,985	\$ 4,759,487	\$ 15,887,602
Investments	-	925,192	-	925,192
	<u>\$ 11,111,130</u>	<u>\$ 942,177</u>	<u>\$ 4,759,487</u>	<u>\$ 16,812,794</u>

**NOTE 3 - LEASE RECEIVABLE**

During the current fiscal year, the City began reporting its leases of space on its water tower and hanger space at its airport to third-parties. The water tower leases, including all renewal terms, is through July 10, 2035, with annual payments increasing by 1.9% annually with 15% escalators every 5 years. The hanger space lease, including all renewal terms, is through June 30, 2031, with annual payments increasing by 3.0% or inflation, whichever is higher.

The amount of leases receivable, unavailable revenue related to leases, lease revenue, and interest revenue for the year ended June 30, 2023, are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	
	<u>Hanger Space</u>	<u>Water Tower Space</u>	<u>Total</u>
Lease receivable	<u>\$ 212,057</u>	<u>\$ 498,520</u>	<u>\$ 710,577</u>
Deferred inflows of resources	<u>\$ 201,930</u>	<u>\$ 478,228</u>	<u>\$ 680,158</u>
Lease revenue	\$ 21,201	\$ 30,004	\$ 51,205
Interest revenue	4,479	10,148	14,627
	<u>\$ 25,680</u>	<u>\$ 40,152</u>	<u>\$ 65,832</u>

**CITY OF GRAND LEDGE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 - INTERFUND TRANSFERS**

Permanent reallocation of resources between funds of the reporting entity is classified as interfund transfers. For the purpose of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

Transfer to General Fund from:	
Nonmajor governmental funds	<u>\$ 50,000</u>
Transfers to nonmajor governmental funds from:	
Major Streets Fund	\$ 100,000
Municipal Streets Fund	426,762
Water and Sewer Fund	113,102
Internal Service funds	<u>24,729</u>
	<u>\$ 664,593</u>
Transfers to internal service funds from:	
Water and Sewer Fund	<u>\$ 25,000</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, moves receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**CITY OF GRAND LEDGE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 5 - CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2023, was as follows:

**Primary Government**

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Governmental activities				
Capital assets not being depreciated				
Land	\$ 2,234,333	\$ -	\$ -	\$ 2,234,333
Construction in progress	-	601,548	-	601,548
Total nondepreciable assets	<u>2,234,333</u>	<u>601,548</u>	<u>-</u>	<u>2,835,881</u>
Capital assets being depreciated				
Land improvements	4,329,729	-	-	4,329,729
Buildings and improvements	5,843,791	105,810	-	5,949,601
Equipment	2,699,747	116,587	(28,459)	2,787,875
Infrastructure	23,250,742	-	-	23,250,742
Total depreciable assets	<u>36,124,009</u>	<u>222,397</u>	<u>(28,459)</u>	<u>36,317,947</u>
Less accumulated depreciation for:				
Land improvements	(1,493,660)	(148,339)	-	(1,641,999)
Buildings and improvements	(2,077,244)	(151,885)	-	(2,229,129)
Equipment	(1,358,920)	(181,732)	28,459	(1,512,193)
Infrastructure	(5,880,794)	(499,254)	-	(6,380,048)
Total accumulated depreciation	<u>(10,810,618)</u>	<u>(981,210)</u>	<u>28,459</u>	<u>(11,763,369)</u>
Net depreciable assets	<u>25,313,391</u>	<u>(758,813)</u>	<u>-</u>	<u>24,554,578</u>
Capital assets, net	<u>\$ 27,547,724</u>	<u>\$ (157,265)</u>	<u>\$ -</u>	<u>\$ 27,390,459</u>

Depreciation expense was charged to the following governmental activities:

General government	\$ 248,002
Public safety	24,153
Public works	623,783
Recreation and culture	85,272
Total depreciation expense	<u>\$ 981,210</u>

**CITY OF GRAND LEDGE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 5 - CAPITAL ASSETS (continued)**

**Primary Government (concluded)**

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Business-type activities				
Capital assets not being depreciated				
Land	\$ 587,294	\$ -	\$ -	\$ 587,294
Construction in progress	-	2,686,030	-	2,686,030
Total nondepreciable assets	<u>587,294</u>	<u>2,686,030</u>	<u>-</u>	<u>3,273,324</u>
Capital assets being depreciated				
Land improvements	117,453	-	-	117,453
Buildings and improvements	35,332,333	-	-	35,332,333
Equipment	668,463	-	-	668,463
Total depreciable assets	<u>36,118,249</u>	<u>-</u>	<u>-</u>	<u>36,118,249</u>
Less accumulated depreciation for:				
Land improvements	(79,219)	(4,698)	-	(83,917)
Buildings and improvements	(13,893,884)	(655,610)	-	(14,549,494)
Equipment	(366,434)	(36,859)	-	(403,293)
Total accumulated depreciation	<u>(14,339,537)</u>	<u>(697,167)</u>	<u>-</u>	<u>(15,036,704)</u>
Net capital assets being depreciated	<u>21,778,712</u>	<u>(697,167)</u>	<u>-</u>	<u>21,081,545</u>
Capital assets, net	<u>\$ 22,366,006</u>	<u>\$ 1,988,863</u>	<u>\$ -</u>	<u>\$ 24,354,869</u>

**Component Units**

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Downtown Development Authority				
Capital assets not being depreciated				
Land	\$ 498,341	\$ -	\$ -	\$ 498,341
Capital assets being depreciated				
Land improvements	3,478,889	-	-	3,478,889
Buildings and improvements	27,878	-	-	27,878
Equipment	47,152	-	-	47,152
Total depreciable assets	<u>3,553,919</u>	<u>-</u>	<u>-</u>	<u>3,553,919</u>
Less accumulated depreciation for:				
Land improvements	(2,050,475)	(139,155)	-	(2,189,630)
Buildings and improvements	(18,121)	(1,394)	-	(19,515)
Equipment	(17,997)	(3,420)	-	(21,417)
Total accumulated depreciation	<u>(2,086,593)</u>	<u>(143,969)</u>	<u>-</u>	<u>(2,230,562)</u>
Net capital assets being depreciated	<u>1,467,326</u>	<u>(143,969)</u>	<u>-</u>	<u>1,323,357</u>
Capital assets, net	<u>\$ 1,965,667</u>	<u>\$ (143,969)</u>	<u>\$ -</u>	<u>\$ 1,821,698</u>

**CITY OF GRAND LEDGE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 5 - CAPITAL ASSETS (concluded)**

**Component Units (concluded)**

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Local Development Finance Authority				
Land	\$ 2,403,772	\$ -	\$ -	\$ 2,403,772

**NOTE 6 - LONG-TERM OBLIGATIONS**

The following is a summary of changes in long-term obligations (including current portion) of the City for the year ended June 30, 2023.

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Amounts Due Within One Year
<b>Primary Government</b>					
Governmental activities					
General obligation bonds					
2013 Capital Improvement Bonds	\$ 1,550,000	\$ -	\$ (105,000)	\$ 1,445,000	\$ 110,000
2016 Capital Improvement Bonds	2,260,000	-	(210,000)	2,050,000	215,000
2019 Capital Improvement Bonds	2,826,063	-	(170,187)	2,655,876	177,378
Bond discounts	(17,079)	-	1,423	(15,656)	(1,423)
Bond premiums	298,454	-	(25,609)	272,845	27,464
Compensated absences	255,629	195,363	(204,998)	245,994	89,191
<b>Total governmental activities</b>	<b>7,173,067</b>	<b>195,363</b>	<b>(714,371)</b>	<b>6,654,059</b>	<b>617,610</b>
Business-type activities					
General obligation bonds					
2014 Refunding Bonds	1,605,000	-	(525,000)	1,080,000	535,000
2009 Revenue Bonds	1,569,062	-	(185,000)	1,384,062	190,000
2019 Capital Improvement Bonds	3,068,937	-	(184,813)	2,884,124	192,622
2023 DWSRF Bonds	-	50,000	-	50,000	-
Bond premiums	381,955	-	(44,683)	337,272	44,683
Compensated absences	75,018	66,918	(74,141)	67,795	16,850
<b>Total business-type activities</b>	<b>6,699,972</b>	<b>116,918</b>	<b>(1,013,637)</b>	<b>5,803,253</b>	<b>979,155</b>
<b>Total Primary Government</b>	<b>13,873,039</b>	<b>312,281</b>	<b>(1,728,008)</b>	<b>12,457,312</b>	<b>1,596,765</b>
<b>Component Units</b>					
Downtown Development Authority					
General obligation bonds					
2010 General Obligation Bonds	510,000	-	(165,000)	345,000	170,000
2023 General Obligation Bonds	-	4,000,000	-	4,000,000	130,000
Bond discounts	(5,999)	-	2,056	(3,943)	(2,057)
Bond premiums	-	67,002	(831)	66,171	3,322
<b>Total Downtown Development Authority</b>	<b>504,001</b>	<b>4,067,002</b>	<b>(163,775)</b>	<b>4,407,228</b>	<b>301,265</b>
Local Development Finance Authority					
General obligation bonds					
2016 Capital Improvement Refunding Bonds	35,000	-	(35,000)	-	-
Bond premiums	902	-	(902)	-	-
<b>Total Local Development Finance Authority</b>	<b>35,902</b>	<b>-</b>	<b>(35,902)</b>	<b>-</b>	<b>-</b>
<b>Total Component Units</b>	<b>539,903</b>	<b>4,067,002</b>	<b>(199,677)</b>	<b>4,407,228</b>	<b>301,265</b>
<b>Total Reporting Entity</b>	<b>\$ 14,412,942</b>	<b>\$ 4,379,283</b>	<b>\$ (1,927,685)</b>	<b>\$ 16,864,540</b>	<b>\$ 1,898,030</b>

**CITY OF GRAND LEDGE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 - LONG-TERM OBLIGATIONS (continued)**

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

**Primary Government**

Governmental Activities

General Obligation Bonds

\$2,280,000 2013 Capital Improvement Bonds dated May 1, 2013, due in annual installments ranging from \$105,000 to \$155,000 through May 1, 2034, with interest ranging from 2.500% to 3.250%, payable semi-annually.	\$ 1,445,000
\$5,000,000 2016 Capital Improvement Bonds dated July 7, 2016, due in annual installments ranging from \$210,000 to \$415,000 through May 1, 2032, with interest ranging from 2.000% to 2.350%, payable semi-annually.	2,050,000
\$3,144,864 2019 Capital Improvement Bonds dated December 19, 2019, due in annual installments ranging from \$170,187 to \$268,464 through November 1, 2034, with interest ranging from 3.000% to 4.000%, payable semi-annually.	2,655,876
Minus bond discount on 2013 Capital Improvement Bonds.	(15,656)
Plus bond premium on 2016 Capital Improvement and Refunding Bonds.	65,509
Plus bond premium on 2019 Capital Improvement Bonds.	<u>207,336</u>
Total general obligation bonds	<u><u>\$ 6,408,065</u></u>

Business-type Activities

General Obligation Bonds

\$4,960,000 2014 Water Supply and Sewage Disposal System Refunding Bonds dated April 9, 2014, due in annual installments ranging from \$525,000 to \$545,000 through April 1, 2025, with interest ranging from 2.100% to 2.375%, payable semi-annually.	\$ 1,080,000
\$5,785,000 2009 Water Supply and Sewage Disposal System Revenue (Drinking Water Revolving Fund) Bonds dated September 28, 2009, due in annual installments ranging from \$185,000 to \$214,062 through April 1, 2030, with interest of 2.500%, payable semi-annually.	1,384,062
\$3,415,136 2019 Capital Improvement Bonds dated December 19, 2019, due in annual installments ranging from \$184,813 to \$291,536 through November 1, 2034, with interest ranging from 3.000% to 4.000%, payable semi-annually.	2,884,124
\$12,900,000 2023 DWSRF Bonds dated January 20, 2023, is still being drawn upon as of June 30, 2023. The annual requirements to pay the long-term debt principal and interest outstanding are not shown because the loan have not been fully drawn down and as a result the maturity schedule has not been finalized as of June 30, 2023. While a final maturity schedule is not in place at year end, the first payment is anticipated to be made during fiscal year 2025.	50,000
Plus bond premium on 2014 Water Supply and Sewage Disposal System Refunding Bonds.	44,284
Plus bond premium on 2019 Capital Improvement Bonds.	<u>292,988</u>
Total general obligation bonds	<u><u>\$ 5,735,458</u></u>

**CITY OF GRAND LEDGE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 - LONG-TERM OBLIGATIONS (continued)**

**Primary Government (concluded)**

Compensated Absences

Individual employees have vested rights upon termination of employment to receive payments for unused vacation and sick pay. The dollar amounts of these vested rights including related payroll taxes, which have been accrued on the government-wide financial statements. The total liability amounted to approximately \$313,789 at June 30, 2023. Of this amount, \$245,994 and \$67,795 are shown as accrued liabilities within the government-wide financial statements' governmental and business-type activities, respectively, in accordance with criteria disclosed in Note 1.

**Component Units**

Downtown Development Authority

General Obligation Bonds

\$2,000,000 2010 Downtown Development Bonds dated August 17, 2010, due in annual installments ranging from \$165,000 to \$175,000 through May 1, 2025, with interest ranging from 3.800% to 4.000%, payable semi-annually.	\$ 345,000
\$4,000,000 2023 Downtown Development Bonds dated March 21, 2023, due in annual installments ranging from \$130,000 to \$285,000 through April 1, 2043, with interest ranging from 4.000% to 4.500%, payable annually.	4,000,000
Minus bond discount on 2010 Downtown Development Bonds.	(3,943)
Plus bond premium on 2023 Downtown Development Bonds.	<u>66,171</u>
Total general obligation bonds	<u><u>\$ 4,407,228</u></u>

The annual requirements to pay the debt principal and interest outstanding are as follows:

**Primary Government**

Year Ending June 30,	General Obligation Bonds			
	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 502,378	\$ 181,815	\$ 917,622	\$ 185,833
2025	514,569	167,527	935,431	162,637
2026	531,760	152,825	398,240	137,988
2027	563,951	137,612	411,048	112,120
2028	576,142	121,010	423,858	98,885
2029-2033	2,779,736	330,915	1,689,326	284,237
2034-2035	682,340	21,002	622,661	38,616
	<u>\$ 6,150,876</u>	<u>\$ 1,112,706</u>	<u>\$ 5,398,186</u>	<u>\$ 1,020,316</u>

**CITY OF GRAND LEDGE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 - LONG-TERM OBLIGATIONS (concluded)**

**Component Units (concluded)**

Year Ending June 30,	General Obligation Bonds	
	Downtown	
	Development Authority	
	Principal	Interest
2024	\$ 300,000	\$ 182,657
2025	315,000	166,094
2026	145,000	153,494
2027	150,000	147,694
2028	155,000	141,694
2029-2033	885,000	609,269
2034-2038	1,080,000	417,669
2039-2043	1,315,000	176,113
	\$ 4,345,000	\$ 1,994,684

**NOTE 7 - RETIREMENT PLANS**

**DEFINED BENEFIT PLAN**

Plan Description

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

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 2.50% to 3.00%.

Vesting period of 10 years.

Normal retirement age is 60. Unreduced early retirement is available at 55 with 25 years of service. Reduced early retirement is available at 50 with 25 years of service or 55 with 15 years of services.

**CITY OF GRAND LEDGE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 - RETIREMENT PLANS (continued)**

**DEFINED BENEFIT PLAN (continued)**

Benefits Provided (concluded)

Final average compensation is calculated based on five years. Member contributions range from 0.00% to 9.24%.

Benefit terms, within the parameters established by MERS, are generally established and amended by authority of the City Council, generally after negotiations of the terms with the affected unions.

At the December 31, 2022, valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefits	8
Inactive employees entitled to but not yet receiving benefits	4
Active employees	<u>11</u>
	<u><u>23</u></u>

Contributions

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

Total employer contributions for the year ended December 31, 2022, were \$207,420.

Net Pension Liability

The City's Net Pension Liability was measured as of December 31, 2022, 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 Assumptions

The actuarial assumptions were changed during the year as follows:

- Discount rate was lowered from 7.60% to 7.25%.
- Investment rate of return was lowered from 7.35% to 7.00%.

Actuarial Assumptions

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

- Inflation rate 2.5%.
- Salary increases 3.00% in the long-term plus merit and longevity.
- Investment rate of return 7.00% net of investment expenses, including inflation.

Mortality rates used were based on a version of Pub-2010 and fully generational MP-2019.

**CITY OF GRAND LEDGE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 - RETIREMENT PLANS (continued)**

**DEFINED BENEFIT PLAN (continued)**

Actuarial Assumptions (concluded)

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study of 2014-2018.

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>	<u>Money - Weighted Rate of Return</u>
Global Equity	60.0%	4.50%	2.70%
Global Fixed Income	20.0%	2.00%	0.40%
Private Investments	<u>20.0%</u>	7.00%	1.40%
	<u>100.0%</u>		
Inflation			<u>2.50%</u>
Assumed investment rate of return			7.00%
Administrative expense netted above			<u>0.25%</u>
Investment rate of return (discount rate)			<u>7.25%</u>

Discount Rate

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

**CITY OF GRAND LEDGE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 - RETIREMENT PLANS (continued)**

**DEFINED BENEFIT PLAN (continued)**

Change in Total Pension Liability

The City's net pension liability was measured as of December 31, 2022, 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:

Calculating the Net Pension Liability			
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at December 31, 2021	\$ 3,939,844	\$ 2,800,698	\$ 1,139,146
Changes for the year			
Service cost	53,923	-	53,923
Interest on total pension liability	277,706	-	277,706
Difference between expected and actual experience	45,776	-	45,776
Employer contributions	-	207,420	(207,420)
Employee contributions	-	12,910	(12,910)
Net investment income	-	(284,770)	284,770
Benefit payments, including employee refunds	(272,769)	(272,769)	-
Administrative expense	-	(5,164)	5,164
Other changes	(1)	-	(1)
Net changes	104,635	(342,373)	447,008
Balances as of December 31, 2022	\$ 4,044,479	\$ 2,458,325	\$ 1,586,154

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

The following presents the Net Pension Liability of the employer, calculated using the discount rates of 7.25%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1% lower or 1% higher than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Net pension liability	\$ 2,048,060	\$ 1,586,154	\$ 1,201,639

**CITY OF GRAND LEDGE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 - RETIREMENT PLANS (concluded)**

**DEFINED BENEFIT PLAN (concluded)**

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

For the year ended June 30, 2023, the City recognized pension expenses of \$254,727. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 125,838	\$ 70,323
Changes in assumptions	215,671	-
Net difference between projected and actual earnings on pension plan investments	222,760	-
Total	\$ 564,269	\$ 70,323

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

Fiscal Year Ending June 30,	Pension Expense
2024	\$ 77,319
2025	133,210
2026	99,376
2027	131,391
2028	34,246
2029	18,404

**DEFINED CONTRIBUTION PLAN**

The City of Grand Ledge Group Pension Plan is a defined contribution pension plan established by the City and administered by an insurance company to provide retirement benefits to all participating full-time employees of the City. Plan provisions and contribution requirements are established and may be amended by the City Council. Employees may contribute up to 15% of their gross earnings to the plan. The City is required to contribute 5% of employee gross earnings and to match 100% of the first 5% and 50% of the next 10% of employee contributions. The City's maximum contribution does not exceed 15% for employees hired before July 1, 2012 and 10% for employees hired after June 30, 2012. Employee contributions vest immediately, whereas employer contributions vest at a rate of 20% per year.

Employer contributions to the plan for the year ended June 30, 2023, were \$243,562, of which \$232,368 and \$11,194 were 401A and 457 plan contributions, respectively.

**CITY OF GRAND LEDGE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS**

Plan Description

The City of Grand Ledge Retiree Healthcare Plan (the “Plan”) is a single employer defined benefit healthcare plan administered by the City of Grand Ledge using MERS’ retiree health funding vehicle (RHFV). The Plan provides certain healthcare benefits, in accordance with union agreements and/or personnel policies to employees who have retired. Benefit provisions are established, and the plan is managed at the direction of City Council. The Plan was closed to all employees hired after July 1, 2018. The Plan does not issue a separate stand-alone financial statement.

Benefits Provided

In accordance with City policy, eligible retirees and certain beneficiaries receive healthcare benefits at 50 percent coverage of premiums. Benefits continue until the age of 65. The City has no obligations to make contributions in advance of when the premiums are due for payments (i.e., may be financed on a “pay-as-you-go” basis). The current contributions being made are to fund the trust for future obligations. The City is currently paying premiums of retirees from current, available financial resources. The City has the ability to amend the benefits offered in accordance with City policy and union agreements, when applicable.

Summary of Plan Participants

At the June 30, 2023, valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefits	3
Active employees	<u>20</u>
	<u><u>23</u></u>

Contributions

For the year ended June 30, 2023, the City’s only contributions were its portion of premium payments.

Net OPEB Liability (Asset)

The net OPEB liability (asset) of the City was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined through a valuation using the alternative measurement method as of that date.

**CITY OF GRAND LEDGE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS (continued)**

Actuarial Assumptions

The total OPEB liability in the June 30, 2023 valuation was determined using the following assumptions applied to all periods included in the measurement:

Discount rate	7.00%
Long-term expected rate of return	7.00%
Salary growth rate	2.50%
Healthcare cost trend rate	4.50%-7.25%
AA 20-year municipal bond rate	4.13%
Probability of accepting benefits	66.70%
Mortality	2010 Public Safety & General Employees and Healthy Retirees, Headcount weighted, MP-2021

The assumptions used in the June 30, 2023 valuation were determined by the City's management as of June 30, 2023.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and 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>
Equity	60.00%	4.50%
Fixed Income	20.00%	2.00%
Money Market	20.00%	7.00%

Discount Rate

The discount rate used to measure the total OPEB liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that City will not contribute to the Plan. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**CITY OF GRAND LEDGE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS (continued)**

Change in Net OPEB Liability (Asset)

The change in the net OPEB liability (asset) for the year ended June 30, 2023, is as follows:

	Calculating the Net OPEB Liability (Asset)		
	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a)-(b)
Balances at June 30, 2022	\$ 359,290	\$ 862,543	\$ (503,253)
Changes for the year			
Service cost	18,687	-	18,687
Interest on total OPEB liability	26,950	-	26,950
Difference between expected and actual experience	236,558	-	236,558
Changes in assumptions	118,410	-	118,410
Employer benefit payments from general operating	-	22,604	(22,604)
Net investment income	-	64,277	(64,277)
Benefit payments	(22,604)	(22,604)	-
Administrative expense	-	(1,628)	1,628
Net changes	378,001	62,649	315,352
Balances as of June 30, 2023	\$ 737,291	\$ 925,192	\$ (187,901)

Sensitivity of the net OPEB Asset to Changes in the Discount Rate

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

	1% Decrease	Current Rate	1% Increase
Net OPEB liability (asset)	\$ (130,460)	\$ (187,901)	\$ (239,580)

**CITY OF GRAND LEDGE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS (concluded)**

Sensitivity of the net OPEB Asset to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB asset of the City, as well as what the City's net OPEB asset would be if it were calculated using healthcare cost trends rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Net OPEB liability (asset)	\$ (250,871)	\$ (187,901)	\$ (115,044)

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

For the year ended June 30, 2023, the City recognized OPEB expense of \$32,009. At June 30, 2023, 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>
Net difference between projected and actual earnings on OPEB plan investments	\$ -	\$ 34,143
Changes in assumptions	113,688	86,365
Differences between expected and actual experience	405,684	-
Total	\$ 519,372	\$ 120,508

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 June 30,</u>	<u>OPEB Expense</u>
2024	\$ 50,321
2025	55,427
2026	25,140
2027	54,760
2028	54,948
2029 and thereafter	158,268

**CITY OF GRAND LEDGE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 9 - 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 Risk Management Authority, with other municipalities for property, liability, crime, data breach, and auto losses. The pool is organized under Public Act 138 of 1982, as amended. State pool members' limits of coverage (per occurrence) are detailed in their policy agreements with the Authority. 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.

**NOTE 10 - CODE ENFORCEMENT FINANCIAL INFORMATION**

The City has elected to report the financial activities of the building department in the General Fund. The following is the required information as it relates to this department for the year ended June 30, 2023:

Surplus at July 1, 2022	\$	49,379
REVENUES		
Licenses and permits		
Permits		247,866
EXPENDITURES		
Building Department		<u>(235,504)</u>
Cumulative surplus at June 30, 2023	\$	<u><u>61,741</u></u>

**NOTE 11 - CONTRACTUAL COMMITMENTS**

The City has entered into contracts for an iron removal plant construction project that was not completed at June 30, 2023. The total contractual commitments outstanding at June 30, 2023, totaled \$16,514,450. Grant funding, debt proceeds, and net position are expected to be sufficient to cover these commitments.

**NOTE 12 - SUBSEQUENT EVENTS**

On August 24, 2023, the City purchased public infrastructure improvements in the amount of \$423,548. Available fund balance was sufficient to cover this commitment.

**CITY OF GRAND LEDGE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 13 - 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. The following are the various restrictions in net position as of June 30, 2023:

<b>PRIMARY GOVERNMENT</b>	
Governmental activities	
Highways and streets	\$ 1,696,427
City parks	113,230
Police/drug enforcement	7,111
Airport development	196,218
Code enforcement	61,741
Capital projects	232,065
Other post-employment benefits	<u>162,537</u>
Total governmental activities	2,469,329
Business-type activities	
Other post-employment benefits	<u>25,364</u>
Total Primary Government	<u><u>\$ 2,494,693</u></u>

**NOTE 14 - DETAILS OF FUND BALANCE CLASSIFICATIONS**

Fund balance classifications shown in the governmental fund financial statements indicate constraints imposed on the fund balance, if any. The following are the various constraints on fund balance as of June 30, 2023.

	General Fund	Major Streets	Municipal Streets	Nonmajor Governmental Funds	Total
Fund Balances					
Nonspendable					
Prepays	\$ 5,257	\$ -	\$ -	\$ -	\$ 5,257
Restricted					
Highways and streets	-	596,835	790,407	309,185	1,696,427
City parks	-	-	-	113,230	113,230
Police/drug enforcement	-	-	-	7,111	7,111
Airport development	-	-	-	196,218	196,218
Public safety/code enforcement	61,741	-	-	-	61,741
Debt service	-	-	-	27,291	27,291
Capital projects	-	-	-	232,065	232,065
Unassigned	<u>2,526,351</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,526,351</u>
<b>TOTAL FUND BALANCES</b>	<u><u>\$ 2,593,349</u></u>	<u><u>\$ 596,835</u></u>	<u><u>\$ 790,407</u></u>	<u><u>\$ 885,100</u></u>	<u><u>\$ 4,865,691</u></u>

**CITY OF GRAND LEDGE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 15 - CHANGE IN ACCOUNTING PRINCIPLE**

For the year ended June 30, 2023, the City implemented the following new pronouncement: GASB Statement No. 96, *Subscription-based Information Technology Arrangements*.

Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-based Information Technology Arrangements* was issued in May 2020. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

There was no material impact on the City's financial statement after the adoption of GASB Statement No. 96.

**NOTE 16 - UPCOMING ACCOUNTING PRONOUNCEMENTS**

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The City is currently evaluating the impact this standard will have on the financial statements when adopted during the 2023-2024 fiscal year.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. The City is currently evaluating the impact this standard will have on the financial statements when adopted during the 2024-2025 fiscal year.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF GRAND LEDGE  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Taxes				
Property taxes	\$ 1,641,970	\$ 1,641,970	\$ 1,804,152	\$ 162,182
Penalties and interest	15,801	15,801	17,003	1,202
Administration fees	126,259	126,259	146,645	20,386
Total taxes	<u>1,784,030</u>	<u>1,784,030</u>	<u>1,967,800</u>	<u>183,770</u>
Licenses and permits	<u>262,925</u>	<u>262,925</u>	<u>257,714</u>	<u>(5,211)</u>
Intergovernmental				
Federal	-	135,000	468,778	333,778
State	1,030,885	1,030,885	1,007,124	(23,761)
Local	115,000	54,400	55,400	1,000
Total intergovernmental	<u>1,145,885</u>	<u>1,220,285</u>	<u>1,531,302</u>	<u>311,017</u>
Charges for services				
Refuse collection	41,500	41,500	52,458	10,958
Cable franchise fee	119,811	119,811	110,895	(8,916)
Administration fees	651,604	651,604	651,604	-
Other	207,068	276,218	229,911	(46,307)
Total charges for services	<u>1,019,983</u>	<u>1,089,133</u>	<u>1,044,868</u>	<u>(44,265)</u>
Fines and forfeits	<u>12,250</u>	<u>12,250</u>	<u>11,697</u>	<u>(553)</u>
Interest and rents	<u>35,500</u>	<u>44,500</u>	<u>124,571</u>	<u>80,071</u>
Other	<u>30,000</u>	<u>30,000</u>	<u>2,595</u>	<u>(27,405)</u>
<b>TOTAL REVENUES</b>	<u>4,290,573</u>	<u>4,443,123</u>	<u>4,940,547</u>	<u>497,424</u>
<b>EXPENDITURES</b>				
Current				
General government				
City council	9,769	9,769	7,749	2,020
Administrator	305,015	317,969	300,219	17,750
Clerk	136,744	136,744	119,901	16,843
Treasurer	287,842	287,842	278,066	9,776
Assessor	173,142	173,142	161,015	12,127
Election	22,055	25,055	23,786	1,269
City hall	214,539	320,039	175,559	144,480
Attorney	40,000	55,000	53,325	1,675

**CITY OF GRAND LEDGE  
GENERAL FUND (CONCLUDED)  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
EXPENDITURES (concluded)				
Current (concluded)				
General government (concluded)				
Other	\$ 414,173	\$ 414,173	\$ 343,792	\$ 70,381
Total general government	1,603,279	1,739,733	1,463,412	276,321
Public safety				
Police administration	1,817,372	1,828,044	1,775,603	52,441
Building inspection	273,022	273,022	235,504	37,518
Total public safety	2,090,394	2,101,066	2,011,107	89,959
Public works				
Recycling	41,881	41,881	40,575	1,306
Composting	231,998	231,998	74,586	157,412
Cemetery	125,430	144,410	134,291	10,119
Total public works	399,309	418,289	249,452	168,837
Community and economic development				
Planning and zoning	63,446	63,446	60,726	2,720
Capital outlay	324,500	364,500	284,671	79,829
Debt service				
Principal	105,000	105,000	105,000	-
Interest and fiscal charges	46,638	46,638	46,638	-
Total debt service	151,638	151,638	151,638	-
TOTAL EXPENDITURES	4,632,566	4,838,672	4,221,006	617,666
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(341,993)	(395,549)	719,541	1,115,090
OTHER FINANCING SOURCES				
Transfers in	50,000	(85,000)	50,000	135,000
NET CHANGE IN FUND BALANCES	(291,993)	(480,549)	769,541	1,250,090
Fund balances, beginning of year	1,823,808	1,823,808	1,823,808	-
Fund balances, end of year	\$ 1,531,815	\$ 1,343,259	\$ 2,593,349	\$ 1,250,090

**CITY OF GRAND LEDGE  
MAJOR STREETS FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED JUNE 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES				
Intergovernmental	\$ 689,681	\$ 689,681	\$ 724,283	\$ 34,602
Interest	150	150	9,032	8,882
Other	3,500	3,500	17,874	14,374
<b>TOTAL REVENUES</b>	<u>693,331</u>	<u>693,331</u>	<u>751,189</u>	<u>57,858</u>
EXPENDITURES				
Current				
Public works	682,850	379,450	260,866	118,584
Capital outlay	-	158,000	157,015	985
<b>TOTAL EXPENDITURES</b>	<u>682,850</u>	<u>537,450</u>	<u>417,881</u>	<u>119,569</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	10,481	313,881	333,308	19,427
OTHER FINANCING (USES)				
Transfers out	(100,000)	(100,000)	(100,000)	-
<b>NET CHANGE IN FUND BALANCE</b>	(89,519)	213,881	233,308	19,427
Fund balance, beginning of year	363,527	363,527	363,527	-
Fund balance, end of year	<u>\$ 274,008</u>	<u>\$ 577,408</u>	<u>\$ 596,835</u>	<u>\$ 19,427</u>

**CITY OF GRAND LEDGE  
MUNICIPAL STREETS FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED JUNE 30, 2023**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Taxes	\$ 496,675	\$ 496,675	\$ 543,299	\$ 46,624
Special assessments	14,673	14,673	18,169	3,496
Intergovernmental	304,823	304,823	335,464	30,641
Interest	600	600	13,812	13,212
Other	2,000	2,000	23,720	21,720
	<u>818,771</u>	<u>818,771</u>	<u>934,464</u>	<u>115,693</u>
TOTAL REVENUES				
EXPENDITURES				
Current				
Public works	703,814	663,814	448,362	215,452
Capital outlay	-	40,000	39,125	875
	<u>703,814</u>	<u>703,814</u>	<u>487,487</u>	<u>216,327</u>
TOTAL EXPENDITURES				
EXCESS OF REVENUES OVER EXPENDITURES	<u>114,957</u>	<u>114,957</u>	<u>446,977</u>	<u>332,020</u>
OTHER FINANCING (USES)				
Transfers out	<u>(451,762)</u>	<u>(451,762)</u>	<u>(426,762)</u>	<u>25,000</u>
NET CHANGE IN FUND BALANCE	(336,805)	(336,805)	20,215	357,020
Fund balance, beginning of year	<u>770,192</u>	<u>770,192</u>	<u>770,192</u>	<u>-</u>
Fund balance, end of year	<u>\$ 433,387</u>	<u>\$ 433,387</u>	<u>\$ 790,407</u>	<u>\$ 357,020</u>

**CITY OF GRAND LEDGE**  
**SCHEDULE OF CHANGES IN EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS**  
**LAST NINE MEASUREMENT DATES (ULTIMATELY TEN FISCAL YEARS WILL BE DISPLAYED)**  
**(AMOUNTS WERE DETERMINED AS OF 12/31 OF EACH FISCAL YEAR)**

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability									
Service cost	\$ 53,923	\$ 48,553	\$ 46,524	\$ 36,497	\$ 39,159	\$ 41,618	\$ 40,439	\$ 43,614	\$ 46,794
Interest on total pension liability	277,706	279,493	266,620	251,186	263,485	252,280	242,190	227,146	218,700
Difference between expected and actual experience	45,776	(43,152)	7,920	230,024	(227,764)	34,819	22,281	38,397	-
Changes of assumptions	-	138,069	118,817	113,584	-	-	-	141,091	-
Benefit payments, including employee refunds	(272,769)	(272,769)	(270,258)	(265,680)	(188,916)	(185,899)	(172,872)	(176,252)	(146,817)
Other	(1)	-	-	-	1	-	-	-	-
Net change in total pension liability	104,635	150,194	169,623	365,611	(114,035)	142,818	132,038	273,996	118,677
Total pension liability, beginning	3,939,844	3,789,650	3,620,027	3,254,416	3,368,451	3,225,633	3,093,595	2,819,599	2,700,922
Total pension liability, ending	<u>\$ 4,044,479</u>	<u>\$ 3,939,844</u>	<u>\$ 3,789,650</u>	<u>\$ 3,620,027</u>	<u>\$ 3,254,416</u>	<u>\$ 3,368,451</u>	<u>\$ 3,225,633</u>	<u>\$ 3,093,595</u>	<u>\$ 2,819,599</u>
Plan fiduciary net position									
Contributions-employer	\$ 207,420	\$ 239,784	\$ 193,968	\$ 197,652	\$ 183,204	\$ 181,202	\$ 183,631	\$ 75,653	\$ 69,726
Contributions-employee	12,910	12,918	12,146	12,748	20,505	21,189	26,800	34,472	36,699
Net Investment income	(284,770)	347,448	286,297	275,652	(86,526)	249,037	192,400	(24,979)	104,984
Benefit payments including employee refunds	(272,769)	(272,769)	(270,258)	(265,680)	(188,916)	(185,899)	(172,872)	(176,252)	(146,817)
Administrative expense	(5,164)	(4,006)	(4,525)	(4,755)	(4,137)	(3,922)	(3,776)	(3,725)	(3,854)
Net change in plan fiduciary net position	(342,373)	323,375	217,628	215,617	(75,870)	261,607	226,183	(94,831)	60,738
Plan fiduciary net position, beginning	2,800,698	2,477,323	2,259,695	2,044,078	2,119,948	1,858,341	1,632,158	1,726,989	1,666,251
Plan fiduciary net position, ending	<u>\$ 2,458,325</u>	<u>\$ 2,800,698</u>	<u>\$ 2,477,323</u>	<u>\$ 2,259,695</u>	<u>\$ 2,044,078</u>	<u>\$ 2,119,948</u>	<u>\$ 1,858,341</u>	<u>\$ 1,632,158</u>	<u>\$ 1,726,989</u>
City's net pension liability	<u>\$ 1,586,154</u>	<u>\$ 1,139,146</u>	<u>\$ 1,312,327</u>	<u>\$ 1,360,332</u>	<u>\$ 1,210,338</u>	<u>\$ 1,248,503</u>	<u>\$ 1,367,292</u>	<u>\$ 1,461,437</u>	<u>\$ 1,092,610</u>
Plan fiduciary net position as a percentage of the total pension liability	61%	71%	65%	62%	63%	63%	58%	53%	61%
Covered payroll	\$ 666,071	\$ 673,536	\$ 773,676	\$ 579,004	\$ 569,960	\$ 548,326	\$ 513,565	\$ 477,402	\$ 461,142
City's net pension liability as a percentage of covered payroll	238%	169%	170%	235%	212%	228%	266%	306%	237%

**CITY OF GRAND LEDGE**  
**SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS**  
**LAST NINE FISCAL YEARS (ULTIMATELY TEN FISCAL YEARS WILL BE DISPLAYED)**  
**(AMOUNTS WERE DETERMINED AS OF 6/30 OF EACH FISCAL YEAR)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contributions	\$ 207,420	\$ 170,196	\$ 128,676	\$ 197,652	\$ 174,025	\$ 174,276	\$ 90,446	\$ 75,653	\$ 69,726
Contributions in relation to the actuarially determined contribution	<u>207,420</u>	<u>255,162</u>	<u>193,968</u>	<u>197,652</u>	<u>174,025</u>	<u>174,276</u>	<u>148,898</u>	<u>75,653</u>	<u>69,726</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (84,966)</u>	<u>\$ (65,292)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (58,452)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 744,457	\$ 687,902	\$ 674,207	\$ 621,950	\$ 588,402	\$ 566,013	\$ 512,333	\$ 543,715	\$ 461,142
Contributions as a percentage of covered payroll	28%	37%	29%	32%	30%	31%	29%	14%	15%

**CITY OF GRAND LEDGE**  
**SCHEDULE OF CHANGES IN EMPLOYER'S NET OPEB ASSET AND RELATED RATIOS**  
**LAST SIX MEASUREMENT DATES (ULTIMATELY TEN FISCAL YEARS WILL BE DISPLAYED)**  
**(AMOUNTS WERE DETERMINED AS OF 6/30 OF EACH FISCAL YEAR)**

	2023	2022	2021	2020	2019	2018
Total OPEB liability						
Service cost	\$ 18,687	\$ 17,615	\$ 17,645	\$ 18,374	\$ 28,347	\$ 15,974
Interest on total OPEB liability	26,950	24,600	23,668	23,466	18,018	15,329
Difference between expected and actual experience	236,558	991	(20,997)	49,097	242,241	-
Changes of assumptions	118,410	9,756	27,287	(105,930)	-	-
Benefit payments	<u>(22,604)</u>	<u>(39,348)</u>	<u>(63,311)</u>	<u>(86,226)</u>	<u>(88,654)</u>	<u>(31,563)</u>
Net change in total pension liability	378,001	13,614	(15,708)	(101,219)	199,952	(260)
Total OPEB liability, beginning	<u>359,290</u>	<u>345,676</u>	<u>361,384</u>	<u>462,603</u>	<u>262,651</u>	<u>262,911</u>
Total OPEB liability, ending	<u><u>\$ 737,291</u></u>	<u><u>\$ 359,290</u></u>	<u><u>\$ 345,676</u></u>	<u><u>\$ 361,384</u></u>	<u><u>\$ 462,603</u></u>	<u><u>\$ 262,651</u></u>
Plan fiduciary net position						
Contributions-employer	\$ 22,604	\$ 39,348	\$ 138,311	\$ 236,226	\$ 238,654	\$ 181,563
Net Investment income	64,277	(77,495)	205,193	14,323	13,101	22,745
Benefit payments	(22,604)	(39,348)	(63,311)	(86,226)	(88,654)	(31,563)
Administrative expense	<u>(1,628)</u>	<u>(1,689)</u>	<u>(1,515)</u>	<u>(1,167)</u>	<u>(989)</u>	<u>(762)</u>
Net change in plan fiduciary net position	62,649	(79,184)	278,678	163,156	162,112	171,983
Plan fiduciary net position, beginning	<u>862,543</u>	<u>941,727</u>	<u>663,049</u>	<u>499,893</u>	<u>337,781</u>	<u>165,798</u>
Plan fiduciary net position, ending	<u><u>\$ 925,192</u></u>	<u><u>\$ 862,543</u></u>	<u><u>\$ 941,727</u></u>	<u><u>\$ 663,049</u></u>	<u><u>\$ 499,893</u></u>	<u><u>\$ 337,781</u></u>
City's net OPEB liability (asset)	<u><u>\$ (187,901)</u></u>	<u><u>\$ (503,253)</u></u>	<u><u>\$ (596,051)</u></u>	<u><u>\$ (301,665)</u></u>	<u><u>\$ (37,290)</u></u>	<u><u>\$ (75,130)</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	125%	240%	272%	183%	108%	129%
Covered employee payroll	\$ 1,570,929	\$ 1,381,926	\$ 1,311,835	\$ 1,403,746	\$ 1,453,156	\$ 2,211,123
City's net OPEB liability (asset) as a percentage of covered employee payroll	(12%)	(36%)	(45%)	(21%)	(3%)	(3%)

**CITY OF GRAND LEDGE**  
**SCHEDULE OF EMPLOYER OPEB CONTRIBUTIONS**  
**LAST SIX FISCAL YEARS (ULTIMATELY TEN FISCAL YEARS WILL BE DISPLAYED)**  
**(AMOUNTS WERE DETERMINED AS OF 6/30 OF EACH FISCAL YEAR)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Annually determined contributions	\$ -	\$ -	\$ 17,645	\$ 18,374	\$ 28,347	\$ 15,592
Contributions in relation to the annually determined contribution	<u>22,604</u>	<u>39,348</u>	<u>75,000</u>	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>
Contribution deficiency (excess)	<u>\$ (22,604)</u>	<u>\$ (39,348)</u>	<u>\$ (57,355)</u>	<u>\$ (131,626)</u>	<u>\$ (121,653)</u>	<u>\$ (134,408)</u>
Covered employee payroll	\$ 1,570,929	\$ 1,381,926	\$ 1,311,835	\$ 1,403,746	\$ 1,453,156	\$ 2,211,123
Contributions as a percentage of covered employee payroll	1%	3%	6%	11%	10%	7%

**CITY OF GRAND LEDGE  
 SCHEDULE OF OPEB INVESTMENTS RETURNS  
 LAST SIX FISCAL YEARS (ULTIMATELY TEN FISCAL YEARS WILL BE DISPLAYED)  
 (AMOUNTS WERE DETERMINED AS OF 6/30 OF EACH FISCAL YEAR)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Annual money-weighted rate of return, net of investment expenses	7.07%	-8.78%	25.38%	2.26%	2.89%	8.73%

**CITY OF GRAND LEDGE  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**NOTE 1 - DEFINED BENEFIT PENSION PLAN**

Actuarial valuation information relative to the determination of contributions:

Valuation date: December 31, 2022

Measurement date: December 31, 2022

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of pay
Asset valuation method	5 year smoothing
Remaining amortization period	17 years
Investment rate of return	7.00% (net of investment expenses, including inflation)
Discount rate	7.25%
Salary increases	3.00% in the long-term plus merit and longevity
Inflation rate	2.50%
Mortality	Pub-2010 and fully generational MP-2019
Changes of Benefits Terms :	There were no changes of benefit terms in plan year 2022
Changes in Assumptions:	Discount rate was lowered from 7.60% to 7.25% Investment rate of return was lowered from 7.35% to 7.00%

**CITY OF GRAND LEDGE  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**NOTE 2 - OTHER POST-EMPLOYMENT BENEFITS PLAN**

Actuarial valuation information relative to the determination of contributions:

Valuation date: June 30, 2023

Measurement date: June 30, 2023

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of pay
Remaining amortization period	12 years
Discount rate	7.00%
Long-term expected rate of return	7.00%
Salary growth rate	2.50%
Healthcare cost trend rate	4.50%-7.25%
AA 20-year municipal bond rate	4.13%
Probability of accepting benefits	66.67%
Inflation rate	2.50%
Mortality	2010 Public Safety & Public General Employees and Healthy Retirees, Headcount weighted, MP-2021

Changes of Benefits Terms : There were no changes of benefit terms in plan year 2022

Changes in Assumptions: AA 20-year municipal bond rate was raised from 3.40% to 4.13%

## **OTHER SUPPLEMENTARY INFORMATION**

**CITY OF GRAND LEDGE  
NONMAJOR GOVERNMENTAL FUNDS  
FUND DESCRIPTIONS**

**Special Revenue Funds**

Special Revenue Funds are used to record the proceeds associated with specific revenues that are legally restricted and committed for specific purposes.

The *Local Street Funds* accounts for restricted financial resources (primarily Act 51 revenues) that are used for repairs and maintenance of the City's local streets.

The *Parks and Recreation Fund* accounts for the proceeds of tax revenue that are legally restricted to expenditures for the purpose of enhancing and maintaining parks, recreational facilities, and community recreational programs.

The *Drug Forfeiture Fund* accounts for all revenues received by the City for drug forfeiture activities, which finances the City drug law enforcement program activities and related public safety activities.

The *Police Restricted Fund* accounts for the proceeds of tax revenue that are legally restricted to expenditures for the purpose of supporting and enhancing law enforcement operations, ensuring public safety, and promoting community security.

The *Airport Development Fund* accounts for the proceeds of tax revenue that are legally restricted to expenditures for the purpose of financing the expansion, improvement, and modernization of the city's airport infrastructure and facilities, ensuring safe and efficient air travel for the community.

**Debt Service Funds**

Debt Service Funds account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The *2016 Capital Improvement Bonds Fund* is used to account for payment of principal and interest of bonds related to the 2016 Capital Improvement Bonds.

The *2019 Capital Improvement Bonds Fund* is used to account for payment of principal and interest of bonds related to the 2019 Capital Improvement Bonds.

**Capital Projects Fund**

Capital Project Funds account for financial resources to be used for the acquisition or construction of major capital purchases not financed by proprietary funds.

The *Capital Improvement Fund* is used to account for the financial resources to be used for the acquisition, construction, or significant renovation of the City's buildings and equipment.

**CITY OF GRAND LEDGE  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2023**

	Special Revenue					Debt Service		Capital Project	Total
	Local Streets	Parks and Recreation	Drug Forfeiture	Police Restricted	Airport Development	2016 Bonds	2019 Bonds	Capital Improvements	Nonmajor Governmental Funds
<b>ASSETS</b>									
Cash and cash equivalents	\$ 282,417	\$ 131,123	\$ 2,048	\$ 5,266	\$ 203,486	\$ 18,302	\$ 8,989	\$ 232,065	\$ 883,696
Leases receivable	-	-	-	-	212,057	-	-	-	212,057
Taxes receivable	-	531	-	-	-	-	-	-	531
Due from other governmental units	45,463	-	-	-	-	-	-	-	45,463
<b>TOTAL ASSETS</b>	<b><u>\$ 327,880</u></b>	<b><u>\$ 131,654</u></b>	<b><u>\$ 2,048</u></b>	<b><u>\$ 5,266</u></b>	<b><u>\$ 415,543</u></b>	<b><u>\$ 18,302</u></b>	<b><u>\$ 8,989</u></b>	<b><u>\$ 232,065</u></b>	<b><u>\$ 1,141,747</u></b>
<b>LIABILITIES</b>									
Accounts payable	\$ 15,241	\$ 15,086	\$ 203	\$ -	\$ 3,374	\$ -	\$ -	\$ -	\$ 33,904
Accrued liabilities	3,454	2,807	-	-	6,396	-	-	-	12,657
Unearned revenue	-	-	-	-	7,625	-	-	-	7,625
<b>TOTAL LIABILITIES</b>	<b><u>18,695</u></b>	<b><u>17,893</u></b>	<b><u>203</u></b>	<b><u>-</u></b>	<b><u>17,395</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>54,186</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Unavailable revenue - leases	-	-	-	-	201,930	-	-	-	201,930
Unavailable revenue - delinquent personnel property	-	531	-	-	-	-	-	-	531
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b><u>-</u></b>	<b><u>531</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>201,930</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>202,461</u></b>
<b>FUND BALANCES</b>									
Restricted	309,185	113,230	1,845	5,266	196,218	18,302	8,989	232,065	885,100
<b>TOTAL FUND BALANCES</b>	<b><u>309,185</u></b>	<b><u>113,230</u></b>	<b><u>1,845</u></b>	<b><u>5,266</u></b>	<b><u>196,218</u></b>	<b><u>18,302</u></b>	<b><u>8,989</u></b>	<b><u>232,065</u></b>	<b><u>885,100</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b><u>\$ 327,880</u></b>	<b><u>\$ 131,654</u></b>	<b><u>\$ 2,048</u></b>	<b><u>\$ 5,266</u></b>	<b><u>\$ 415,543</u></b>	<b><u>\$ 18,302</u></b>	<b><u>\$ 8,989</u></b>	<b><u>\$ 232,065</u></b>	<b><u>\$ 1,141,747</u></b>

**CITY OF GRAND LEDGE  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2023**

	Special Revenue					Debt Service		Capital Project	Total Nonmajor Governmental Funds
	Local Streets	Parks and Recreation	Drug Forfeiture	Police Restricted	Airport Development	2016 Bonds	2019 Bonds	Capital Improvements	
<b>REVENUES</b>									
Taxes	\$ -	\$ 189,414	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 189,414
Intergovernmental	267,906	-	-	3,409	32,000	171,477	-	-	474,792
Interest and rents	8,979	7,130	69	94	96,301	4,283	2,812	5,047	124,715
Other	5,764	3,000	-	-	-	-	-	36,286	45,050
<b>TOTAL REVENUES</b>	<b>282,649</b>	<b>199,544</b>	<b>69</b>	<b>3,503</b>	<b>128,301</b>	<b>175,760</b>	<b>2,812</b>	<b>41,333</b>	<b>833,971</b>
<b>EXPENDITURES</b>									
Current									
Public safety	-	-	2,316	2,012	-	-	-	-	4,328
Public works	272,772	-	-	-	72,317	-	-	-	345,089
Recreation and culture	-	144,074	-	-	-	-	-	-	144,074
Capital outlay	260,312	-	-	-	-	-	-	-	260,312
Debt service									
Principal	-	-	-	-	-	210,000	128,865	-	338,865
Interest and fiscal charges	-	-	-	-	-	47,755	212,950	-	260,705
<b>TOTAL EXPENDITURES</b>	<b>533,084</b>	<b>144,074</b>	<b>2,316</b>	<b>2,012</b>	<b>72,317</b>	<b>257,755</b>	<b>341,815</b>	<b>-</b>	<b>1,353,373</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(250,435)</b>	<b>55,470</b>	<b>(2,247)</b>	<b>1,491</b>	<b>55,984</b>	<b>(81,995)</b>	<b>(339,003)</b>	<b>41,333</b>	<b>(519,402)</b>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers in	260,000	2,500	-	-	-	60,778	341,315	-	664,593
Transfers out	-	-	-	-	-	-	-	(50,000)	(50,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>260,000</b>	<b>2,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>60,778</b>	<b>341,315</b>	<b>(50,000)</b>	<b>614,593</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>9,565</b>	<b>57,970</b>	<b>(2,247)</b>	<b>1,491</b>	<b>55,984</b>	<b>(21,217)</b>	<b>2,312</b>	<b>(8,667)</b>	<b>95,191</b>
Fund balances, beginning of year	299,620	55,260	4,092	3,775	140,234	39,519	6,677	240,732	789,909
Fund balances, end of year	<u>\$ 309,185</u>	<u>\$ 113,230</u>	<u>\$ 1,845</u>	<u>\$ 5,266</u>	<u>\$ 196,218</u>	<u>\$ 18,302</u>	<u>\$ 8,989</u>	<u>\$ 232,065</u>	<u>\$ 885,100</u>

**CITY OF GRAND LEDGE  
LOCAL STREETS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET TO ACTUAL  
YEAR ENDED JUNE 30, 2023**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ 255,976	\$ 255,976	\$ 267,906	\$ 11,930
Interest	1,000	1,000	8,979	7,979
Other	5,000	5,000	5,764	764
TOTAL REVENUES	<u>261,976</u>	<u>261,976</u>	<u>282,649</u>	<u>20,673</u>
EXPENDITURES				
Current				
Public works	612,329	612,329	272,772	339,557
Capital outlay	-	-	260,312	(260,312)
TOTAL EXPENDITURES	<u>612,329</u>	<u>612,329</u>	<u>533,084</u>	<u>79,245</u>
EXCESS OF REVENUES (UNDER) EXPENDITURES	(350,353)	(350,353)	(250,435)	99,918
OTHER FINANCING SOURCES				
Transfers in	260,000	260,000	260,000	-
NET CHANGE IN FUND BALANCE	(90,353)	(90,353)	9,565	99,918
Fund balance, beginning of year	299,620	299,620	299,620	-
Fund balance, end of year	<u>\$ 209,267</u>	<u>\$ 209,267</u>	<u>\$ 309,185</u>	<u>\$ 99,918</u>

**CITY OF GRAND LEDGE  
PARKS AND RECREATION FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE – BUDGET TO ACTUAL  
YEAR ENDED JUNE 30, 2023**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Taxes	\$ 165,983	\$ 165,983	\$ 189,414	\$ 23,431
Interest and rents	2,200	2,200	7,130	4,930
Other	-	-	3,000	3,000
TOTAL REVENUES	<u>168,183</u>	<u>168,183</u>	<u>199,544</u>	<u>31,361</u>
EXPENDITURES				
Current				
Recreation and culture	<u>170,002</u>	<u>170,002</u>	<u>144,074</u>	<u>25,928</u>
TOTAL EXPENDITURES	<u>170,002</u>	<u>170,002</u>	<u>144,074</u>	<u>25,928</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,819)	(1,819)	55,470	57,289
OTHER FINANCING SOURCES				
Transfers in	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	681	681	57,970	57,289
Fund balance, beginning of year	<u>55,260</u>	<u>55,260</u>	<u>55,260</u>	<u>-</u>
Fund balance, end of year	<u>\$ 55,941</u>	<u>\$ 55,941</u>	<u>\$ 113,230</u>	<u>\$ 57,289</u>

**CITY OF GRAND LEDGE  
DRUG FORFEITURE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET TO ACTUAL  
YEAR ENDED JUNE 30, 2023**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Interest	\$ 4	\$ 4	\$ 69	\$ 65
TOTAL REVENUES	<u>4</u>	<u>4</u>	<u>69</u>	<u>65</u>
EXPENDITURES				
Current				
Public safety	<u>2,800</u>	<u>2,800</u>	<u>2,316</u>	<u>484</u>
TOTAL EXPENDITURES	<u>2,800</u>	<u>2,800</u>	<u>2,316</u>	<u>484</u>
EXCESS OF REVENUES (UNDER) EXPENDITURES	(2,796)	(2,796)	(2,247)	549
Fund balance, beginning of year	<u>4,092</u>	<u>4,092</u>	<u>4,092</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,296</u>	<u>\$ 1,296</u>	<u>\$ 1,845</u>	<u>\$ 549</u>

**CITY OF GRAND LEDGE  
POLICE RESTRICTED FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE – BUDGET TO ACTUAL  
YEAR ENDED JUNE 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 2,274	\$ 2,274	\$ 3,409	\$ 1,135
Interest	2	2	94	92
TOTAL REVENUES	<u>2,276</u>	<u>2,276</u>	<u>3,503</u>	<u>1,227</u>
EXPENDITURES				
Current				
Public safety	<u>3,070</u>	<u>3,070</u>	<u>2,012</u>	<u>1,058</u>
TOTAL EXPENDITURES	<u>3,070</u>	<u>3,070</u>	<u>2,012</u>	<u>1,058</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(794)	(794)	1,491	2,285
Fund balance, beginning of year	<u>3,775</u>	<u>3,775</u>	<u>3,775</u>	<u>-</u>
Fund balance, end of year	<u>\$ 2,981</u>	<u>\$ 2,981</u>	<u>\$ 5,266</u>	<u>\$ 2,285</u>

**CITY OF GRAND LEDGE  
AIRPORT DEVELOPMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET TO ACTUAL  
YEAR ENDED JUNE 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 32,000	\$ 32,000
Interest and rents	89,145	89,145	96,301	7,156
<b>TOTAL REVENUES</b>	<u>89,145</u>	<u>89,145</u>	<u>128,301</u>	<u>39,156</u>
EXPENDITURES				
Current				
Public works	144,319	144,319	72,317	72,002
<b>TOTAL EXPENDITURES</b>	<u>144,319</u>	<u>144,319</u>	<u>72,317</u>	<u>72,002</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(55,174)	(55,174)	55,984	111,158
Fund balance, beginning of year	140,234	140,234	140,234	-
Fund balance, end of year	<u>\$ 85,060</u>	<u>\$ 85,060</u>	<u>\$ 196,218</u>	<u>\$ 111,158</u>

**CITY OF GRAND LEDGE  
INTERNAL SERVICE FUNDS  
FUND DESCRIPTIONS**

**Internal Service Funds**

Internal Service Funds account for financial resources to be used for providing various support services and administrative functions within the City.

The *Equipment Operating Fund* is used to account for financial resources allocated to the acquisition, maintenance, repair, and replacement of essential equipment and assets necessary for the City's operations.

The *Employee Benefits Fund* is used to account for financial resources designated for the management and provision of employee benefits, including health insurance, retirement plans, and other related benefits.

**CITY OF GRAND LEDGE  
INTERNAL SERVICE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2023**

	Equipment Operating	Employee Benefits	Total
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 481,594	\$ 286,316	\$ 767,910
Accounts receivable	96	-	96
Prepays	-	62,677	62,677
	481,690	348,993	830,683
Noncurrent assets			
Capital assets not being depreciated	13,602	-	13,602
Capital assets, net of accumulated depreciation	1,177,920	-	1,177,920
	1,191,522	-	1,191,522
	1,673,212	348,993	2,022,205
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	62,780	-	62,780
Accrued liabilities	1,441	5,951	7,392
Accrued interest payable	3,840	-	3,840
Current portion of compensated absences	2,259	-	2,259
Current portion of long-term debt	43,068	-	43,068
	113,388	5,951	119,339
Noncurrent liabilities			
Noncurrent portion of long-term debt	667,297	-	667,297
	780,685	5,951	786,636
<b>NET POSITION</b>			
Net investment in capital assets	481,157	-	481,157
Unrestricted	411,370	343,042	754,412
	\$ 892,527	\$ 343,042	\$ 1,235,569

**CITY OF GRAND LEDGE  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION  
YEAR ENDED JUNE 30, 2023**

	<u>Equipment Operating</u>	<u>Employee Benefits</u>	<u>Total</u>
OPERATING REVENUES			
Internal operations	\$ 471,819	\$ 1,292,065	\$ 1,763,884
TOTAL OPERATING REVENUES	471,819	1,292,065	1,763,884
OPERATING EXPENSES			
Personnel	112,398	1,160,979	1,273,377
Repair and maintenance	132,849	-	132,849
Utilities	7,859	-	7,859
Other	42,855	-	42,855
Depreciation	101,144	-	101,144
TOTAL OPERATING EXPENSES	397,105	1,160,979	1,558,084
OPERATING INCOME	74,714	131,086	205,800
NONOPERATING REVENUES (EXPENSES)			
Investment income	10,069	1,552	11,621
Gain on sale of capital assets	4,347	-	4,347
Interest expense and fees	6,061	-	6,061
TOTAL NONOPERATING REVENUES (EXPENSES)	20,477	1,552	22,029
INCOME BEFORE TRANSFERS	95,191	132,638	227,829
Transfers in	25,000	-	25,000
Transfers out	(24,729)	-	(24,729)
CHANGE IN NET POSITION	95,462	132,638	228,100
Net position, beginning of year	797,065	210,404	1,007,469
Net position, end of year	<u>\$ 892,527</u>	<u>\$ 343,042</u>	<u>\$ 1,235,569</u>

**CITY OF GRAND LEDGE  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2023**

	<u>Equipment Operating</u>	<u>Employee Benefits</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from customers	\$ 494,365	\$ 1,292,065	\$ 1,786,430
Cash paid to suppliers/claimants	(22,335)	(1,178,411)	(1,200,746)
Cash paid to employees	<u>(223,399)</u>	<u>-</u>	<u>(223,399)</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>248,631</u>	<u>113,654</u>	<u>362,285</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Receipt of interfund balances	<u>271</u>	<u>-</u>	<u>271</u>
<b>NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES</b>	271	-	271
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase of capital assets	(82,821)	-	(82,821)
Sale of capital assets	4,347	-	4,347
Payments on borrowing	(34,980)	-	(34,980)
Interest expense and fees	<u>(6,342)</u>	<u>-</u>	<u>(6,342)</u>
<b>NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>(119,796)</u>	<u>-</u>	<u>(119,796)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income	<u>10,069</u>	<u>1,552</u>	<u>11,621</u>
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<u>10,069</u>	<u>1,552</u>	<u>11,621</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	139,175	115,206	254,381
Cash and cash equivalents, beginning of year	<u>342,419</u>	<u>171,110</u>	<u>513,529</u>
Cash and cash equivalents, end of year	<u>\$ 481,594</u>	<u>\$ 286,316</u>	<u>\$ 767,910</u>
<b>Reconciliation of operating income to net cash provided by operating activities</b>			
Operating income	\$ 74,714	\$ 131,086	\$ 205,800
Adjustment to reconcile operating income to net cash provided by operating activities			
Depreciation	101,144	-	101,144
(Increase) decrease in:			
Accounts receivable	22,546	-	22,546
Prepays	-	(5,610)	(5,610)
Increase (decrease) in:			
Accounts payable	50,111	-	50,111
Accrued liabilities	(1,865)	(11,822)	(13,687)
Compensated absences	<u>1,981</u>	<u>-</u>	<u>1,981</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>\$ 248,631</u>	<u>\$ 113,654</u>	<u>\$ 362,285</u>

**CITY OF GRAND LEDGE  
CUSTODIAL FUNDS  
FUND DESCRIPTIONS**

**Custodial Funds**

Custodial Funds account for financial resources that are held and managed by the City on behalf of external entities or individuals.

The *Miscellaneous Tax Collection Fund* is used to account for the collection, custody, and disbursement of various miscellaneous taxes and fees on behalf of external entities or individuals.

The *Current Tax Collection Fund* is used to account for the collection, custody, and disbursement of current taxes and fees on behalf of external entities or individuals.

The *Payroll Clearing Fund* is used to account for payroll-related transactions and funds held temporarily for the purpose of processing employee salaries, deductions, and related payments.

**CITY OF GRAND LEDGE  
CUSTODIAL FUNDS  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2023**

	Miscellaneous Tax Collection	Current Tax Collection	Payroll Clearing	Total
<b>ASSETS</b>				
Cash	\$ 13,923	\$ 2,556	\$ 506	\$ 16,985
Account receivable	31,686	-	-	31,686
<b>TOTAL ASSETS</b>	<b>45,609</b>	<b>2,556</b>	<b>506</b>	<b>48,671</b>
<b>LIABILITIES</b>				
Due to individuals and agencies	45,609	-	506	46,115
Due to other governmental units	-	2,556	-	2,556
<b>TOTAL LIABILITIES</b>	<b>45,609</b>	<b>2,556</b>	<b>506</b>	<b>48,671</b>
<b>NET POSITION</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**CITY OF GRAND LEDGE  
CUSTODIAL FUNDS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
YEAR ENDED JUNE 30, 2023**

	Miscellaneous Tax Collection	Current Tax Collection	Payroll Clearing	Total
<b>ADDITIONS</b>				
Property tax collection for other governmental units	\$ 51,461	\$ 10,327,892	\$ -	\$ 10,379,353
<b>DEDUCTIONS</b>				
Property tax distributions to other governmental units	51,461	10,327,892	-	10,379,353
NET CHANGE IN FIDUCIARY NET POSITION	-	-	-	-
<b>NET POSITION</b>				
Beginning of year	-	-	-	-
End of year	\$ -	\$ -	\$ -	\$ -

**CITY OF GRAND LEDGE  
 COMPONENT UNIT FUNDS  
 BALANCE SHEET -  
 DOWNTOWN DEVELOPMENT AUTHORITY  
 JUNE 30, 2023**

	General Operating	Debt Service	Capital Projects	2023 Capital Projects	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 744,553	\$ 12,351	\$ 225,322	\$ 3,758,452	\$ 4,740,678
<b>LIABILITIES</b>					
Accounts payable	\$ 5,273	\$ -	\$ -	\$ 6,311	\$ 11,584
Accrued liabilities	809	-	-	-	809
<b>TOTAL LIABILITIES</b>	<b>6,082</b>	<b>-</b>	<b>-</b>	<b>6,311</b>	<b>12,393</b>
<b>FUND BALANCES</b>					
Restricted	-	12,351	225,322	3,752,141	3,989,814
Unassigned	738,471	-	-	-	738,471
<b>TOTAL FUND BALANCES</b>	<b>738,471</b>	<b>12,351</b>	<b>225,322</b>	<b>3,752,141</b>	<b>4,728,285</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 744,553</b>	<b>\$ 12,351</b>	<b>\$ 225,322</b>	<b>\$ 3,758,452</b>	<b>\$ 4,740,678</b>

**CITY OF GRAND LEDGE  
 COMPONENT UNIT FUNDS  
 RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT ON NET POSITION -  
 DOWNTOWN DEVELOPMENT AUTHORITY  
 JUNE 30, 2023**

**Total Fund Balances - Governmental Funds** \$ 4,728,285

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	\$ 4,052,260	
Accumulated depreciation is	<u>(2,230,562)</u>	
Capital assets, net		1,821,698

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:

Bond payable	(4,345,000)	
Capitalized bond premiums/discounts	(62,228)	
Accrued interest payable	<u>(30,443)</u>	
		<u>(4,437,671)</u>

**Net Position of Governmental Activities** \$ 2,112,312

**CITY OF GRAND LEDGE  
COMPONENT UNIT FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
DOWNTOWN DEVELOPMENT AUTHORITY  
YEAR ENDED JUNE 30, 2023**

	General Operating	Debt Service	Capital Project	2023 Capital Project	Total
<b>REVENUES</b>					
Taxes	\$ 1,365,243	\$ -	\$ -	\$ -	\$ 1,365,243
Intergovernmental	47,283	-	-	-	47,283
Interest and rents	15,942	3,020	5,147	46,759	70,868
Other	350	-	-	-	350
<b>TOTAL REVENUES</b>	<b>1,428,818</b>	<b>3,020</b>	<b>5,147</b>	<b>46,759</b>	<b>1,483,744</b>
<b>EXPENDITURES</b>					
Current					
Community and economic development	401,702	171,477	60,585	-	633,764
Capital outlay	-	-	-	260,312	260,312
Debt service					
Principal	-	165,000	-	-	165,000
Interest and fiscal charges	-	20,320	-	-	20,320
Issuance costs	-	-	-	101,308	101,308
<b>TOTAL EXPENDITURES</b>	<b>401,702</b>	<b>356,797</b>	<b>60,585</b>	<b>361,620</b>	<b>1,180,704</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,027,116</b>	<b>(353,777)</b>	<b>(55,438)</b>	<b>(314,861)</b>	<b>303,040</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Bond proceeds	-	-	-	4,000,000	4,000,000
Premium on bonds issued	-	-	-	67,002	67,002
Transfers in	-	347,047	250,000	-	597,047
Transfers out	(597,047)	-	-	-	(597,047)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(597,047)</b>	<b>347,047</b>	<b>250,000</b>	<b>4,067,002</b>	<b>4,067,002</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>430,069</b>	<b>(6,730)</b>	<b>194,562</b>	<b>3,752,141</b>	<b>4,370,042</b>
Fund balances, beginning of year	308,402	19,081	30,760	-	358,243
Fund balances, end of year	<b>\$ 738,471</b>	<b>\$ 12,351</b>	<b>\$ 225,322</b>	<b>\$ 3,752,141</b>	<b>\$ 4,728,285</b>

**CITY OF GRAND LEDGE  
 COMPONENT UNIT FUNDS  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - DOWNTOWN DEVELOPMENT AUTHORITY  
 YEAR ENDED JUNE 30, 2023**

**Net Change in Fund Balances - Total Governmental Funds** \$ 4,370,042

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 (143,969)

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:

Issuance of long-term debt	\$ (4,000,000)	
Payment on long-term debt	165,000	
(Increase) in capitalized bond premiums/discounts	<u>(68,227)</u>	
		(3,903,227)

Some items reported in the statement of activities do not result in the use of or provide current financial resources and therefore are reported differently than in the governmental funds. These activities consist of:

(Increase) in accrued interest payable (27,098)

**Change in Net Position of Governmental Activities** \$ 295,748

**CITY OF GRAND LEDGE  
 COMPONENT UNIT FUNDS  
 BALANCE SHEET -  
 LOCAL DEVELOPMENT FINANCE AUTHORITY  
 JUNE 30, 2023**

	Capital Project
<b>ASSETS</b>	
Cash and cash equivalents	\$ 18,809
<b>LIABILITIES</b>	
Accounts payable	\$ 275
<b>FUND BALANCE</b>	
Unassigned	18,534
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 18,809</b>

**CITY OF GRAND LEDGE  
COMPONENT UNIT FUNDS  
RECONCILIATION OF THE COMBINING BALANCE SHEET TO THE STATEMENT OF NET POSITION -  
LOCAL DEVELOPMENT FINANCE AUTHORITY  
JUNE 30, 2023**

**Total Fund Balance - Governmental Fund** \$ 18,534

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 2,403,772

**Net Position of Governmental Activities** \$ 2,422,306

**CITY OF GRAND LEDGE  
 COMPONENT UNIT FUNDS  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 LOCAL DEVELOPMENT FINANCE AUTHORITY  
 YEAR ENDED JUNE 30, 2023**

	General Operating
REVENUES	
Taxes	\$ 48,414
Interest	820
TOTAL REVENUES	49,234
EXPENDITURES	
Current	
Community and economic development	18,706
Debt service	
Principal	35,000
Interest and fiscal charges	800
TOTAL EXPENDITURES	54,506
NET CHANGE IN FUND BALANCE	(5,272)
Fund balance, beginning of year	23,806
Fund balance, end of year	\$ 18,534

**CITY OF GRAND LEDGE  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - LOCAL DEVELOPMENT FINANCE AUTHORITY  
YEAR ENDED JUNE 30, 2023**

**Net Change in Fund Balance - Total Governmental Fund** \$ (5,272)

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

Reductions of long-term debt are reported as expenditures in governmental funds, but repayments and other related adjustments reduce long-term liabilities in the statement of net position. In the current year, these amounts consist of:

Payments on long-term debt	\$	35,000	
Decrease in capitalized bond premiums		<u>902</u>	
			35,902

Certain transactions related to long-term debt are reported as expenditures or other financing sources/uses in governmental funds, but are reflected as increases or decreases of the applicable deferred outflow of resources or liabilities in the statement of net position. In the current year, these amounts consist of:

(Decrease) to deferred charges on refunding	(800)
---------------------------------------------	-------

Some items reported in the statement of activities do not result in the use of or provide current financial resources and therefore are reported differently than in the governmental funds. These activities consist of:

Decrease in accrued interest payable	<u>117</u>
--------------------------------------	------------

**Change in Net Position of Governmental Activities** \$ 29,947

## **STATISTICAL SECTION**

**CITY OF GRAND LEDGE  
STATISTICAL INFORMATION AND CONTNUING DISCLOSURE INDEX**

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

<u>Contents</u>	<u>Page</u>
<u>Financial Trends</u>	107-111
These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	
<u>Revenue Capacity</u>	112-115
These schedules contain information to help the reader assess the City’s most significant local revenue source and property tax.	
<u>Debt Capacity</u>	116-119
These schedules present information to help the reader assess the affordability of the City’s current level of outstanding debt and the government’s ability to issue additional debt in the future.	
<u>Demographic and Economic Information</u>	120-123
These schedules present information to help the reader understand the environment within the City’s financial activities take place.	
<u>Operating Information</u>	124-125
These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.	

**CITY OF GRAND LEDGE  
NET POSITION BY COMPONENTS (UNAUDITED)  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Governmental Activities</b>										
Net Invested in Capital Assets	\$ 13,532,686	\$ 13,930,364	\$ 14,578,172	\$ 15,302,936	\$ 15,834,711	\$ 15,998,880	\$ 15,448,798	\$ 19,376,475	\$ 20,630,286	\$ 20,982,394
Restricted	795,457	919,854	806,510	840,242	1,228,498	1,531,316	2,028,308	2,114,928	2,226,200	2,469,329
Unrestricted	456,741	(518,320)	(368,922)	(133,914)	239,512	193,824	3,198,257	765,210	1,299,306	2,326,989
<b>Total Governmental Activities Net Position</b>	<b>14,784,884</b>	<b>14,331,898</b>	<b>15,015,760</b>	<b>16,009,264</b>	<b>17,302,721</b>	<b>17,724,020</b>	<b>20,675,363</b>	<b>22,256,613</b>	<b>24,155,792</b>	<b>25,778,712</b>
<b>Business-Type Activities</b>										
Net Invested in Capital Assets	\$ 11,125,599	11,958,478	12,517,988	13,197,237	13,680,487	13,721,048	11,290,483	12,966,392	15,785,582	18,641,673
Restricted						10,441	90,500	77,415	20,270	25,364
Unrestricted	1,099,795	616,326	724,237	1,289,660	1,437,016	2,493,189	6,981,011	6,415,664	5,269,380	5,913,007
<b>Total Business-Type Activities Net Position</b>	<b>12,225,394</b>	<b>12,574,804</b>	<b>13,242,225</b>	<b>14,486,897</b>	<b>15,117,503</b>	<b>16,224,678</b>	<b>18,361,994</b>	<b>19,459,471</b>	<b>21,075,232</b>	<b>24,580,044</b>
<b>Primary Government</b>										
Net Invested in Capital Assets	24,658,285	25,888,842	27,096,160	28,500,173	29,515,198	29,719,928	26,739,281	32,342,867	36,415,868	39,624,067
Restricted	795,457	919,854	806,510	840,242	1,228,498	1,541,757	2,118,808	2,192,343	2,246,470	2,494,693
Unrestricted	1,556,536	98,006	355,315	1,155,746	1,676,528	2,687,013	10,179,268	7,180,874	6,568,686	8,239,996
<b>Total Primary Government Activities Net Position</b>	<b>\$ 27,010,278</b>	<b>\$ 26,906,702</b>	<b>\$ 28,257,985</b>	<b>\$ 30,496,161</b>	<b>\$ 32,420,224</b>	<b>\$ 33,948,698</b>	<b>\$ 39,037,357</b>	<b>\$ 41,716,084</b>	<b>\$ 45,231,024</b>	<b>\$ 50,358,756</b>

Information obtained from Annual Audits

**CITY OF GRAND LEDGE  
CHANGE IN NET POSITION (UNAUDITED)  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses</b>										
Governmental Activities										
General Government	\$ 522,934	\$ 966,823	\$ 1,190,871	\$ 1,070,670	\$ 870,050	\$ 1,215,592	\$ 900,811	\$ 1,872,151	\$ 1,830,885	\$ 1,458,537
Public Safety	1,430,746	1,421,199	1,622,998	1,575,482	1,638,652	1,732,271	1,624,253	1,838,719	1,791,008	2,081,626
Public Works	-	-	-	-	1,073,585	1,580,366	1,754,832	226,231	728,957	1,200,469
Highways, Streets & Bridges	789,058	1,025,330	1,009,360	1,223,204	-	-	-	-	-	-
Community Development	-	-	-	-	210,718	53,677	47,902	51,566	61,182	63,181
Recreation and Culture	168,514	242,118	201,956	247,701	349,391	279,146	193,531	138,277	156,511	211,649
Interest on Long-term Debt	82,131	21,910	16,745	179,012	141,772	130,514	217,853	349,272	326,037	305,078
<b>Total Governmental Activities Expenses</b>	<b>2,993,383</b>	<b>3,677,380</b>	<b>4,041,930</b>	<b>4,296,069</b>	<b>4,284,168</b>	<b>4,991,566</b>	<b>4,739,182</b>	<b>4,476,216</b>	<b>4,894,580</b>	<b>5,320,540</b>
Business-type Activities										
Water and Sewer	2,631,058	2,560,752	2,863,380	2,851,347	3,302,575	3,537,309	3,208,660	3,285,010	3,266,616	4,287,879
<b>Total Primary Government</b>	<b>5,624,441</b>	<b>6,238,132</b>	<b>6,905,310</b>	<b>7,147,416</b>	<b>7,586,743</b>	<b>8,528,875</b>	<b>7,947,842</b>	<b>7,761,226</b>	<b>8,161,196</b>	<b>9,608,419</b>
<b>Program Revenue</b>										
Governmental Activities										
Charges for Services										
General Government	398,480	467,302	547,545	463,351	410,112	411,226	380,574	337,778	398,735	314,916
Public Safety	53,835	39,552	48,959	39,576	220,811	275,078	366,407	231,228	173,226	339,211
Public Works	-	-	-	-	91,871	54,648	119,308	226,529	240,719	239,962
Highways, Streets & Bridges	10,859	3,596	27,978	15,063	-	-	-	-	-	-
Community Development	-	-	-	-	-	4,354	5,638	3,899	3,435	103,501
Recreation and Culture	62,820	52,045	27,675	4,758	3,170	3,550	2,215	3,825	3,760	3,810
Operating Grants & Contributions	586,502	607,760	763,792	919,235	1,297,099	1,062,678	1,081,342	1,142,799	1,837,612	1,899,145
Capital Grants & Contributions	-	-	148,883	641,522	-	178,452	2,209,698	205,473	594,085	221,646
<b>Total Governmental Activities Program Revenue</b>	<b>1,112,496</b>	<b>1,170,255</b>	<b>1,564,832</b>	<b>2,083,505</b>	<b>2,023,063</b>	<b>1,989,986</b>	<b>4,165,182</b>	<b>2,151,531</b>	<b>3,251,572</b>	<b>3,122,191</b>
Business-type Activities										
Charges for Services										
Water	2,968,874	2,865,010	3,377,170	4,052,507	3,681,229	4,128,041	5,374,098	4,671,468	4,998,133	5,796,716
Operating Grants & Contributions	-	-	105,705	13,149	49,691	499,612	-	-	-	-
Capital Grants & Contributions	-	-	-	-	11,610	-	-	-	-	2,007,733
<b>Total Business-type Activities Program Revenue</b>	<b>2,968,874</b>	<b>2,865,010</b>	<b>3,482,875</b>	<b>4,065,656</b>	<b>3,742,530</b>	<b>4,627,653</b>	<b>5,374,098</b>	<b>4,671,468</b>	<b>4,998,133</b>	<b>7,804,449</b>
<b>Total Primary Government</b>	<b>4,081,370</b>	<b>4,035,265</b>	<b>5,047,707</b>	<b>6,149,161</b>	<b>5,765,593</b>	<b>6,617,639</b>	<b>9,539,280</b>	<b>6,822,999</b>	<b>8,249,705</b>	<b>10,926,640</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	(1,880,887)	(2,507,125)	(2,477,098)	(2,212,564)	(2,261,105)	(3,001,580)	(574,000)	(2,324,685)	(1,643,008)	(2,198,349)
Business-type Activities	337,816	304,258	619,495	1,214,309	439,955	1,090,344	2,165,438	1,386,458	1,731,517	3,516,570
<b>Total Primary Government Net Expense</b>	<b>\$ (1,543,071)</b>	<b>\$ (2,202,867)</b>	<b>\$ (1,857,603)</b>	<b>\$ (998,255)</b>	<b>\$ (1,821,150)</b>	<b>\$ (1,911,236)</b>	<b>\$ 1,591,438</b>	<b>\$ (938,227)</b>	<b>\$ 88,509</b>	<b>\$ 1,318,221</b>

**CITY OF GRAND LEDGE  
CHANGE IN NET POSITION (UNAUDITED) (CONCLUDED)  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenue and Other Changes in Net Position										
Governmental Activities										
Property Taxes	\$ 2,128,671	\$ 2,346,345	\$ 2,410,013	\$ 2,436,257	\$ 2,384,970	\$ 2,494,339	\$ 2,530,385	\$ 2,627,506	\$ 2,391,657	\$ 2,533,656
Revenue Sharing	680,050	690,208	708,427	727,621	751,210	776,654	761,488	868,674	941,935	966,219
Investment Earnings	6,671	17,129	27,238	42,190	43,297	49,205	72,742	6,624	9,346	144,411
Miscellaneous	-	1,292	15,282	-	74,905	100,681	111,488	107,367	53,911	38,881
Transfers	-	-	-	-	-	2,000	49,240	295,764	145,338	138,102
<b>Total Governmental Activities</b>	<b>2,815,392</b>	<b>3,054,974</b>	<b>3,160,960</b>	<b>3,206,068</b>	<b>3,254,382</b>	<b>3,422,879</b>	<b>3,525,343</b>	<b>3,905,935</b>	<b>3,542,187</b>	<b>3,821,269</b>
Business Type Activities										
Investment Earnings	14,819	37,020	47,926	30,363	10,445	18,831	21,118	6,783	17,519	126,344
Miscellaneous	-	8,132	-	-	19,650	-	-	-	12,063	-
Transfers	-	-	-	-	-	(2,000)	(49,240)	(295,764)	(145,338)	(138,102)
<b>Total Business-type Activities</b>	<b>14,819</b>	<b>45,152</b>	<b>47,926</b>	<b>30,363</b>	<b>30,095</b>	<b>16,831</b>	<b>(28,122)</b>	<b>(288,981)</b>	<b>(115,756)</b>	<b>(11,758)</b>
<b>Total Primary Government</b>	<b>2,830,211</b>	<b>3,100,126</b>	<b>3,208,886</b>	<b>3,236,431</b>	<b>3,284,477</b>	<b>3,439,710</b>	<b>3,497,221</b>	<b>3,616,954</b>	<b>3,426,431</b>	<b>3,809,511</b>
Change in Net Position										
Governmental Activities	934,505	547,849	683,862	993,504	993,277	421,299	2,951,343	1,581,250	1,899,179	1,622,920
Business-Type Activities	352,635	349,410	667,421	1,244,672	470,050	1,107,175	2,137,316	1,097,477	1,615,761	3,504,812
<b>Total Primary Government</b>	<b>\$ 1,287,140</b>	<b>\$ 897,259</b>	<b>\$ 1,351,283</b>	<b>\$ 2,238,176</b>	<b>\$ 1,463,327</b>	<b>\$ 1,528,474</b>	<b>\$ 5,088,659</b>	<b>\$ 2,678,727</b>	<b>\$ 3,514,940</b>	<b>\$ 5,127,732</b>

Information obtained from Annual Audits

**CITY OF GRAND LEDGE  
FUND BALANCES OF GOVERNMENTAL FUNDS (UNAUDITED)  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Fund</b>										
Nonspendable	\$ 50,000	\$ 6,738	\$ 3,000	\$ 4,486	\$ 11,079	\$ 4,690	\$ 2,880	\$ -	\$ 5,858	\$ 5,257
Restricted	107,611	77,655	123,356	898	137,908	17,940	-	-	-	61,741
Committed	100,000	100,000	100,000	100,000	-	-	-	-	-	-
Assigned	-	-	-	-	67,546	163,059	-	-	357,191	-
Unassigned	576,998	804,421	904,619	1,229,642	1,286,925	1,198,617	1,362,314	1,316,452	1,460,759	2,526,351
<b>Total General Fund</b>	<b>\$ 834,609</b>	<b>\$ 988,814</b>	<b>\$ 1,130,975</b>	<b>\$ 1,335,026</b>	<b>\$ 1,503,458</b>	<b>\$ 1,384,306</b>	<b>\$ 1,365,194</b>	<b>\$ 1,316,452</b>	<b>\$ 1,823,808</b>	<b>\$ 2,593,349</b>
<b>All Other Governmental Funds</b>										
Nonspendable, Reported in:										
Special Revenue Funds	\$ 3,057	\$ -	\$ 16,000	\$ 16,000	\$ 45,990	\$ -	\$ 500	\$ 500	\$ -	\$ -
Restricted, Reported in:										
Special Revenue Funds	471,399	839,657	614,474	823,344	989,485	1,465,226	1,806,193	1,581,552	\$ 1,636,700	2,012,986
Debt Service Funds	13,586	13,691	920	3,305	18,829	41,578	48,087	49,056	46,196	27,291
Capital Projects Funds	214,636	-	68,680	2,640,147	999,510	70,435	2,523,613	208,230	240,732	232,065
<b>Total All Other Governmental Funds</b>	<b>\$ 702,678</b>	<b>\$ 853,348</b>	<b>\$ 700,074</b>	<b>\$ 3,482,796</b>	<b>\$ 2,053,814</b>	<b>\$ 1,577,239</b>	<b>\$ 4,378,393</b>	<b>\$ 1,839,338</b>	<b>\$ 1,923,628</b>	<b>\$ 2,272,342</b>
<b>Total of all governmental funds</b>	<b>\$ 1,537,287</b>	<b>\$ 1,842,162</b>	<b>\$ 1,831,049</b>	<b>\$ 4,817,822</b>	<b>\$ 3,557,272</b>	<b>\$ 2,961,545</b>	<b>\$ 5,743,587</b>	<b>\$ 3,155,790</b>	<b>\$ 3,747,436</b>	<b>\$ 4,865,691</b>

Information obtained from Annual Audits

**CITY OF GRAND LEDGE  
CHANGES IN FUND BALANCES (UNAUDITED)  
GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>REVENUE</b>										
Taxes	\$ 2,131,647	\$ 2,391,843	\$ 2,413,198	\$ 2,432,662	\$ 2,489,413	\$ 2,602,022	\$ 2,646,621	\$ 2,753,765	\$ 2,853,242	\$ 2,700,513
Special Assessments	-	-	-	-	4,779	4,779	4,436	-	7,060	18,169
Licenses and Permits	125,778	187,472	287,237	264,262	167,952	233,265	336,276	220,199	156,965	257,714
Intergovernmental	1,253,511	1,282,363	1,518,881	1,761,446	2,007,414	1,896,313	2,395,928	2,197,733	3,041,998	3,065,841
Charges for Service and Sales	218,444	182,511	91,622	79,094	211,304	240,906	239,949	287,368	340,634	1,044,868
Fines	22,450	16,107	18,952	14,948	26,246	22,118	25,973	11,735	14,228	11,697
Interest	6,671	17,129	21,391	37,620	146,986	163,894	183,830	125,282	134,809	272,130
Miscellaneous	130,049	192,010	356,567	228,219	227,004	251,134	174,320	165,620	116,161	89,239
<b>TOTAL REVENUE</b>	<b>3,888,550</b>	<b>4,269,435</b>	<b>4,707,848</b>	<b>4,818,251</b>	<b>5,281,098</b>	<b>5,414,431</b>	<b>6,007,333</b>	<b>5,761,702</b>	<b>6,665,097</b>	<b>7,460,171</b>
<b>EXPENDITURES</b>										
Current Operations										
General Government	799,622	728,544	776,823	876,491	816,443	1,038,313	820,669	1,273,716	1,078,568	1,463,412
Public Safety	1,406,492	1,367,317	1,605,790	1,527,628	1,646,203	1,734,718	1,851,646	1,864,429	1,915,371	2,015,435
Public Works	-	-	-	-	1,265,842	1,059,336	1,533,368	1,611,293	2,140,610	1,303,769
Highways, Streets and Bridges	957,348	817,758	979,164	905,979	-	-	-	-	-	-
Community Development	-	-	-	-	151,211	53,677	47,902	51,566	61,182	60,726
Recreation and Culture	170,071	196,850	417,960	502,623	210,678	253,052	206,494	150,313	200,773	144,074
Capital Outlay	1,987,562	562,973	638,871	1,955,245	1,752,791	1,160,827	622,421	2,566,305	32,227	741,123
Debt Service	209,703	291,118	300,353	753,851	698,480	682,235	803,343	1,014,811	791,405	751,208
<b>TOTAL EXPENDITURES</b>	<b>5,530,798</b>	<b>3,964,560</b>	<b>4,718,961</b>	<b>6,521,817</b>	<b>6,541,648</b>	<b>5,982,158</b>	<b>5,885,843</b>	<b>8,532,433</b>	<b>6,220,136</b>	<b>6,479,747</b>
Excess of Revenue Over (Under) Expenditures	(1,642,248)	304,875	(11,113)	(1,703,566)	(1,260,550)	(567,727)	121,490	(2,770,731)	444,961	980,424
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers In	686,770	1,225,326	1,242,867	1,077,467	1,049,877	821,053	751,314	1,110,421	918,769	714,593
Transfers Out	(686,770)	(1,225,326)	(1,242,867)	(1,077,467)	(1,049,877)	(849,053)	(739,424)	(927,487)	(772,084)	(576,762)
Proceeds from Sale of Bonds Net of Costs	-	-	-	4,859,382	-	-	2,648,662	-	-	-
Payment to Escrow Refunding Bonds	-	-	-	(169,043)	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,690,339</b>	<b>-</b>	<b>(28,000)</b>	<b>2,660,552</b>	<b>182,934</b>	<b>146,685</b>	<b>137,831</b>
Net Changes in Fund Balance	(1,642,248)	304,875	(11,113)	2,986,773	(1,260,550)	(595,727)	2,782,042	(2,587,797)	591,646	1,118,255
Fund Balance - Beginning (Restated)	3,179,535	1,537,287	1,842,162	1,831,049	4,817,822	3,557,272	2,961,545	5,743,587	3,155,790	3,747,436
Fund Balance - Ending	<u>\$ 1,537,287</u>	<u>\$ 1,842,162</u>	<u>\$ 1,831,049</u>	<u>\$ 4,817,822</u>	<u>\$ 3,557,272</u>	<u>\$ 2,961,545</u>	<u>\$ 5,743,587</u>	<u>\$ 3,155,790</u>	<u>\$ 3,747,436</u>	<u>\$ 4,865,691</u>
Debt Service as a Percentage of noncapital expenditures	5.92%	8.56%	7.36%	16.51%	14.59%	14.15%	15.26%	17.01%	12.79%	13.09%

Information obtained from Annual Audits

**CITY OF GRAND LEDGE  
 ASSESSED TAXABLE VALUES (HISTORY OF PROPERTY VALUES) (UNAUDITED)  
 LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Real			Prpersonal	Total Taxable Value	Total Direct Tax Rate
	Commercial	Industrial	Residential	Utility		
2014	\$ 44,476,519	\$ 2,952,255	\$ 142,372,970	\$ 11,143,400	\$ 200,945,144	11.2905
2015	46,856,907	2,939,521	143,246,667	9,518,900	202,561,995	11.2905
2016	46,659,632	2,768,144	145,566,756	9,557,300	204,551,832	11.2905
2017	46,360,946	2,790,824	147,852,558	9,448,700	206,453,028	11.2905
2018	46,957,558	3,107,217	151,886,082	9,897,600	211,848,457	11.2858
2019	48,164,112	3,095,281	157,270,847	10,141,400	218,671,640	11.2811
2020	51,314,232	3,120,479	163,091,852	10,363,600	227,890,163	11.2506
2021	62,233,027	3,136,011	175,790,414	10,938,900	252,098,352	11.2506
2022	68,693,048	3,284,055	187,685,270	13,760,600	273,422,973	11.2506
2023	72,781,724	3,502,137	201,590,245	12,907,800	290,781,906	11.2506

Information obtained from Eaton County Equalization, City Treasurer

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

**CITY OF GRAND LEDGE  
PROPERTY TAX RATES - DIRECT AND  
OVERLAPPING GOVERNMENTS (UNAUDITED)  
(PER \$1,000 OF TAXABLE VALUE)  
LAST TEN FISCAL YEARS**

Year Ended	City	A, C School	C Mich Set	Eaton R.E.S.A	B County	GL Area District Library	Lansing Community College	GLAESA	Total
2014	11.0000	24.0000	6.0000	4.0000	8.0000	1.0000	4.0000	3.0000	61.0000
2015	11.2900	23.8000	6.0000	3.8800	9.0900	1.1500	3.8100	2.9600	61.9800
2016	11.2905	23.4800	6.0000	3.8778	9.0899	1.1544	3.8072	2.9566	61.6564
2017	11.2905	22.9800	6.0000	3.8778	9.0899	1.1544	3.8072	2.9566	61.1564
2018	11.2858	22.9868	6.0000	3.8778	9.0899	1.1533	3.8072	2.9566	61.1574
2019	11.2811	22.9868	6.0000	3.8778	9.0899	1.1533	3.8072	2.9566	61.1527
2020	11.2506	24.4268	6.0000	3.8778	9.0899	1.1505	3.8072	2.9441	62.5469
2021	11.2506	24.4244	6.0000	3.7582	9.0805	1.1505	3.7777	4.9468	64.3887
2022	11.2506	24.4221	6.0000	3.7442	9.0805	1.1414	3.7692	4.9314	64.3394
2023	11.2506	24.4221	6.0000	3.7387	9.5805	1.2000	3.7692	4.8820	64.8431

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

Information obtained from City Treasurer

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

**B** - Includes Operating, Jail, 911, EATRAN, Juvenile, Roads, Medical Care, and Parks

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

**CITY OF GRAND LEDGE  
PRINCIPAL PROPERTY TAXPAYERS (UNAUDITED)  
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	Fiscal Year					
	2023			2014		
Rank	Taxable Value	Percentage of Total Taxable Value	Rank	Taxable Value	Percentage of Total Taxable Value	
Grand Ledge Associates LLC	1	\$ 12,025,000	4.14%		\$ -	-
Consumers Energy	2	6,555,848	2.25%	2	3,437,528	1.71%
Meijer Inc.	3	5,623,161	1.93%	1	3,848,590	1.92%
Great Lakes Senior Living	4	5,250,000	1.81%	4	3,269,200	1.63%
VICAR LLC	5	4,231,983	1.46%		-	-
Lowe's Flatbed Distribution Ctr.	6	3,138,047	1.08%	3	3,422,400	1.70%
Sandstone Creek	7	2,865,925	0.99%	5	2,300,000	1.14%
Pinehurst Apartments LLC	8	2,539,500	0.87%	7	1,275,100	0.63%
Roberts Sinto Corporation	9	2,456,100	0.84%	6	1,721,400	0.86%
LG Grand Ledge LLC	10	1,356,400	0.47%		-	-
Dart Bank		-	-	8	1,100,100	0.55%
Dem Properties		-	-	9	1,023,239	0.51%
Charlevoix Drive Properties		-	-	10	963,390	0.48%
Total Ten Largest Taxpayers		<u>46,041,964</u>	<u>15.83%</u>		<u>22,360,947</u>	<u>11.13%</u>
Total Other Taxpayers		<u>244,739,942</u>	<u>84.17%</u>		<u>178,584,197</u>	<u>88.87%</u>
Total Taxable Value (Real/Personal)		<u>\$ 290,781,906</u>	<u>100.00%</u>		<u>\$ 200,945,144</u>	<u>100.00%</u>

**CITY OF GRAND LEDGE  
PROPERTY TAX LEVIES AND COLLECTIONS (UNAUDITED)  
LAST TEN FISCAL YEARS**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Real Property Taxable Value	\$ 189,801,744	\$ 193,043,095	\$ 194,994,532	\$ 197,004,328	\$ 201,950,857	\$ 208,530,240	\$ 217,526,563	\$ 241,159,452	\$ 259,662,373	\$ 277,874,106
Personal Property Taxable Value	11,143,400	9,518,900	9,557,300	9,448,700	9,897,600	10,141,400	10,363,600	10,938,900	13,760,600	12,907,800
Total Real and Personal Taxable Value	<u>\$ 200,945,144</u>	<u>\$ 202,561,995</u>	<u>\$ 204,551,832</u>	<u>\$ 206,453,028</u>	<u>\$ 211,848,457</u>	<u>\$ 218,671,640</u>	<u>\$ 227,890,163</u>	<u>\$ 252,098,352</u>	<u>\$ 273,422,973</u>	<u>\$ 290,781,906</u>
Tax Rate (Mills)										
Operating	8.0637	8.0637	8.0637	8.0637	8.0604	8.0570	10.4448	10.4448	10.4448	10.4448
Streets	2.4203	2.4203	2.4203	2.4203	2.4193	2.4183	-	-	-	-
Parks	0.8065	0.8065	0.8065	0.8065	0.8061	0.8058	0.8058	0.8058	0.8058	0.8058
Total Mills	<u>11.2905</u>	<u>11.2905</u>	<u>11.2905</u>	<u>11.2905</u>	<u>11.2858</u>	<u>11.2811</u>	<u>11.2506</u>	<u>11.2506</u>	<u>11.2506</u>	<u>11.2506</u>
Tax Levy										
Operating	\$ 1,613,402	\$ 1,630,110	\$ 1,652,971	\$ 1,664,456	\$ 1,702,961	\$ 1,763,830	\$ 2,386,085	\$ 2,490,657	\$ 2,638,739	\$ 2,844,124
Streets	484,259	489,274	496,135	499,583	511,138	529,412	-	-	-	-
Parks	161,366	163,037	165,324	166,472	170,309	176,405	184,083	192,150	203,575	219,420
Total Levy	<u>\$ 2,259,027</u>	<u>\$ 2,282,421</u>	<u>\$ 2,314,430</u>	<u>\$ 2,330,511</u>	<u>\$ 2,384,408</u>	<u>\$ 2,469,647</u>	<u>\$ 2,570,168</u>	<u>\$ 2,682,807</u>	<u>\$ 2,842,314</u>	<u>\$ 3,063,544</u>
Total Collections	<u>\$ 2,159,716</u>	<u>\$ 2,207,940</u>	<u>\$ 2,233,296</u>	<u>\$ 2,257,384</u>	<u>\$ 2,307,992</u>	<u>\$ 2,395,387</u>	<u>\$ 2,512,065</u>	<u>\$ 2,627,575</u>	<u>\$ 2,798,717</u>	<u>\$ 3,009,632</u>
Percent Collected	95.6%	96.7%	96.5%	96.9%	96.8%	97.0%	97.7%	97.9%	98.5%	98.2%

Note - the County pays the City the full amount of delinquent real property taxes upon settlement in the subsequent March of each year.  
Delinquent personal property taxes are considered negligible.

Information obtained from City Treasurer

**CITY OF GRAND LEDGE  
RATIO OF OUTSTANDING DEBT BY TYPE (UNAUDITED)  
LAST TEN FISCAL YEARS**

Year Ended	A Population	B Taxable Value	C Per Capita Personal Income	General Obligation Debt	Component Unit Debt	Available Total Debt	Debt Per Capita	Total Debt as Percentage of Taxable Value	Debt as Percentage of Personal Income
2014	7,786	\$ 200,945,144	\$ 33,946	\$ 2,725,000	\$ 2,760,000	\$ 5,485,000	\$ 705	2.7%	2.1%
2015	7,786	202,561,995	34,533	2,510,000	2,255,000	4,765,000	612	2.4%	1.8%
2016	7,786	204,551,832	35,059	2,280,000	2,005,000	4,285,000	550	2.1%	1.6%
2017	7,786	206,453,028	35,775	6,360,000	1,775,000	8,135,000	1,045	3.9%	2.9%
2018	7,786	211,848,457	36,319	5,805,000	1,530,000	7,335,000	942	3.5%	2.6%
2019	7,786	218,671,640	37,136	5,255,000	1,125,000	6,380,000	819	2.9%	2.2%
2020	7,786	227,890,163	37,702	11,255,000	1,010,000	12,265,000	1,576	5.4%	4.2%
2021	7,786	252,098,352	39,652	10,384,998	740,000	11,124,998	1,429	4.4%	3.6%
2022	7,881	273,422,973	39,652	9,705,000	545,000	10,250,000	1,317	3.7%	3.3%
2023	7,881	290,781,906	39,652	11,549,062	4,345,000	15,894,062	2,017	5.5%	5.1%

Information obtained from City Treasurer

A - Information obtained from the Census Bureau.

B - Information obtained from Eaton County Equalization.

C - Information obtained from the Census Bureau

**CITY OF GRAND LEDGE  
RATIO OF NET GENERAL BONDED DEBT OUTSTANDING (UNAUDITED)  
LAST TEN FISCAL YEARS**

Year Ended	A Population	B Taxable Value	C Per Capita Personal Income	Governmental Activities		Business-Type Activities			Total Debt	Bonded Debt Per Capita	Ratio of Bonded Debt to Taxable Value	Debt as a % of Personal Income
				General Obligation Debt	Component Unit Debt	General Obligation Debt	Revenue Bonds	Capital Lease Payable				
2014	7,786	\$ 200,945,144	\$ 33,946	\$ 2,725,000	\$ 2,760,000	\$ -	\$ 2,884,062	\$ 5,460,000	\$13,829,062	1,776	6.9%	5.2%
2015	7,786	202,561,995	34,533	2,510,000	2,255,000	-	2,734,062	5,010,000	12,509,062	1,607	6.2%	4.7%
2016	7,786	204,551,832	35,059	2,280,000	2,005,000	-	2,579,062	4,555,000	11,419,062	1,467	5.6%	4.2%
2017	7,786	206,453,028	35,775	6,360,000	1,775,000	-	2,419,062	4,085,000	14,639,062	1,880	7.1%	5.3%
2018	7,786	211,848,457	36,319	5,805,000	1,530,000	-	2,259,062	3,605,000	13,199,062	1,695	6.2%	4.7%
2019	7,786	218,671,640	37,136	5,255,000	1,125,000	-	2,094,062	3,120,000	11,594,062	1,489	5.3%	4.0%
2020	7,786	227,890,163	37,702	7,839,864	1,010,000	3,415,136	1,924,062	2,625,000	16,814,062	2,160	7.4%	5.7%
2021	7,786	252,098,352	39,652	7,139,057	740,000	3,245,941	1,749,062	2,120,000	14,994,060	1,926	5.9%	4.9%
2022	7,881	273,422,973	39,652	6,636,063	545,000	3,068,937	1,569,062	1,605,000	13,424,062	1,725	4.9%	4.3%
2023	7,881	290,781,906	39,652	6,150,876	4,345,000	2,934,124	1,384,062	1,080,000	15,894,062	2,017	5.5%	5.1%

Information obtained from City Treasurer

A - Information obtained from the Census Bureau.

B - Information obtained from Eaton County Equalization.

C - Information obtained from the Census Bureau

**CITY OF GRAND LEDGE  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (UNAUDITED)  
JUNE 30, 2023**

Name of Governmental Unit	Total Long-Term Debt Outstanding	Percentage Applicable to City Residents	City Resident's Share of Debt
Direct Debt	<u>\$ 13,430,000</u>		
Total Direct	13,430,000	100.00%	\$ 13,430,000
Overlapping Debt - A			
Grand Ledge Public Schools	123,860,000	15.46%	19,148,756
Clinton County	24,564,386	0.00%	-
Eaton County	14,033,006	6.52%	914,952
Eaton RESA	2,770,000	8.08%	223,816
Lansing Community College	<u>66,875,000</u>	<u>2.01%</u>	<u>1,344,188</u>
Total Overlapping Debt	<u>244,612,217</u>		<u>21,631,712</u>
Total Direct and Overlapping Debt	<u>\$ 257,992,217</u>		<u>\$ 35,061,712</u>

A - The overlapping debt represents the share of debt that city residents are responsible for and are paying through millages levied by Other units of Government

Information obtained from Municipal Advisory Council fo Michigan

**CITY OF GRAND LEDGE  
COMPUTATION OF LEGAL DEBT MARGIN (UNAUDITED)  
LAST TEN FISCAL YEARS**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
State Equalized Value	<u>\$ 209,821,300</u>	<u>\$ 213,426,500</u>	<u>\$ 221,106,300</u>	<u>\$ 231,818,100</u>	<u>\$ 236,891,190</u>	<u>\$ 255,197,000</u>	<u>\$ 269,663,750</u>	<u>\$ 289,445,300</u>	<u>\$ 317,518,100</u>	<u>\$ 343,907,800</u>
Debt Limit (10%)	20,982,130	21,342,650	22,110,630	23,181,810	23,689,119	25,519,700	26,966,375	28,944,530	31,751,810	34,390,780
Total Debt	\$13,829,062	\$12,509,062	\$ 11,419,062	\$ 14,639,062	\$ 13,199,062	\$ 11,594,062	\$ 16,814,062	\$ 14,994,060	\$ 13,424,062	\$ 13,430,000
Less debt not subject to limit										
Revenue Bonds	2,884,062	2,734,062	2,579,062	2,419,062	2,259,062	2,094,062	1,924,062	1,749,062	1,569,062	1,384,062
Capital Lease	<u>5,460,000</u>	<u>5,010,000</u>	<u>4,555,000</u>	<u>4,085,000</u>	<u>3,605,000</u>	<u>3,120,000</u>	<u>2,625,000</u>	<u>2,120,000</u>	<u>1,605,000</u>	<u>1,080,000</u>
Net Debt subject to limit	<u>\$ 5,485,000</u>	<u>\$ 4,765,000</u>	<u>\$ 4,285,000</u>	<u>\$ 8,135,000</u>	<u>\$ 7,335,000</u>	<u>\$ 6,380,000</u>	<u>\$ 12,265,000</u>	<u>\$ 11,124,998</u>	<u>\$ 10,250,000</u>	<u>\$ 15,894,062</u>
Legal Debt Margin	<u>\$ 15,497,130</u>	<u>\$ 16,577,650</u>	<u>\$ 17,825,630</u>	<u>\$ 15,046,810</u>	<u>\$ 16,354,119</u>	<u>\$ 19,139,700</u>	<u>\$ 14,701,375</u>	<u>\$ 17,819,532</u>	<u>\$ 21,501,810</u>	<u>\$ 18,496,718</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	26%	22%	19%	35%	31%	25%	45%	38%	32%	46%

Information obtained from City Treasurer

**CITY OF GRAND LEDGE  
HISTORICAL DEBT PAYMENT REQUIREMENTS (UNAUDITED)  
LAST TEN FISCAL YEARS**

Year Ended	Utility Revenue	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			A Coverage*
				Principal	Interest	Total	
2014	\$ 2,968,874	\$ 2,288,318	\$ 680,556	\$ 145,000	\$ 75,928	\$ 220,928	3.08
2015	2,865,010	2,378,100	486,910	150,000	72,102	392,917	1.24
2016	3,377,170	2,721,099	656,071	155,000	68,352	660,058	0.99
2017	4,052,507	2,665,358	1,387,149	160,000	64,477	789,483	1.76
2018	3,681,229	3,158,682	522,547	160,000	60,477	786,083	0.66
2019	4,128,041	3,360,762	767,279	165,000	56,477	782,483	0.98
2020	5,374,098	2,987,039	2,387,059	170,000	52,352	783,658	3.05
2021	4,671,468	3,213,597	1,457,871	175,000	48,102	784,508	1.86
2022	4,998,133	3,221,523	1,776,610	180,000	43,727	785,033	2.26
2023	5,796,716	4,140,058	1,656,658	185,000	39,227	785,233	2.11

A - Shortfalls in revenue coverage have been subsidized by capital contributions and temporary reductions in fund balance, with increased utility rates in the following fiscal year

Information obtained from City Treasurer

**CITY OF GRAND LEDGE  
DEMOGRAPHIC STATISTICS (UNAUDITED)  
LAST TEN FISCAL YEARS**

Year Ended	<b>A</b> Population	<b>A</b> Personal Income	<b>A</b> Per Capita Personal Income Income	<b>C</b> Unemployment Rate
2014	7,786	\$ 55,962	\$ 33,946	5.70%
2015	7,786	56,929	34,533	4.50%
2016	7,786	57,796	35,059	4.20%
2017	7,786	58,976	35,775	4.00%
2018	7,786	59,874	36,319	3.50%
2019	7,786	61,221	37,136	3.40%
2020	7,786	62,153	37,702	7.90%
2021	7,786	65,368	39,652	5.30%
2022	7,881	65,368	39,652	4.40%
2023	7,881	65,368	39,652	3.90%

Data Sources:

**A** - Information obtained from the Census Bureau

**B** - Information obtained from Michigan Dept of Technology, Management & Budget  
(Eaton County Annual County Average)

**CITY OF GRAND LEDGE  
CONCENTRATION OF WORKFORCE (UNAUDITED)  
CURRENT YEAR AND NINE YEARS AGO**

Employer	Fiscal Year			
	2023 Employees	Rank	2014 Employees	Rank
Grand Ledge Public Schools	577	1	544	2
Lowes Flatbed Distribution	550	2	550	1
Meijer	345	3	320	3
Mackenzie Environmental Services	308	4	300	4
ET Mackenzie Co	155	5	130	5
Robert Sinto Corp	131	6	100	6
E-T-M Enterprises	92	7	84	7
Independence Village	63	8	63	8
American Bottling Co	50	9	50	9
Cuginos	45	10	40	10

Information obtained from Tri-County Regional Planning Commission

**CITY OF GRAND LEDGE  
 FULL TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION (UNAUDITED)  
 LAST TEN FISCAL YEARS**

Function	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Government	10	11	11	11	12	12	12	12	13	14
Public Safety										
Police										
Sworn Officers	15	15	15	15	15	15	15	15	15	15
Highways and Streets										
Maintenance	5	5	5	5	5	5	5	5	5	5
Sewer	4	4	4	4	4	4	4	4	4	4
Water	6	6	6	6	6	6	6	6	6	6
	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>
Total	<u>40</u>	<u>41</u>	<u>41</u>	<u>41</u>	<u>42</u>	<u>42</u>	<u>42</u>	<u>42</u>	<u>43</u>	<u>44</u>

Information Obtained from City Treasurer

**CITY OF GRAND LEDGE  
OPERATING INDICATORS BY FUNCTION (UNAUDITED)  
LAST TEN FISCAL YEARS**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Government (A)</b>										
Building Permits Issued	113	140	156	138	146	186	179	189	153	192
Election Data										
Registered Voters	5,945	5,923	5,874	5,989	5,967	6,053	6,041	6,453	6,698	5,810
Voters (at polls or absentee)	316	3,001	475	4,104	994	3,836	1,389	4,727	1,197	4,091
Percent Voting	5%	51%	8%	69%	17%	63%	23%	73%	18%	70%
<b>Public Safety (B)</b>										
Violent Crimes	81	3	4	22	8	22	16	18	57	46
Property Crimes	143	31	62	62	121	108	73	80	112	115
Traffic Injuries or Fatalities	18	171	101	132	171	140	187	125	34	32
Number of Crossing Guards	3	3	3	3	3	3	-	-	3	3
<b>Public Works (C)</b>										
Collected and Disposed										
Recycling (tons)	368	251	131	178	117	118	93	114	112	113
Leaves (cubic yards)	312	370	464	400	333	603	462	459	373	475
Number of Trees										
Planted (replaced)	11	9	6	20	14	8	17	24	46	45
Sewer										
Number of Customers	3,512	3,613	3,620	3,628	3,654	3,635	3,715	3,718	3,718	3,720
Total Flow Sold in Million Gallons	207.7	205.1	200.3	221.3	168.3	192.6	204.8	189.4	184.6	191.4
Water										
Number of Customers	3,495	3,595	3,602	3,610	3,636	3,617	3,697	3,700	3,700	3,702
Total Flow Sold in Million Gallons	221.0	218.2	213.1	236.6	180.0	206.8	213.0	205.2	195.0	206.0

A - Information obtained from City Clerk, City Treasurer

B - Information obtained from City Police Dept

C - Information obtained from Department of Public Works

**CITY OF GRAND LEDGE  
CAPITAL ASSETS STATISTICS BY FUNCTION (UNAUDITED)  
LAST TEN FISCAL YEARS**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Government (A)</b>										
Number of General Government Buildings	1	1	1	1	1	1	1	1	1	1
<b>Public Works (B)</b>										
Number of Public Works Buildings	4	4	4	4	4	4	5	5	5	5
Miles of Local Streets	21.46	21.46	21.46	21.46	21.46	22.03	22.70	22.70	22.81	22.81
Miles of Major Streets	8.64	8.64	8.64	8.64	8.64	8.64	8.64	8.64	8.64	8.64
Miles of Sidewalks	37.98	37.98	37.98	37.98	37.98	39.87	49.49	51.53	52.01	52.01
Miles of Sewer	45.30	45.30	45.30	45.30	45.30	45.70	46.25	46.25	46.40	46.40
Miles of Water Lines	49.76	49.76	49.76	49.76	49.76	50.33	51.00	51.00	51.10	51.10
Recreation & Parks										
Acres of Parks and Facilities	95.77	95.77	95.77	108.30	109.01	115.63	115.63	125.73	125.73	125.73

A - Information obtained from, City Treasurer

B - Information obtained from Department of Public Works